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NEW UK BUDGET DOESN'T GO FAR ENOUGH, ACCORDING TO BUSINESS LEADERS

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Chancellor Philip Hammond unveiled the Spring Budget for the UK on Wednesday, sparking a wave of reactions across the business world.

Amid some positive claims about the immediate future of the UK's economy, such as more growth and less borrowing than was initially projected, plenty of new measures were introduced, including a £1K rate rebate for pubs worth less than £100K. That bit of aid comes as discussion continues on imminent rate raises for all businesses.

The Treasury also plans to invest £270M in disruptive technologies such as driverless cars and robotics. £690M was earmarked for transportation improvements to ease urban congestion.

Some devolution was also granted to London and other local governments to oversee spending and strategy on their own infrastructure and transit improvements.

A notable omission from the budget according to CRE executives was in the area of stamp duty, where the rates — and the thresholds for which properties are charged the higher rates — remain unchanged.

What do commercial property experts think of the budget?

BNP Paribas head of rating Emily Francis

“Although 90% of public houses will be theoretically eligible for today’s relief, the fact that it is subject to state aid rules means only a fraction of operators will benefit, and the hospitality industry will be badly out of pocket if government plans to restrict appeals come into force."

Bruton Knowles associate Steve Pozerskis

“Landlords will be raising a glass to the chancellor following the government's pledge to support pubs as part of today's announcement. We are pleased money has been set aside for this industry. It is encouraging government recognises the importance of pubs in the rural economy as they are often the hub of local villages and towns."

Knight Frank chief economist James Roberts

"Measures to boost the UK as a scientific and technology-driven economy are welcome, and will help future-proof commercial property in the digital age. Across the country we have seen a surge in demand for business space from technology and creative industries — particularly in London, where they have been the largest acquirers of offices for the last six years. Also, e-commerce has turned logistics property from real estate's Cinderella sector into one of the best performing markets.

This investment in science and technology should support demand for commercial property from industries that the UK will increasingly rely upon for growth after leaving the European Union. Property investors are targeting buildings in tech districts in cities, and landlords and property owners will welcome these measures from the Chancellor."

Knight Frank head of business rates Keith Cooney

"Although we welcome the proposed measures, the Chancellor has completely ignored those business which are facing shocking overnight increases of up to 42%. Those businesses with a rateable value over £100K only account for 11% of the total of the entire amount of rating assessments, yet they pay a disproportionate 72% of the £26B collected every year. To ignore these important drivers of the economy and allow them to be burdened with such an overnight increase is irresponsible and may well push some into insolvency."

Carter Jonas head of residential Rory O'Neill

“A reduction in stamp duty is the final catalyst the property market needs to boost transactions, yet the Chancellor has again missed an opportunity to make the necessary reforms with the Spring Budget.

Current stamp duty rates are stifling the top end of the market, which was of course the intention, but it is worth considering that multimillion-pound properties do not operate in isolation. If they are not selling, there will be — and in part already is — a ripple effect that reduces the availability of entrylevel properties, precluding first and second-time buyers from embarking on their journey up the ladder.

This is even more pronounced in London with its accidental property millionaires, who frequently have to pay £200M to upsize from a three-bed to a four-bed home, but who lack the cashflow to absorb SDLT fees, creating a perceptible slowdown in volume of transactions.

As it stands, stamp duty is prohibitively high. A £1.5M purchase commands over £93K in SDLT charges, and it is the only negative stalling the market — even the attractiveness of the pound to dollar based buyers, affordable borrowing and pent-up demand cannot counterbalance the weight of transactional costs on homeowners."

Landbay CEO John Goodall

“For all the talk of easing the pressure on affordability in last month’s housing white paper, Hammond’s Budget was underwhelming to say the least. By not raising the stamp duty threshold, the Chancellor has missed a valuable opportunity to improve access to the housing ladder for millions of aspiring homeowners in the UK, for many of whom the tax is the final straw when facing prices that continue to climb.

Stamp duty is a significant barrier to liquidity in the market and any increase to the threshold would help to reverse the falling home ownership numbers and transaction volumes. I hope the situation is reviewed in the Autumn Budget.

A £690M competition for local authorities to tackle urban congestion and improve local transport networks, and a £220M fund for road networks, could well help to lubricate the creaking gears in Britain’s transport infrastructure.

Along with the shortened journey times between these cities, there is a significant economic case for improving the movement of people both between and around our major cities. People now spend over half of their take-home pay on rent each month, and one of the best ways of alleviating this pressure is to improve transport infrastructure, thereby spreading populations over a larger surface area.”

Dukelease Properties managing director Paul Cook

"This was an opportunity for the government to embellish on the recent housing white paper and provide clarity around how they plan to tackle the ongoing challenges facing the [real estate] industry. However, much like last year, the budget was noticeably lacking in its address to housing in any significant way.

With that said, investment in associated industries, such as roads and transport, is a welcome move, specifically in the north of England and the Midlands. Good infrastructure is the keystone to successful regeneration, and a catalyst for investment. We also welcome the devolution of power to regional centres and the introduction of the Midlands Engine Strategy. These centres are best informed to make significant decisions to benefit the local community and boost economic growth."