



# Statistical Release

## Land Transaction Tax



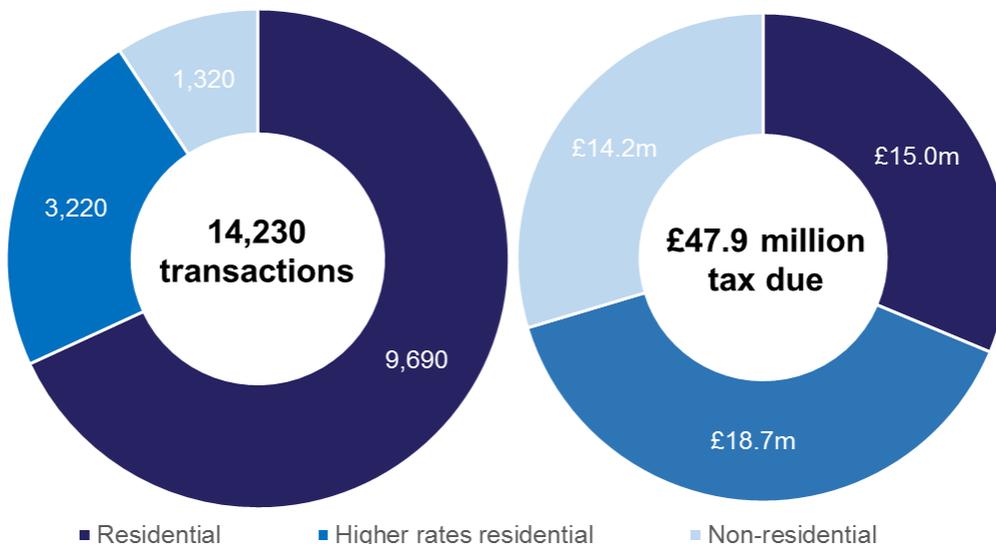
### Estimates for Quarter 1, April – June 2018

#### Key statistics from this release

For notifiable LTT transactions with an effective date in April – June:

- 14,230 reported notifiable LTT transactions, with a total of £47.9 million tax due;
- 9,690 residential LTT transactions at the main rate, with 3,220 residential LTT transactions at the higher rate, covering a total of £33.7 million tax due when combined; and
- 1,320 non-residential LTT transactions resulting in £14.2 million tax due.
- At the close of 16 July, there were 1,793 organisations that had registered for online LTT submissions, with a total of 4,153 registered online users.

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



26 July 2018

WRA 04/2018

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

This release outlines provisional estimates for June and revised estimates for April and May. They provide a snapshot summary of LTT notifiable transactions received by the close of 16 July.

The next quarterly update for LTT statistics is due to be published on 24 October.

[This release is also available in Welsh.](#)

#### Contact us

Craiger Solomons  
Statistician  
03000 254 723  
data@wra.gov.wales

## Why are these values provisional and which values have been revised?

The data included in this release are considered provisional as the initial estimates are likely to be revised in the future once further data is collected. The diagram on the next page explains the timing of statistics relating to LTT.

The value presented for this quarter is provisional, including data from April, May and June. Initial data for April and May have previously been published on the WRA website, these have been revised in this release following additional returns and data validation.

For the most recent month (June in this release):

- 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 when the tax becomes liable to be paid, usually when a transaction is completed on a property. Additional LTT transactions relating to June are therefore likely to be filed during the rest of July.
- Using April and May's data, approximately 70 per cent of reported notifiable transactions are reported within ten days to the WRA, however approaching 15 per cent of LTT returns take more than 20 days.
- 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.

In this release, we also revise the initial monthly estimates previously published for April and May.

These estimates may be revised further in the future, for example:

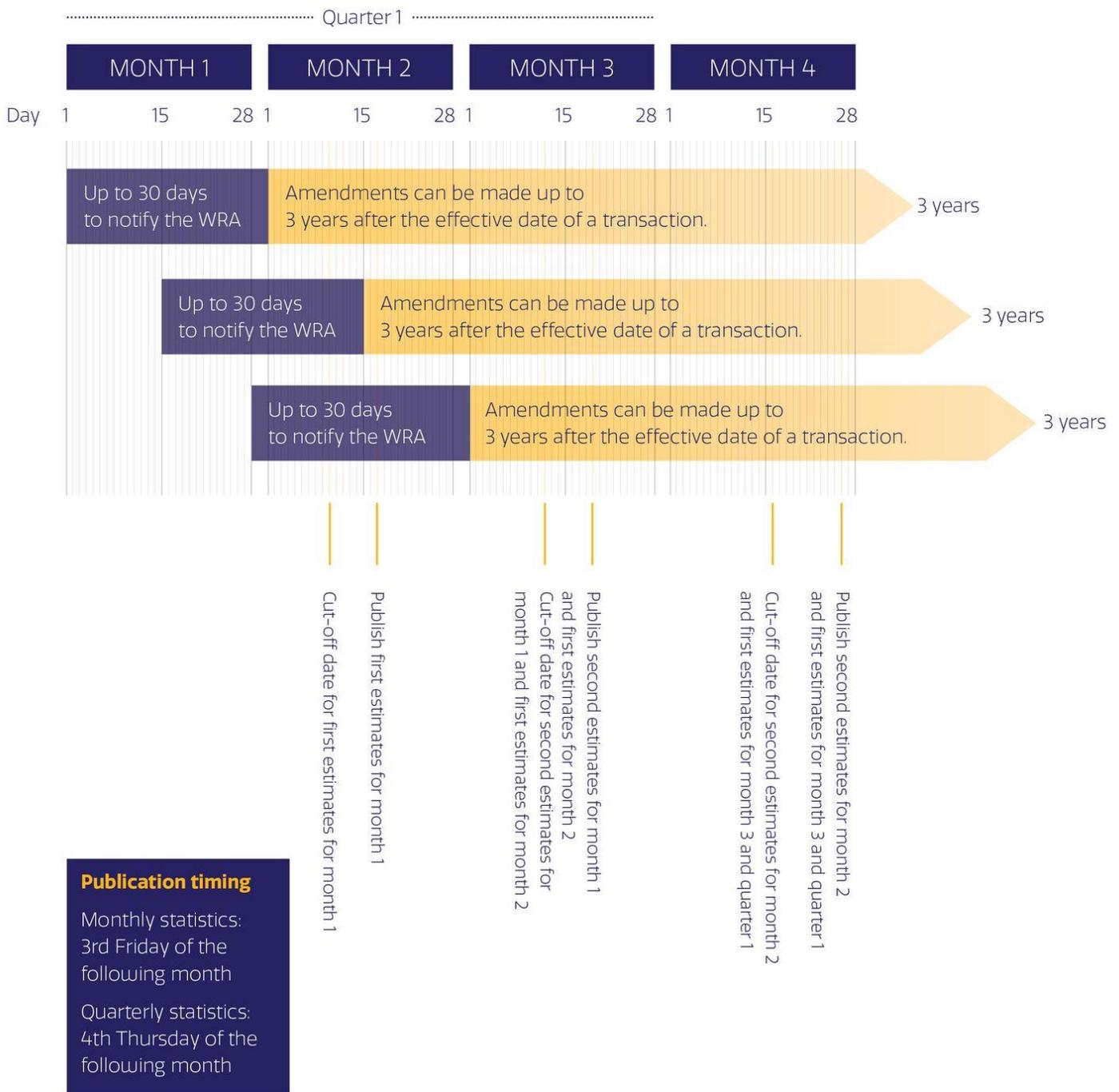
- following refunds for higher rates residential transactions (see Table 6);
- due to errors identified in returns as a result of WRA checks; or
- by agents in the course of their business.

## Timing of Official Statistics for Land Transaction Tax

The diagram below outlines the timescales for reporting transactions subject to Land Transaction Tax (LTT) to the Welsh Revenue Authority (WRA); and the impact this has on the timing of official statistics.

The three bars below represent examples of transactions each with different effective dates. The first bar shows where the effective date of the transaction (usually the completion date) is day 1 of month 1, the second bar has an effective date of day 15 of month 1, and the third bar is day 28 of month 1.

The diagram highlights that transactions which occur later in the month may not be included in the first estimates for the month 1, due to the 30 day time period for notification to the WRA and the cut off date to allow timely statistics.



## How is this release structured?

This release includes six tables which will be published quarterly. Tables one to four are also updated monthly on the [StatsWales website](#).

**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

(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 (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 (split into parts a-b for presentation in this release)

**Table 5:** Number and value of reliefs issued by effective date

**Table 6:** Number and value of refunds issued by effective date

The value of LTT receipts for quarter one can also be found after Table 6. This is the amount of money received by the WRA during the quarter listed, rather than based on the effective date of the transaction. In future releases this information will be presented in a table as more data values are collated.

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

This is the first of our quarterly statistical releases for LTT. We will publish the next quarterly in this series in October. This publication will update estimates included in this release in addition to providing estimates for the second quarter (July – September) of 2018.

Prior to this, tables one to four will be updated on 17 August and 21 September on the StatsWales website. These will be data only releases.

## Data tables included in this release

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

| Effective date   | Transactions (number) |                          |                     | Total number of transactions (c) |
|------------------|-----------------------|--------------------------|---------------------|----------------------------------|
|                  | Main rate residential | Higher rates residential | Non-residential (b) |                                  |
| <b>Quarter 1</b> | <b>9,690</b>          | <b>3,220</b>             | <b>1,320</b>        | <b>14,230</b>                    |
| June 18 (p)      | 3,570                 | 1,130                    | 390                 | 5,090                            |
| May 18 (r)       | 3,240                 | 1,080                    | 440                 | 4,760                            |
| April 18 (r)     | 2,880                 | 1,000                    | 480                 | 4,370                            |

- (a) Values in this table have been rounded to the nearest 10 transactions.  
 (b) The category 'non-residential properties' includes properties that are not wholly residential (i.e. those which have both residential and commercial elements).  
 (c) The total presented has been calculated based on the unrounded values.

At the close of 16 July, there were 14,230 reported notifiable transactions for April – June, with further notifications likely to be received. Over this period, we see that the number of residential properties, both main rate and higher rate, have increased month on month. The majority (approximately two-thirds) of those were main rate residential transactions.

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

| Effective date   | Tax due (£ in millions)                   |   |                                     |                   |             | Non-residential (b) | Total tax due (c) |
|------------------|---|---|-------------------------------------|-------------------|-------------|---------------------|-------------------|
|                  | Residential property subject to main rate | Residential property subject to higher rate |                                     | Total higher rate |             |                     |                   |
|                  |   | Revenue from main rate                      | Additional revenue from higher rate |                   |             |                     |                   |
| <b>Quarter 1</b> | <b>15.0</b>                               | <b>3.8</b>                                  | <b>14.8</b>                         | <b>18.7</b>       | <b>14.2</b> | <b>47.9</b>         |                   |
| June 18 (p)      | 6.7                                       | 1.4   | 5.3                                 | 6.7               | 4.6         | 18.0                |                   |
| May 18 (r)       | 4.5                                       | 1.3   | 5.0                                 | 6.3               | 3.5         | 14.4                |                   |
| April 18 (r)     | 3.8                                       | 1.2   | 4.6                                 | 5.7               | 6.0         | 15.5                |                   |

- (a) Tax due in this table has been rounded to the nearest £0.1 million.  
 (b) The category 'non-residential properties' includes properties that are not wholly residential (i.e. those which have both residential and commercial elements).  
 (c) The total presented has been calculated based on the unrounded values.

The amount of LTT due is calculated based on the reported notifiable transactions that had been submitted. By the close of 16 July, just over £47.9 million was due for LTT transactions that related to April – June. With further returns likely to be received, June saw an increase in the number and tax due from main rate residential properties.

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

| Effective date   | Property value taxed (£ millions) |                                   |                     | Total property value taxed (c) |
|------------------|-----------------------------------|-----------------------------------|---------------------|--------------------------------|
|                  | Residential                       | Higher rates residential property | Non-residential (b) |                                |
| <b>Quarter 1</b> | <b>1,710</b>                      | <b>495</b>                        | <b>476</b>          | <b>2,681</b>                   |
| June 18 (p)      | 677                               | 176                               | 135                 | 987                            |
| May 18 (r)       | 550                               | 167                               | 125                 | 842                            |
| April 18 (r)     | 483                               | 152                               | 216                 | 852                            |

(a) Values in this table have been rounded to the nearest £1 million.

(b) The category 'non-residential properties' includes properties that are not wholly residential (i.e. those which have both residential and commercial elements).

(c) The total presented has been calculated based on the unrounded values.

To evaluate the amount of tax due, the purchase price of the transaction (also called the consideration) is typically collected. For conveyance and transfer of ownership, which typically relate to freehold purchases, this is based on the value of the property. The consideration takes the form of a premium for residential leasehold purchases, where it is also usually the value of the property. However, for non-residential 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.

**Table 2: Number of transactions by type of transaction (a)**

| Effective date   | Conveyance/<br>Transfer of ownership (b) | Granting a<br>new lease | Reassignment<br>of a lease | Total         |
|------------------|--|-------------------------|----------------------------|---------------|
|                  | Number                                   | Number                  | Number                     | Number        |
| <b>Quarter 1</b> | <b>12,970</b>                            | <b>590</b>              | <b>670</b>                 | <b>14,230</b> |
| June 18 (p)      | 4,680                                    | 190                     | 230                        | 5,090         |
| May 18 (r)       | 4,340                                    | 190                     | 230                        | 4,760         |
| April 18 (r)     | 3,950                                    | 210                     | 210                        | 4,370         |

(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 over April – June (91 per cent of all reported notifiable transactions over April – June). The valuation of the properties associated with those conveyances and transfer of ownership over the same period was £2.5 billion.

It should be noted that non-residential lease transactions are allocated to valuation bands on the value attributed to acquiring the lease only, and in many cases, this does not represent the full value of the property. In addition, where a new non-residential lease is granted, there is an element of tax assessed which relates to the rental value of that property, which cannot directly be attributed to one of the valuation bands. In these cases, the amount is included in the tax figures shown, but with the valuation band determined by the value required to acquire the lease. It is also important to note that rental values of other property and lease types are not assessed for tax and no rent data are collected in these cases, so no similar figures are included in tables 3a, 3b and 4a.

**Table 3a: Number of residential transactions by residential tax band and effective date (a)**

| Effective date   | Transactions by residential tax band (number) |                     |                     |                     |                  |            | Total (b)     |
|------------------|---|---------------------|---------------------|---------------------|------------------|------------|---------------|
|                  | 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 |               |
| <b>Quarter 1</b> | <b>8,510</b>                                  | <b>2,320</b>        | <b>1,640</b>        | <b>410</b>          | <b>20</b>        | *          | <b>12,910</b> |
| June 18 (p)      | 2,890   | 960                 | 660                 | 180                 | 10               | *          | 4,700         |
| May 18 (r)       | 2,950   | 700                 | 540                 | 130                 | 10               | 0          | 4,320         |
| April 18 (r)     | 2,680   | 660                 | 440                 | 100                 | *                | 0          | 3,880         |

(a) Values in this table have been rounded to the nearest 10. Please note that this table includes residential lease transactions.

(b) 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 12,910 reported notifiable residential transactions, approximately two-thirds of those were within the first tax band (with a purchase price of less than £180,000). This accounts for 84 per cent of LTT transactions when combined with the second band.

**Table 3b: Tax due on residential transactions by residential tax band (a)**

| Effective date   | Tax due by residential tax band (£ millions) |                     |                     |                     |                  |            | Total (b)   |
|------------------|--|---------------------|---------------------|---------------------|------------------|------------|-------------|
|                  | 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 |             |
| <b>Quarter 1</b> | <b>7.4</b>                                   | <b>5.4</b>          | <b>11.5</b>         | <b>8.1</b>          | <b>1.0</b>       | *          | <b>33.7</b> |
| June 18 (p)      | 2.5  | 2.1                 | 4.6                 | 3.5                 | 0.4              | *          | 13.3        |
| May 18 (r)       | 2.5  | 1.7                 | 3.7                 | 2.6                 | 0.3              | 0          | 10.8        |
| April 18 (r)     | 2.4  | 1.5                 | 3.3                 | 2.0                 | *                | 0          | 9.5         |

(a) Values in this table have been rounded to the nearest £0.1 million. Please note that this table includes the tax due on residential lease transactions.

(b) 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).

For April - June, a total of £33.7 million is due from the 12,910-reported notifiable LTT residential transactions.

**Table 4a: Number of non-residential transactions by non-residential tax band (a)(b)**

| Effective date   | Transactions by non-residential tax band (number) |                     |                |               | Total (c)    |
|------------------|---|---------------------|----------------|---------------|--------------|
|                  | Up to and including £150,000                      | £150,001 - £250,000 | £250,001 - £1m | More than £1m |              |
| <b>Quarter 1</b> | <b>850</b>  | <b>160</b>          | <b>240</b>     | <b>70</b>     | <b>1,320</b> |
| June 18 (p)      | 230   | 50                  | 80             | 30            | 390          |
| May 18 (r)       | 300   | 50                  | 80             | 20            | 440          |
| April 18 (r)     | 320   | 60                  | 80             | 30            | 480          |

- (a) Values in this table have been rounded to the nearest 10. Please note that this table includes non-residential lease transactions.
- (b) The number of properties identified in each value band does not equal the number of properties that have a premium value within that band. This is because the tax paid on those properties will also include elements due on the rental value of lease properties. This will have the effect of indicating that there are a higher number of properties in the higher value bands than would be the case in practice. Going forward we will investigate how these two elements of the tax can be disaggregated.
- (c) The total presented has been calculated based on the unrounded values.

For April – June, there were 1,320 reported notifiable non-residential transactions, just under two thirds of which were less than £150,000.

**Table 4b: Tax due on non-residential transactions by non-residential tax band (a)**

| Effective date   | Tax due by non-residential tax bands (£ in millions) |                     |                |               | Total (b)   |
|------------------|--|---------------------|----------------|---------------|-------------|
|                  | Up to and including £150,000                         | £150,001 - £250,000 | £250,001 - £1m | More than £1m |             |
| <b>Quarter 1</b> | <b>2.2</b>   | <b>0.1</b>          | <b>2.7</b>     | <b>9.3</b>    | <b>14.2</b> |
| June 18 (p)      | 0.3  | ~                   | 0.8            | 3.5           | 4.6         |
| May 18 (r)       | 0.5  | ~                   | 0.8            | 2.1           | 3.5         |
| April 18 (r)     | *  | ~                   | 1.0            | 3.6           | 6.0         |

- (a) Values in this table have been rounded to the nearest £0.1 million. Please note that this table includes the tax due on non-residential lease transactions, including elements derived from the rental values of the properties.
- (b) The total presented has been calculated based on the unrounded values. The tax identified in each value band is made up of elements relating to both the premium value and the rental value of lease properties. Going forward we will investigate how these two elements of the tax can be disaggregated.
- ~ Represents a value which rounds to 0, but is not 0.
- \* Represents a value that has been suppressed as the tax due for a small number of transactions contributes to the majority of the cell value (dominance).

£14.2 million tax was calculated for these non-residential properties for April - June, with just under two thirds falling in the highest valuation tax band.

## Reliefs

Reliefs can be claimed on both residential and non-residential properties. Reliefs reduce the amount of tax due when certain conditions are met. The most common reliefs claimed are typically: group relief; multiple dwellings relief; and charity relief.

[More information on each of the reliefs and when they apply can be found in published guidance on the WRA website.](#)

The table below outlines the number of transactions that have had reliefs applied. It should be noted that multiple reliefs can be applied to a single transaction and reliefs may reduce the tax due to zero (known as a full relief) or by a certain percentage or amount (known as a partial relief). For April – June there were 400 transactions which had a relief, a very small number of transactions had more than one relief applied.

**Table 5: Number and value of reliefs issued by effective date (a)(d)**

| Effective date             | Relieved transactions |                          |                     |           | Value of tax relieved (£ millions) |                          |                     |           |
|----------------------------|-----------------------|--------------------------|---------------------|-----------|------------------------------------|--------------------------|---------------------|-----------|
|                            | Main rate residential | Higher rates residential | Non-residential (c) | Total (b) | Main rate residential              | Higher rates residential | Non-residential (c) | Total (b) |
| <b>April - June 18 (p)</b> | 80                    | 40                       | 50                  | 170       | 1.3                                | 0.6                      | 6.5                 | 8.4       |

- (a) Values in this table have been rounded to the nearest 10 transactions and the nearest £0.1 million tax relieved.
- (b) The total presented has been calculated based on the unrounded values.
- (c) The category 'non-residential properties' includes properties that are not wholly residential (i.e. those which have both residential and commercial elements).
- (d) The figures presented exclude 50 linked transactions subject to relief as it is difficult to reliably estimate the impact of reliefs in these cases. Our best estimate of the impact of reliefs relating to linked transactions is around £2.5m, but this is not sufficiently robust to be included alongside the above data.

Over April – June, there were 170 transactions which had reliefs applied to them and reduced the associated tax due. The total reduction in tax due of these reliefs was £8.4m, of which £6.5m was accounted for by 50 non-residential transactions. A very small number of these non-residential transactions accounted most of this £6.5m and the value of tax relieved for this first quarter may not be representative of the activity to be expected over the full year.

A further 190 transactions were reported as being subject to reliefs which had no impact on the tax due. These have been excluded from the number above for that reason. We are currently investigating the reasons why reliefs were associated with these transactions. We currently suspect that many of them have been reported unnecessarily whilst completing the online tax return.

## Refunds

The first refund for higher rates LTT was issued in June. Refunds for the residential higher rate element can be claimed up to three years after the effective date of a transaction. At the close of 16 July, 30 refunds were claimed for transactions with an effective date in the first quarter of 2018.

When a refund for higher rates residential LTT is claimed the original transaction is amended to a main rate residential LTT transaction. In Tables one to three, transactions that were included in the higher rates columns prior to the refund claim are therefore moved to the main rate column after the refund claim. The data in this release is adjusted for any refunds approved by WRA up to and including 16 July.

**Table 6: Number and value of refunds of higher rate residential issued by effective date (a)(b)**

| <b>Effective date</b>      | <b>Number of refunds</b> | <b>Amount refunded (£ million)</b> |
|----------------------------|--------------------------|------------------------------------|
| <b>April - June 18 (p)</b> | 30                       | 0.2                                |

(a) Values in this table have been rounded to the nearest 10 transactions and the nearest £0.1 million tax relieved.

(b) The total presented has been calculated based on the unrounded values.

Table six, above, outlines the number and value of refunds that have been issued by the effective date of the transaction.

Further information on the refund payments made to taxpayers, by the month in which they were made, can be found on the StatsWales website. These are provided, in the main, to support forecasting requirements and have been omitted from this release to avoid confusion between the two values.

## Land Transaction Tax (LTT) paid to the Welsh Revenue Authority (WRA)

Over the first quarter of 2018 (01 April – 30 June) the WRA received £39.0 million in LTT payments.

This value differs from the value shown in table one (part b), as it only includes those transactions where payments had been received by 30 June; which is typically referred to as 'on a cash basis'. For the next quarterly release, we will publish receipts on this cash basis for each quarter (Table 7). This aligns with wider accounting processes within the WRA.

## 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 here.](#)

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 here.](#)
- [Land and Business Transaction Tax statistics for Scotland can be found here.](#)

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.

As a new producer of official statistics, we are developing our statistical publication processes and our interim policy on statistical outputs will be published shortly, outlining:

- 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 are 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 continued to work closely with WRA operational staff to identify further issues during data collection and processing of individual returns. We continue to apply quality controls which provide immediate analysis of tax returns which flag up potential areas of concern. Where a tax return is amended by the WRA operational team, the organisation filing the return is contacted to confirm the amendment.

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

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

### Example 1

We have identified a small number of transactions where the WRA have been notified, but are not above the threshold required to notify the WRA (for example, where the purchase price of a residential conveyance is less than £40,000). We've included these in this release as the number is small and no tax is due on these transactions. The number of occurrences of this has reduced in May and June, however we are continuing to work with colleagues to improve these returns.

## 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 have checked whether the correct option for the type of transaction was selected when filing.

A transaction can be either: residential or non-residential (which includes cases where a property is not wholly residential). In addition to this, a higher rate can also be applied to residential properties depending on a few factors. [Further information 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 subsequently been corrected. This data is presented by transaction type in Table 2.

### Why have we done this?

If within three years of completing a higher rate 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 important to be able to estimate this figure as accurately as possible.

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## Symbols used in this release

- r This value has been revised in this publication
- p This value is provisional and will be revised in a future publication
- \* This value that is not sufficiently large to present and has been suppressed in this publication
- ~ Represents a value which rounds to 0, but is not 0

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## 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:** Email: [news@wra.gov.wales](mailto:news@wra.gov.wales)

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

Phone: 03000 254 723

## Next update

24 October 2018 (please see the 'How will this data be published in the future?' section)

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