

## 2021 – New Challenges or much of the same?

Dear friends, clients and fellow investors

As this year begins, seemingly as uncertain as last year ended and we find ourselves in lockdown number 3, I thought it important to remind you that we're still here and, although some of the team are working remotely, we still working on your behalf; we're still here to answer your questions and keep on top of your financial plans.

Please do get in touch through your Personal Finance Portal (PFP) - the most secure way to contact us – if you would like us to contact you personally. Your PFP can be accessed from our website <https://estatefinancialplanning.org/> or via an app on your phone. Some of our clients are experiencing very difficult times, both financially and personally so please bear with us if we do not respond immediately (within 48 hours) to your secure message to us. We are optimistic that we can support all clients through these troubled times.

Looking to the future, I can see a couple more headwinds on the horizon:

1. At the end of the furlough scheme, currently proposed to be April 2021, some jobs will not have been retained. This means unemployment figures will increase - with all that entails!
2. The Job Retention Scheme has been generally well received. It has certainly kept a lot of businesses, that would otherwise have folded, afloat. The huge cost to UK Government could be as much as £50bn – which will need to be repaid. [Click here](#) to 'read all about it'. As a result, we expect some rises in taxes and, from what I read and hear, Capital Gains Tax and Corporate Tax are the most likely to be affected as these increases would seem to be the least unpopular. But, at this stage, this is speculation.
3. Another scheme due to end is The Stamp Duty Holiday Scheme - 31<sup>st</sup> March 2021. The last time we saw this sort of incentive being removed was the withdrawal of the double Mortgage Interest Relief (MIRAS) 1988. As you may remember, the housing market fell after that. That said, if you find a property that you love and you plan to be there for a long time, why not move? Mortgage rates are low so buying may be cheaper than renting - house prices go up and down and we hope the longer trend will be up!

Here are some positives to bear in mind:

1. The financial models have proved remarkably resilient - with some excellent returns in very uncertain times. We look forward to updating you following our first quarterly review of 2021, 1<sup>st</sup> February.
2. 'Brexit' has happened. Not an ideal outcome. But at least there is a degree of certainty allowing us to deal with the known fallout and to move forward.
3. Vaccines to the Coronavirus 19 are being rolled out with the goal of reaching everyone by the middle of the year. The darkest hours, however, is said to be just before dawn so we must be mindful that we're not yet out of the woods!
4. There is plenty of planning that we can do to prepare for the end of this pandemic so please do get in touch if you have any financial concerns (personal, local or global).

# Estate Financial Planning Ltd



I sincerely hope you are able to follow guidelines to reduce the spread of the virus and the team and I send you every good wish for you and your loved ones safe - hopefully it won't be long before we recognise some semblance of 'the new normal'.

I end by reminding you of our mission statement: **empowering our clients to live the lives they aspire to.**