# Kemi Badenoch proposes abolishing stamp duty to boost housing market and social mobility



At the recent Conservative Party conference, UK opposition leader Kemi Badenoch unveiled a significant policy proposal to abolish stamp duty on primary home purchases in England and Northern Ireland should the Conservatives secure power. Describing the tax as a "bad tax," Badenoch argued that its removal would "free up our housing market" and enhance social mobility by making home ownership more accessible. She said, “We must free up our housing market, because a society where no one can afford to buy or move is a society where social mobility is dead.” This pledge positions stamp duty abolition as a key Conservative ambition to revive the housing market and contribute to a fairer society.

Stamp duty, a “slab” tax applied at different rates on property purchases, currently has a nil rate band of £125,000 in England and Northern Ireland, with first-time buyers benefiting from a higher threshold of £300,000. The stamp duty system raised approximately £13.9 billion in the last financial year, much of it from transactions involving additional homes and non-primary residences. Analysts from the Institute for Fiscal Studies (IFS) estimate that removing stamp duty on primary homes would reduce government revenues by about £4.5 billion annually. According to Paul Johnson, the IFS’s former director, scrapping stamp duty is a compelling reform choice but should be offset by increasing council tax on higher-value properties to balance public finances. Johnson cautioned that tax relief should also extend to second homes to avoid distorting the rental market.

The proposal was met with cautious optimism and critique by financial experts. Sarah Coles, a head of personal finance at Hargreaves Lansdown, noted that while stamp duty contributes to buying costs, it is often not the main obstacle for many buyers, who face greater challenges raising deposits and managing other transaction costs such as estate agency fees, conveyancing, and removals. She highlighted that first-time buyers already pay no stamp duty on properties up to £300,000, suggesting that deposit requirements remain the biggest hurdle. Meanwhile, Stuart Cheetham, CEO of mortgage lender MPowered, warned that eliminating stamp duty could stimulate the property market but might also accelerate house price increases, neutralizing any financial gains for buyers.

Lucian Cook, head of residential research at Savills, pointed out that any tax cuts for buyers frequently translate directly into higher property prices, essentially passing the benefit from buyers to sellers. He estimated that the relief would most affect mortgaged homebuyers and downsizers rather than first-time buyers, given existing stamp duty exemptions already favour the latter group.

Badenoch's announcement forms part of a broader Conservative policy agenda aimed at fiscal restraint and economic rejuvenation. Alongside the stamp duty pledge, she introduced a fiscal "golden rule," which promises half of any savings from £47 billion in planned annual public spending cuts—targeting welfare, foreign aid, and public sector employment—would be dedicated to debt reduction, with the remainder supporting tax cuts or public spending. Notably, she also pledged to abolish net zero environmental targets. These measures reflect a strategic effort to reposition the Conservative Party’s image following post-Brexit disruptions and internal divisions.

Supporters argue the abolition of stamp duty could energise the housing market by reducing upfront transaction costs and stimulating related spending on movers, builders, and furniture, thereby benefiting the wider economy. However, economists remain divided on its overall impact, debating whether it would significantly improve housing affordability or simply inflate prices. The complexity of balancing tax relief, public revenue, and equitable housing access remains central to the policy discourse as the next general election approaches.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.independent.co.uk/money/kemi-badenoch-conservative-treasury-conservatives-england-b2841791.html), [[3]](https://www.itv.com/news/2025-10-08/conservative-party-would-abolish-stamp-duty-badenoch-announces), [[4]](https://www.gbnews.com/money/stamp-duty-abolish-kemi-badenoch-economy), [[6]](https://www.independent.co.uk/news/uk/politics/stamp-duty-kemi-badenoch-tory-conference-speech-b2841706.html)
* Paragraph 2 – [[1]](https://www.independent.co.uk/money/kemi-badenoch-conservative-treasury-conservatives-england-b2841791.html), [[6]](https://www.independent.co.uk/news/uk/politics/stamp-duty-kemi-badenoch-tory-conference-speech-b2841706.html)
* Paragraph 3 – [[1]](https://www.independent.co.uk/money/kemi-badenoch-conservative-treasury-conservatives-england-b2841791.html)
* Paragraph 4 – [[1]](https://www.independent.co.uk/money/kemi-badenoch-conservative-treasury-conservatives-england-b2841791.html)
* Paragraph 5 – [[2]](https://www.reuters.com/world/uk/uk-opposition-conservative-leader-makes-surprise-pledge-cut-property-tax-2025-10-08/), [[6]](https://www.independent.co.uk/news/uk/politics/stamp-duty-kemi-badenoch-tory-conference-speech-b2841706.html)
* Paragraph 6 – [[4]](https://www.gbnews.com/money/stamp-duty-abolish-kemi-badenoch-economy), [[5]](https://www.independent.co.uk/news/uk/politics/stamp-duty-abolished-tax-kemi-badenoch-tory-conference-latest-news-b2841644.html)

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## Bibliography

1. <https://www.independent.co.uk/money/kemi-badenoch-conservative-treasury-conservatives-england-b2841791.html> - Please view link - unable to able to access data
2. <https://www.reuters.com/world/uk/uk-opposition-conservative-leader-makes-surprise-pledge-cut-property-tax-2025-10-08/> - At the 2025 Conservative Party conference, UK opposition leader Kemi Badenoch announced a pledge to abolish stamp duty on property purchases over £125,000 in England and Northern Ireland. Economists often criticise this tax for discouraging housing transactions and limiting economic mobility. Alongside this announcement, Badenoch introduced a new fiscal 'golden rule' aimed at reducing government borrowing by implementing £47 billion in annual spending cuts focused on welfare, foreign aid, and the government workforce. Half of the savings would be used to reduce Britain's high national debt, now approaching 100% of GDP, and the other half would support tax cuts or public spending. Badenoch also pledged to eliminate net zero environmental targets. Her comprehensive proposals aim to revive the Conservative Party's image, which has been weakened by post-Brexit turmoil and internal divisions. ([reuters.com](https://www.reuters.com/world/uk/uk-opposition-conservative-leader-makes-surprise-pledge-cut-property-tax-2025-10-08/?utm_source=openai))
3. <https://www.itv.com/news/2025-10-08/conservative-party-would-abolish-stamp-duty-badenoch-announces> - Kemi Badenoch has pledged to abolish stamp duty if the Conservatives win the next election. Describing the tax on homebuyers as a 'bad' one, the Conservative leader told the party's annual conference: 'We Conservatives believe that owning your own home gives you a real stake in society.' She added that she had examined the stamp duty thresholds and rates but concluded that simply lowering them would not be sufficient. Therefore, she announced that the next Conservative government would abolish stamp duty on homes. In her first keynote speech to a party conference since becoming leader, Badenoch outlined her vision for a Britain under her leadership, emphasising a return to Conservative principles. ([itv.com](https://www.itv.com/news/2025-10-08/conservative-party-would-abolish-stamp-duty-badenoch-announces?utm_source=openai))
4. <https://www.gbnews.com/money/stamp-duty-abolish-kemi-badenoch-economy> - Stamp duty would be abolished if the Conservative Party wins the next General Election, Kemi Badenoch has confirmed at this year's Tory conference. The Conservative leader confirmed the tax levied on property purchases would be scrapped in a complete overhaul to the HM Revenue and Customs (HMRC) regime. During her address to Tory Party members, Ms Badenoch described ending stamp duty as being 'key to a fairer society'. She stated that the move would benefit people of all ages and bolster the economy by encouraging spending associated with moving house, such as on movers, builders, decorators, and furniture. ([gbnews.com](https://www.gbnews.com/money/stamp-duty-abolish-kemi-badenoch-economy?utm_source=openai))
5. <https://www.independent.co.uk/news/uk/politics/stamp-duty-abolished-tax-kemi-badenoch-tory-conference-latest-news-b2841644.html> - Kemi Badenoch has promised to abolish stamp duty in order to make the 'dream of home ownership open to all' and 'unlock a fairer and more aspirational society'. 'The next Conservative government will abolish stamp duty on your home. It will be gone,' she said. She argued that scrapping stamp duty would benefit people of all ages, including young professionals, growing families, and pensioners. Ms Badenoch described stamp duty as a 'tax that is a barrier' to individuals making beneficial choices for themselves, their families, and society. ([independent.co.uk](https://www.independent.co.uk/news/uk/politics/stamp-duty-abolished-tax-kemi-badenoch-tory-conference-latest-news-b2841644.html?utm_source=openai))
6. <https://www.independent.co.uk/news/uk/politics/stamp-duty-kemi-badenoch-tory-conference-speech-b2841706.html> - Kemi Badenoch has promised to abolish stamp duty for primary residences. She pledged to impose a 'golden rule' on her budget plans, spending only half of any savings made through spending cuts, with the rest going to reduce the deficit. Committing to freeing up the housing market by abolishing stamp duty on people's primary homes, Mrs Badenoch said: 'Stamp duty is a bad tax. We must free up our housing market, because a society where no one can afford to buy or move is a society where social mobility is dead.' Stamp duty brought in an estimated £13.9bn in the last financial year, but a large proportion of this is from additional homes and other buildings. The Institute for Fiscal Studies (IFS) has estimated that abolishing stamp duty on primary homes would cost around £4.5bn and backed the plans. Paul Johnson, the organisation’s former director, told The Independent scrapping the tax would be his 'first port of call' – but called for it to be accompanied by an increase in council tax on higher value properties to claw back some of the money spent. 'It would be great to scrap stamp duty,' he said. 'If you're going to do it, there is a very strong case for increasing council tax on higher value properties. Stamp duty is a drag on the housing market.' However, he warned it would need to be accompanied by a cut for second homes to prevent the policy from increasing the 'distortions and disincentives for rentals'. 'If you got rid of it for first properties and left it there for others, it would even further increase the distortions and disincentives for rentals, so you’d need to reduce it by the same amount at least,' he said. ([independent.co.uk](https://www.independent.co.uk/news/uk/politics/stamp-duty-kemi-badenoch-tory-conference-speech-b2841706.html?utm_source=openai))