

Stamp Duties Consolidation Act 1999

Schedule 1: Stamp Duties on Instruments - LEASE Head of Charge

This document should be read in conjunction with Schedule 1 to the Stamp Duties Consolidation Act (SDCA) 1999.

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1 Introduction

Section 2 SDCA provides for Stamp Duty to be charged on any instrument (i.e., written document) that is specified in Schedule 1 SDCA and executed (i.e., signed or sealed, or both) in the State or, wherever executed, relates to any property situated in the State or any matter or thing done or to be done in the State. Schedule 1 sets out the rate(s) of Stamp Duty chargeable on each of these instruments.

One of the instruments specified in Schedule 1 is the “LEASE” head of charge, which applies in respect of the creation (or grant) of a lease and, in certain circumstances, an agreement for a lease.

Any subsequent assignment or transfer of a leasehold interest is chargeable to Stamp Duty under the “CONVEYANCE or TRANSFER on sale of any property other than stocks or marketable securities or a policy of insurance or a policy of life insurance” head of charge.

This document provides comprehensive guidance on the operation of the LEASE head of charge as provided for in Schedule 1. It should be read in conjunction with [Stamp Duty Manual Part 5: Provisions applicable to particular instruments – Leases](#) and [Part 7: Section 81D - Relief for leases of farmland](#). A glossary of key terms relating to leases is contained in the [Appendix](#).

2 Scope of the LEASE head of charge

The term “lease” is not defined for the purposes of the SDCA and therefore takes its general legal meaning. Murdoch and Hunt’s Encyclopedia of Irish Law includes the following commentary on the meaning of “lease”:

“A conveyance or grant by a lessor to a lessee of possession of property, to last for a certain period of time; it must be for a period less than the estate or interest of the lessor as otherwise it is a conveyance or assignment and not a lease”. ... A lease is usually made in consideration of a fine (which is a payment from the lessee to the lessor on the creation of the interest) and on the payment of rent.”¹

In contrast to the granting of licence that can be revoked at any time, a lease grants the lessee exclusive possession of the property.

The LEASE head of charge in Schedule 1 SDCA is divided into five paragraphs, each of which describes a particular category of lease and the rate(s) of Stamp Duty chargeable in respect of each of those categories. The head of charge is primarily confined to leases of lands², tenements³ and heritable subjects⁴ (paragraphs (1) to

¹ Hunt, B. (2025). lease. In Murdoch and Hunt’s Encyclopedia of Irish Law. London: Bloomsbury Professional. Retrieved February 10, 2026, from https://www.bloomsburyprofessionalonline.com/professional-content?docid=murdoch_hunt&tocid=lease

² The Interpretation Act 2005 defines “land” as including tenements, hereditaments, houses and buildings, land covered by water and any estate, right or interest in or over land.

³ Buildings.

⁴ Property capable of being passed on a death.

(4)). However, a fixed Stamp Duty of €12.50 is chargeable in respect of leases of any other immovable property situated in the State (or to any right over or interest in such property) where not already described in paragraphs (1) to (4) (paragraph (5)).

The applicable rate(s) provided for in paragraphs (1) to (4) are determined by:

- whether the lease is in respect of residential or non-residential property,
- the term of the lease, and
- whether the consideration is in the form of a premium (or fine)⁵ or rent⁶, or both.

2.1 Paragraph (1) – Exemption for certain leases of residential property

This paragraph provides for an exemption from Stamp Duty in respect of a lease of a house or an apartment if:

- the annual rent is €50,000 or less, and
- the term of the lease:
 - is for an indefinite period, or
 - does not exceed 35 years.

Previously, the limits were:

- €40,000 annual rent for instruments executed before 18 December 2023.
- €30,000 annual rent for instruments executed before 11 October 2017.
- €19,050 annual rent for instruments executed before 13 March 2008.

The exemption applies only in respect of the Stamp Duty that would otherwise be payable in respect of the rent; it does not apply in respect of the Stamp Duty that is payable in respect of any premium paid (see guidance on paragraph (3) below).

However, the existence of a gift element may bring such leases within the charge to Stamp Duty if the rent payable under a lease is below market value. It should be notionally increased to a market value rent, and Stamp Duty charged on a notional premium under section 54 SDCA. Guidance on the application of section 54 is contained in [Stamp Duty Manual Part 5: Provisions applicable to particular instruments – Leases](#).

It is not necessary to file a Stamp Duty return in order to claim this exemption; it applies automatically.

⁵ A one-time, lump-sum payment made at the commencement of a lease, often in exchange for a lower periodic rent or to secure a long-term interest in the property.

⁶ A periodic payment (e.g., payable monthly) made by a tenant to a landlord for the exclusive use of property.

Example 1 – Exemption for rent below €50,000

Alex takes a lease on an apartment for a 2-year term at an annual rent of €38,000. Since the annual rent is **€50,000 or less** and the term does not exceed 35 years, the lease is **exempt** from Stamp Duty.

Example 2 – Where rent is over €50,000

Max is moving to Ireland and is looking to rent a luxury 5-bedroom house for himself and his family. He finds a suitable property. The lease is for 2 years, and the annual rent is €80,000. Since the annual rent is **over €50,000**, the lease is not exempt from Stamp Duty. Stamp Duty is payable ($€80,000 \times 1\% = €800$), and a Stamp Duty return must be filed.

2.2 Paragraph (2) – Lease of lands, tenements, or heritable subjects for less than one year

This paragraph provides that a lease for any definite term less than one year of any lands, tenements or heritable subjects is chargeable with Stamp Duty as if it were a lease for one year (see guidance in relation to paragraph (3) below).

It is important to note that the inclusion of a clause in the lease extending the term of the lease to a year or more renders the lease liable to Stamp Duty on the rent for a year.

Example

Niall takes a lease on a commercial premises for a term of 8 months for a rent of €600. The Stamp Duty chargeable is €6 ($€600 \times 1\%$). Had the lease included a clause extending this term to a year, the stampable consideration would be €900 instead of €600 ($€600/8 \times 12$).

2.3 Paragraph (3) – Any other lease of lands, tenements, or heritable subjects

This paragraph sets out the rate(s) of Stamp Duty chargeable in respect of any lease of lands, tenements or heritable subjects, other than the categories of leases already described in paragraphs (1) and (2).

Where the consideration is in the form of a premium (or fine), Stamp Duty will be chargeable on any consideration (other than rent) consisting of:

- money, stock, or security (paragraph (3)), and/or
- the value of any produce or other goods (section 51 SDCA).

Where the consideration is in the form of periodic rent, Stamp Duty will be chargeable on the average annual rent payable under the lease.

Where the consideration comprises both a premium and rent, the Stamp Duty will be chargeable on both the premium and on the average annual rent.

2.3.1 Consideration in form of premium – residential property

Under paragraph (3)(a)(i)(I), the standard rates of Stamp Duty chargeable on a lease of residential property are as follows:

Aggregate Consideration	Rate
First €1,000,000	1%
€1,000,001 to €1,500,000	2%
Excess over €1,500,00	6%

Where the consideration is in respect of 3 or more apartments in the same apartment block, the rates, in accordance with paragraph (3)(a)(i)(II) are:

Aggregate Consideration	Rate
First €1,000,000	1%
Excess over €1,000,000	2%

Where the consideration is in respect of a “relevant residential unit” within the meaning of section 31E, shall be chargeable at the higher rate of 15% of the consideration, in accordance with paragraph (3)(a)(i)(III). Detailed guidance on the operation of section 31E is available in Stamp Duty Manual Part 5 [Section 31E: Stamp Duty on certain acquisitions of residential property](#).

2.3.1.1 Transaction forms part of a larger transaction or series of transactions paragraph (3)(a)(ii)

Aggregation applies in determining the Stamp Duty liability where a transaction forms part of a larger transaction or of a series of transactions involving residential property. The Stamp Duty liability is calculated on the aggregate consideration; the liability is then apportioned between the separate properties which are transferred by separate instruments. The apportionment is pro-rata to the consideration for each property.⁷

When the lease forms part of a larger transaction or series involving residential property, the Stamp Duty is calculated using the following formula:

$$\text{Stamp Duty Payable} = (A \times B) / C$$

Where:

A = Total Stamp Duty that would be chargeable if the full consideration, (other than rent) attributable to residential property in the larger transaction or series was subjected to the rates outlined above.

⁷ Paragraph (3)(a)(i)-(ii) of the LEASE head of charge and section 52(5) SDCA refers.

B = Consideration (other than rent) for the lease attributable to residential property.

C = Total consideration (other than rent) attributable to residential property in the larger transaction or series.

Example

James has decided to become a landlord in the private rental sector. He approaches a developer who is building a new block of apartments, and they enter into an agreement to lease 5 apartments in the block. James receives a discounted rate of €4.2 million from the developer for the acquisition of the 5 apartments.

On **10 January 2026**, James enters into a 999-year lease in respect of 3 of the apartments with consideration recited in the lease at €2.5 million (“Purchase No. 1”).

On **20 March 2026**, James enters into a 999-year lease in respect of the remaining 2 apartments with consideration recited in the lease at €1.7 million (the “Purchase No. 2”).

Although these transactions are executed separately, they are interdependent due to the discounted rate applied for purchasing 5 apartments.

The Stamp Duty chargeable is calculated on **both transactions** using the formula **A x B/C**. As the transactions relate to 3 or more apartments in an apartment block the 6% rate does not apply.

A = Total Stamp Duty that would be chargeable if the full consideration, (other than rent) attributable to residential property had the properties not formed part of a larger transaction or a series of transactions.

B = is the amount of consideration attributable to a particular transaction (other than rent).

C = Total consideration (other than rent) attributable to residential property in the larger transaction or series.

A is calculated as follows:

€1,000,000 @ 1% = €10,000

€3,200,000 @ 2% = €64,000

= €74,000

The Stamp Duty is apportioned between both leases as follows:

- Lease No. 1 – €74,000 x €2,500,000 / €4,200,000 (A x B/C) = €44,048
- Lease No. 2 – €74,000 x €1,700,000 / €4,200,000 (A x B/C) = €29,952

Please note when filing the Stamp Duty returns in relation to transactions which form part of a series of transactions the filer must indicate on **each** return including the first return that the transaction forms part of a series of transactions.

2.3.2 Consideration in form of premium – non-residential property (paragraph (3)(b))

The rate of Stamp Duty on consideration in the form of a premium in respect of a lease of non-residential property is 7.5% of the consideration.

2.3.3 Consideration in form of periodic rent – residential or non-residential property (paragraph (3)(c))

Where the consideration is in the form of rent, Stamp Duty is payable on the average annual rent that is payable under the lease at a rate that is determined by the term of the lease.

Term of the Lease	Rate of Duty on Average Annual Rent
Not exceeding 35 years or indefinite	1%
Exceeding 35 years but not exceeding 100 years	6%
Exceeding 100 years	12%

Example 1 – Calculating Stamp Duty on the average annual rent

Where the rent payable under a 10-year lease is €10,000 per month, the average annual rent is €120,000 and Stamp Duty will be payable at the rate of 1% on the average annual rent of €120,000 (i.e., €1,200). The rate of Stamp Duty payable on the average annual rent depends on the term of the lease.

Example 2 – Calculating Stamp Duty on the average annual rent

A lease is granted for a term of 20 years. The annual rent is set at €30,000 for the first 10 years, at €40,000 for the following 5 years and at €45,000 for the remaining 5 years.

10 years x €30,000	€300,000
5 years x €40,000	€200,000
5 years x €45,000	€225,000
Total rent payable	€725,000

The average annual rent is €36,250 (€725,000/20). This is the stampable consideration and is chargeable at the rate of 1%.

Example 3 – Calculating Stamp Duty on the average annual rent

A lease of a commercial premises is granted for a term of 20 years. The lease contains a rent review clause. The annual rent is set at €30,000 for the first 5 years and at €40,000 for the following 5 years. The rent payable for year 11 and subsequent years is to be set in accordance with the rent review clause.

The average annual rent is calculated on the rent payable for the first 10 years:

5 years x €30,000 =	€150,000
5 years x €40,000 =	€200,000
Total rent payable =	€350,000

The average annual rent is €35,000 (€350,000/10). This is the stampable consideration and is chargeable at the rate of 1%.

Example 4 – Rent payable in advance

Mairéad grants Caroline a lease for a term of 3 years at a rent of €2,000 p.a. The lease provided that the total of the rent due *i.e.* €6,000 should be paid on the signing of the lease. Stamp Duty is chargeable on the average annual rent of €2,000 (€6,000/3).

2.3.4 Consideration in form of both premium and periodic rent

Where both a premium and rent are payable under a lease, Stamp Duty is chargeable on both the premium and the average annual rent payable under the lease, as set out above.⁸ Illustrative examples are set out below.

Example 1 – Premium and rent

Aoife leases her shop to Susan for a term of 7 years. The annual rent reserved is €5,000 and there is a premium payable of €20,000. Stamp Duty is chargeable on both the premium and the rent.

Example 2 – Premium and rent for residential property

Property: Residential

Lease Term: 25 years

Average Annual Rent: €15,000

Premium: €1,200,000

Duty on Rent: Term not exceeding 35 years: 1% of average annual rent.

Duty = €15,000 × 1% = €150

Duty on Premium:

First €1,000,000 at 1%: €1,000,000 × 1% = €10,000

Excess €200,000 at 2%: €200,000 × 2% = €4,000

Total Duty on Premium = €10,000 + €4,000 = €14,000

Total Duty Payable: €150 (rent) + €14,000 (premium) = €14,150

Example 3 – Premium and rent for commercial property

Property: Non-residential (Commercial Building)

Lease Term: 30 years

⁸ Paragraph (3) of the LEASE head of charge and section 7(b) SDCA refers.

Average Annual Rent: €20,000

Premium: €100,000

Duty on Rent: Term not exceeding 35 years: 1% of average annual rent.

Duty = €20,000 × 1% = €200

Duty on Premium:

Duty = €100,000 × 7.5% = €7,500

Total Duty Payable: €200 (rent) + €7,500 (premium) = €7,700

2.4 Paragraph (4) - Lease made after, and in conformity with, agreement stamped section 50 or 50A SDCA

This paragraph provides that a lease made subsequently to, and in conformity with, an agreement that has been stamped in accordance with either section 50 or 50A SDCA is chargeable to a fixed Stamp Duty in the amount €12.50. Sections 50 and 50A SDCA provides for agreements for leases to be chargeable with Stamp Duty as if they were leases in certain circumstances. Detailed guidance on these provisions is contained in [Stamp Duty Manual Part 5: Provisions applicable to particular instruments – Leases](#).

2.5 Paragraph (5) - Lease of any other immovable property situated in the State

This paragraph provides for a fixed Stamp Duty in the amount €12.50 to be chargeable in respect of a lease relating to immovable property situated in the State or any right over, or interest in, such property, where such lease is not already described in paragraphs (1) to (4). For example, where a lease contains a rent review clause, the fixed Stamp Duty charge applies in respect of the rent review clause.

Example – Fixed Stamp Duty

Donald grants a lease of a commercial premises to Oliver for a period of 25 years in consideration of an annual rental payment of €15,000. The lease contains a rent review clause which allows for a review of the rental amount every five years. A premium of €30,000 is payable on the commencement of the lease. In addition to the Stamp Duty that is chargeable on the average annual rent and the premium, the rent review clause is chargeable to the fixed duty of €12.50. Total Stamp Duty payable is calculated as follows:

Property: Non-residential (Commercial Building)

Lease Term: 25 years

Average Annual Rent: €15,000

Premium: €30,000

Duty on Rent: Term not exceeding 35 years: 1% of average annual rent.

Duty = €15,000 × 1% = €150

Duty on Premium:

Non-residential property rate: 7.5%

Duty = €30,000 × 7.5% = €2,250.00

Fixed Duty: €12.50

Total Duty Payable: €150 (rent) + €2,250 (premium) + €12.50 (fixed duty) = €2412.50

3 Miscellaneous matters

3.1 Varying the terms of an existing lease

A Deed of Variation that only alters the rent payable under an existing lease is not chargeable to Stamp Duty.

3.2 Options to extend lease

Where a lease contains an option to renew, the option itself will not be chargeable with Stamp Duty provided it is not granted in return for any specific consideration. If the option is subsequently exercised by way of a new instrument, then that instrument will be stampable in its own right under the LEASE head of charge.

Appendix – Glossary of key terms

Assign and assignment	To sell/transfer a leasehold interest.
Demise/demised premises/demised property	<p>‘Demise’ is the word used in a lease to transfer a property from a landlord to a tenant. For example, Peter demises Property X to John.</p> <p>The property subject to a lease is known as the demised premises or demised property.</p>
Exclusive possession	Means that an occupier has the right to occupy the property to the exclusion of all others.
Fee farm grant	A document creating an interest under which a grantee holds in fee simple from a grantor, in return for a perpetual rent. The transaction recorded by this type of document has features both of a conveyance and a lease.
Freehold	Defined in section 11 of the Land and Conveyancing Law Reform Act 2009 . Broadly speaking, a fee simple in possession, that is, an absolute title to land.
Heritable subjects/hereditaments	<p>Means property capable of being passed on a death (property capable of being inherited). This includes:</p> <ul style="list-style-type: none"> • easements (rights over the property of another such as rights of way and rights in respect of water, light or air), and • profits à prendre (rights to take something off the land of another such as a right to fell timber, fishing rights, shooting rights, rights to cut turf). <p>A corporeal hereditament is a right to land and buildings.</p> <p>An incorporeal hereditament is a right to something intangible, for example, a right to an easement.</p> <p>A life interest is not capable of being passed on by a life tenant and so is not a heritable subject.</p>
Immovable property	Land, buildings, and structures permanently attached to land.
Indefinite term	Periodic tenancies, for example, weekly, monthly, yearly.
Land	The Interpretation Act 2005 defines “land” as including tenements, hereditaments, houses and buildings, land covered by water and any estate, right or interest in or over land.

Lease	An agreement whereby a landlord (lessor) grants exclusive possession of property to a tenant (lessee) for a specified period in return for rent or other consideration.
Leasehold	Defined in section 11 of the Land and Conveyancing Law Reform Act 2009. Broadly speaking, any tenancy that is created for a period of time or a recurring period of time.
Lessor	Person who grants a lease.
Lessee	Person to whom a lease is granted.
Licence (in relation to property)	A permission to do an act which would otherwise be a trespass, and which creates no interest in a property.
Penal rent	A penal rent is any additional rent reserved in a lease in case a lessee commits a breach of the covenants in the lease.
Premium (leases)	A sum of money (lump sum) other than rent, paid to a lessor in order to obtain a lease.
Real Property	Immovable property recoverable by a “real action”, that is, freehold land but not leasehold property. Leasehold property by a quirk of legal history is known as “Chattels Real”.
Rent	A periodic payment made by a tenant to a landlord for the exclusive use of property. Payments such as service charges (for example, charges in respect of electricity, up-keep of common areas) are not rent unless expressly stated in the lease to be recoverable as rent.
Reverse premium	Reverse premiums are where a lessor pays a lessee to take a lease.
Sub-lease	Creation of a leasehold interest out of a leasehold interest. A sub-lease is not the same as an assignment (see Conveyances/Transfers). Under an assignment, a new tenant is liable to an original landlord for compliance with the covenants, etc, in the lease. Under a sub-lease a new tenant is liable to a sub-landlord for compliance with the covenants, etc, in the sub-lease.
Tenancy agreement	A document creating a tenant’s interest in property.
Tenements	Means buildings, for example, factories, apartments, houses.
Term	The length of a lease.