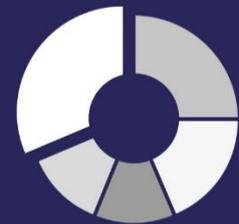




# Statistical Release



## Land Transaction Tax (LTT) Statistics, April 2018 (monthly estimates)

### What statistics are included in this release?

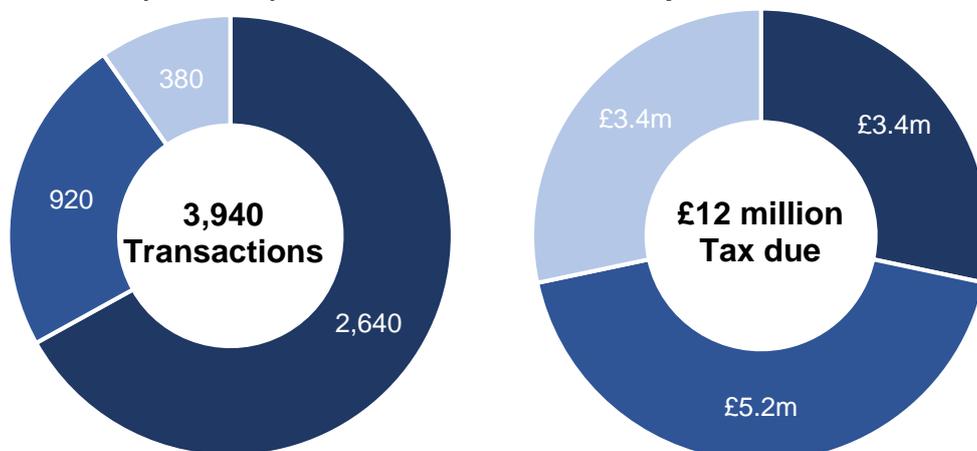
This release outlines provisional estimates for April 2018. They provide a snapshot summary of tax transactions received by the end of 10 May 2018.

### Key statistics from this release

At the end of 10 May 2018, there were:

- 3,940 reported notifiable LTT transactions with an effective date of April 2018, with a total of £12.0 million tax due;
- 2,640 residential LTT transactions at the main rate, with 920 residential LTT transactions at the higher rate, covering a total of £8.6 million tax due when combined;
- 380 non-residential and mixed (properties that are both non-residential and residential in nature) LTT transactions resulting in £3.4 million tax due; and
- 1,475 organisations that had registered for online LTT submissions (currently with a total of 3,554 registered online users).

**Chart 1: Number of reported notifiable LTT transactions and tax due (£million) on those transactions, April 2018**



■ Residential ■ Higher rates residential ■ Non-residential

17 May 2018

WRA 02/2018

### What's in this release?

This release is the first of the 2018/19 monthly series of Land Transaction Tax (LTT) statistics.

It includes summary statistics on the returns received relating to April 2018 and an update to the LTT registration statistics published on 18 April 2018.

[The previous release in this series can be found here.](#)

The next update is due to be published on 19 June 2018.

This release is also available in Welsh.

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## Why are these values provisional (p)?

The data included in this release are considered provisional as the estimates are likely to be revised in the future, once further data is collected.

- When filing a LTT return, the organisation paying the return has 30 days after the 'effective date' to submit and pay the return. The effective date is usually when a transaction is completed on a property. Additional LTT transactions relating to April are therefore likely to be filed during the rest of May.
- Early indications are that half of reported notifiable transactions are reported within 5 days, however around 15 per cent of LTT returns take more than 20 days to be reported to the WRA.
- Additional data cleansing and validation may identify errors in tax returns that have been submitted. Limited validations have been carried out to date on these data, and we will continue to improve these estimates as we learn more about the data.

## How is this release structured?

This release includes 4 tables that will be published monthly.

**Table 1:** Number of reported notifiable transactions, tax due on those transactions and the value attributed to those properties that are subject to LTT, by effective date

*This table has been split into parts a-c for presentation in this release.*

**Table 2:** Number of transactions by type of transaction

**Table 3:** Number of residential transactions and tax due on those properties, by residential tax band (conveyances and transfer of ownership transaction type only)

*This table has been split into parts a & b for presentation in this release.*

**Table 4:** Number of non-residential transactions and tax due on those properties, by non-residential tax band (conveyances and transfer of ownership transaction type only)

*This table has been split into parts a & b for presentation in this release.*

## **How will this data be published in the future?**

On 19 June, we will publish a further statistical release with updated April 2018 data and our first estimates for May 2018. The report will have a similar format to this one.

Future monthly data will then be released as 'data only' releases, with no supporting commentary. However, we are developing quarterly and annual statistics which will include commentary and additional detail explaining the estimates. The timing of these releases will be re-evaluated when we have a better understanding of how significant revisions will be. We will consider whether the time-period (10 days after the end of the month for this release) is sufficiently long to avoid large revisions.

This approach is designed to support the publication of statistics alongside the development of our data management and systems for statistical production. If you wish to comment on the balance between timeliness and the levels of revision for these estimates, please do so using the contact details on the front page. A date for the first quarterly publication will be announced once we have more information on this issue.

## Data tables included in this release

**Table 1a: Number of reported notifiable transactions, by effective date**

Effective date (month)	Transactions (number)			Total number of transactions (a)
	Residential	Higher rates residential	Non-residential (b)	
April 18 (p)	2,640	920	380	3,940

(a) Values in this table have been rounded to the nearest 10 transactions. The total presented has been calculated based on the unrounded values.

(b) The category 'Non-residential properties' includes both non-residential properties and mixed properties, those which are both residential and non-residential.

On 10 May, there were 3,940 reported notifiable transactions for April 2018. The majority (two thirds) of those were main rate residential transactions.

**Table 1b: Tax due on reported notifiable transactions, by effective date**

Effective date (month)	Tax due (£ millions)					
	Residential property subject to main rate	Residential property subject to higher rate		Non-residential (b)	Total tax due (a)	
		Revenue from main rate	Additional revenue from higher rate	Total higher rate (a)		
April 18 (p)	3.4	1.0	4.2	5.2	3.4	12.0

(a) Tax due in this table has been rounded to the nearest £0.1 million. The totals presented have been calculated based on the unrounded values.

(b) The category 'Non-residential properties' includes both non-residential properties and mixed properties, those which are both residential and non-residential.

The amount of LTT due is calculated based on the reported notifiable transactions that had been submitted. By the end of 10 May, just over £12 million was due for LTT transactions that related to April 2018.

**Table 1c: Value attributed to properties subject to LTT, by effective date**

Effective date (month)	Property value taxed (£ millions)			
	Residential	Higher rates residential property	Non-residential (b)	Total property value taxed (a)
April 18 (p)	442	140	182	764

(a) Values in this table have been rounded to the nearest £1 million. The total presented has been calculated based on the unrounded values.

(b) The category 'Non-residential properties' includes both non-residential properties and mixed properties, those which are both residential and non-residential.

To evaluate the amount of tax to be paid, the purchase price of the transaction (also called the consideration) is typically collected. For conveyances and transfers of ownership, this is based on the value of the property. The consideration takes the form of a premium for residential leaseholds, where it is usually the purchase price. However, for non-residential and mixed leases, this amount represents the premium to acquire the lease.

As a result, table 1c contains a mixture of concepts and so cannot simply be referred to as the true valuation or purchase price of the properties; but instead should be viewed as the value attributed to those properties that are subject to LTT.

Tables 2- 4 below focus further on conveyance and transfer of ownership transactions where the value attributed to the properties is more equivalent to the purchase price.

**Table 2: Number of transactions by type of transaction**

Effective date (month)	Conveyance/ Transfer of ownership (b)	Granting a new lease	Reassignment of a lease	Total (a)
	Number	Number	Number	Number
April 18 (p)	3,620	140	180	3,940

(a) Values in this table have been rounded to the nearest £1 million. The total presented has been calculated based on the unrounded values.

(b) Conveyance / Transfer of ownership also includes those classed as 'Other'

Conveyance or transfer of ownership accounted for the majority of reported notifiable transactions in April 2018 (92 per cent of all reported notifiable transactions). The valuation of the properties associated with conveyances and transfer of ownership was approaching £700m.

The analysis included in tables 3 and 4 are based on conveyances or transfers only. We're investigating whether data on leases could be included in this release in the future.

**Table 3a: Number of residential transactions by residential tax band and effective date (for conveyance and transfer of ownership only)**

Effective date (month)	Transactions by residential tax band (number)						Total (a)
	Up to and including £180,000	£180,001 - £250,000	£250,001 - £400,000	£400,001 - £750,000	£750,001 - £1.5m	Over £1.5m	
April 18 (p)	2,220	620	400	100	*	0	3,330

(a) Values in this table have been rounded to the nearest 10. The total presented has been calculated based on the unrounded values.

\* represents a value that is not sufficiently large to present and has been suppressed.

There were 3,300 reported notifiable residential transactions, two thirds of those were within the first tax band (with a purchase price of less than £180,000). This accounts for 85 per cent of LTT transactions when combined with the second band.

**Table 3b: Tax due on residential transactions by residential tax band (for conveyance and transfer of ownership only)**

Effective date (month)	Tax due by residential tax band (£ millions)						Total (a)
	Up to and including £180,000	£180,001 - £250,000	£250,001 - £400,000	£400,001 - £750,000	£750,001 - £1.5m	Over £1.5m	
April 18 (p)	1.9	1.4	2.9	1.9	*	0.0	8.2

(a) Values in this table have been rounded to the nearest £0.1 million. The total presented has been calculated based on the unrounded values.

\* Represents a value that has been suppressed as is based on a very small number of transactions (see table 3a).

A total of £8.2 million LTT is due from the 3,330 reported notifiable residential conveyances and transfer of ownership property transactions.

**Table 4a: Number of non-residential transactions by non-residential tax band (for conveyance and transfer of ownership only)**

Effective date (month)	Transactions by non-residential tax band (number)				Total (a)
	Up to and including £150,000	£150,001 - £250,000	£250,001 - £1m	More than £1m	
April 18 (p)	140	50	70	10	270

(a) Values in this table have been rounded to the nearest 10. The total presented has been calculated based on the unrounded values.

For April 2018, there were 270 reported notifiable non-residential or mixed property transactions, around half of which were less than £150,000.

**Table 4b: Tax due on non-residential transactions by non-residential tax band (for conveyance and transfer of ownership only)**

Effective date (month)	Tax due by non-residential tax bands (£ in millions)				Total (a)
	Up to and including £150,000	£150,001 - £250,000	£250,001 - £1m	More than £1m	
April 18 (p)	0	~	0.8	1.5	2.3

(a) Values in this table have been rounded to the nearest £0.1 million. The total presented has been calculated based on the unrounded values.

~ Represents a value which rounds to 0, but is not 0.

£2.3 million tax was calculated for these non-residential or mixed properties, with nearly two thirds falling in the highest valuation tax band.

## Key quality section

### Value

These statistics have been established to meet the immediate user requirement for data on the implementation of Land Transaction Tax, following the establishment of the WRA.

[Further information on Land Transaction Tax can be found on our website.](#)

Statistics for the equivalent taxes in England and Scotland are published by HMRC and Revenue Scotland, respectively.

- [Stamp Duty Land Tax Statistics for England \(including previous statistics for Wales\) can be found on the HMRC website.](#)
- [Land and Business Transaction Tax statistics for Scotland can be found on the Revenue Scotland website.](#)

Documentation outlining the coherence with these statistics will be developed with statistics producers in the future.

### Trustworthiness

These statistics have been produced in line with the Code of Practice for Statistics.

Our interim policy on statistical outputs will be published shortly, this will outline:

- the professional standards which were adhered to as part of the creation of these statistics;
- how the content and timing of outputs is independently managed by the WRA Lead Official for Statistics;
- how we notify users of upcoming outputs; and
- that staff involved in the production of statistics will undertake continuous professional development in line with the Civil Service competency framework and the GSS competency framework.

Further supporting documentation will be published alongside upcoming statistical releases which outline:

- how we will engage with users; and
- how data is collected, stored and managed.

## Assessing the quality of this data

We're still assessing the quality of the data as more transactions are processed.

We previously assessed the interest and potential quality concerns in line with the Government Statistical Service guidance on the use of administrative data. Having worked with the data further we have evaluated the level of risk of quality concerns. The updated table below presents our current assessment.

Data source	Public interest profile	Level of risk of quality concerns	Level of assurance information to be developed
LTT Registration data	Low	Low	A1 – basic assurance
LTT Tax returns	Medium	Low	A2 – enhanced assurance

During the preparation of this release we have identified a small number of errors, and have identified appropriate actions based on the impact of these errors. In some cases, this has led to an amendment to the tax return; and the case has been passed onto the WRA operational team to resolve. Where a tax return is amended by the WRA operational team, the organisation filing the return is contacted to confirm the amendment.

When identifying these errors, we are also working with internal colleagues to identify options to mitigate these errors at the point of collection for future returns, which will indirectly lead to improved data quality.

Examples of quality issues we have discovered and our response to date are below.

### Example 1

We've identified a small number of transactions where the WRA have been notified, but are not above the threshold required to notify the WRA (purchase price larger than £40,000). We've not excluded these as the number is small and no tax is due on these transactions. We will continue to monitor this going forward.

### **Example 2:**

By assessing the tax due against the data that has been supplied for each transaction, we have been able to identify some errors in data. This has led to some corrections to the transactions, in conjunction with the agents that have submitted them.

One example is where we've checked whether the correct option for the type of transaction was selected when filing.

A transaction can be either: residential; non-residential; or a mix of both. In addition to this, a higher rate can also be applied to residential properties depending on a few factors. [Further information on the higher rate can be found here.](#)

By carrying out analysis on the tax due, and supplementary data, we have been able to identify cases where the incorrect type of transaction has been selected; and corrected it. This data is presented by transaction type in Table 2.

### **Why have we done this?**

If within 3 years of a higher rates LTT transaction the purchaser treats it as their sole main residence, they may be eligible for a refund of the additional higher rate of LTT. It is therefore the important to be able to estimate this figure as accurately as possible.

### **Feedback and enquiries**

We welcome feedback and comments to develop these releases, and our future releases.

Please use the details below to get in contact with us.

**Media and Press**    Email: [news@wra.gov.wales](mailto:news@wra.gov.wales)

**Other users:**        Email: [data@wra.gov.wales](mailto:data@wra.gov.wales)

Phone: 03000 254 723

### **Next update**

19 June 2018

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