

Example 9.3

Sahid and Mya are married but have recently split up. They jointly own a £1,450,000 property subject to a £500,000 lifetime mortgage. Mya transfers her 50% interest in the property to Sahid, who takes responsibility for the whole outstanding mortgage. Assume no cash or other consideration is paid and that the transfer is not made under a divorce or legal-separation agreement or court order.

Which of the following statements is FALSE?

- a) The chargeable consideration arising from Sahid taking over Mya's mortgage liability is £250,000.
- b) The chargeable consideration is based on 50% of the property's £1,450,000 market value.
- c) Taking over Mya's share of the mortgage can constitute chargeable consideration for SDLT purposes.
- d) Mya's share of the £500,000 mortgage is £250,000.

The correct answer is b). For SDLT purposes, where Sahid assumes responsibility for Mya's share of the outstanding mortgage, the relevant chargeable consideration is based on the mortgage liability he takes over, rather than 50% of the property's market value. Assuming they each have a 50% interest, Sahid takes over £250,000 of Mya's mortgage liability.