



Llywodraeth Cymru
Welsh Government

STATISTICS

Land Transaction Tax statistics: April 2020 to March 2021

Our annual Welsh Revenue Authority (WRA) statistical release for Land Transaction Tax (LTT). These statistics provide a greater level of detail, including analysis within Wales.

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Main points

We present these statistics on LTT transactions that we (the WRA) have received by 21 June 2021.

For the main points from our local authority statistics, please see the beginning of [section 8 in this release](#). Also, please see [section 9 of this release](#) for analysis of LTT statistics by the level of deprivation. This analysis uses the Welsh Index of Multiple Deprivation (WIMD).

Figure 1.1 below shows:

- estimates of annual data for April 2020 to March 2021
- the percentage change for these headline numbers against previous estimates for April 2019 to March 2020 (made in June 2020)

We explain why these comparisons are made in the [section 1 of this release](#) ('Comparisons with the same period a year earlier').

Figure 1.1 Number of reported notifiable transactions, tax due and percentage change from the previous estimate a year earlier [1] [2]

Transaction type	April 2020 to March 2021 (r)	Percentage change (compared with April 2019 to March 2020) [6]
Transactions (number)		
Residential	48,140	-13%
Of which: higher rates residential	11,860	-13%
Non-residential [3]	5,270	-14%
All transactions [4]	53,410	-13%

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Transaction type	April 2020 to March 2021 (r)	Percentage change (compared with April 2019 to March 2020) [6]
Tax due (£ millions)		
Residential	158.7	-4%
Of which: Additional revenue from higher rates residential [5]	70.3	10%
Non-residential [3]	58.1	-15%
All transactions [4]	216.8	-8%

[1] Values in this table have been rounded to the nearest 10 transactions and the nearest £0.1 million for tax due.

[2] Please note that this table excludes any tax due from the additional transactions shown in Figure 1.2.

[3] The category 'non-residential' includes properties that are not wholly residential (namely, those which have both residential and commercial elements).

[4] The total presented has been calculated based on the unrounded values.

[5] Please note this item only includes the additional revenue from higher rate transactions. This item does not include the main rate component of higher rate transactions.

[6] Estimates for April 2019 to March 2020 were made in June 2020.

(r) The value has been revised in this publication.

LTT statistics by time period and transaction type on StatsWales

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Figure 1.2 Tax due on additional transactions which were untypically large or with restricted detail, by year the transaction was effective (£ millions)

	2018-19	2019-20	2020-21
Additional transactions which were untypically large [1]	.	28.2	.
Additional transactions with restricted detail (to protect confidentiality) [2]	.	2	0

[1] 'Untypically large transactions' in 2019-20 entirely consists of a small number of public sector transactions. These transactions relate to Transport for Wales' purchase from Network Rail of the Core Valley Line rail asset in Wales. Details of these transactions are presented here to aid transparency of this large public sector transaction, with agreement of the buyer (Transport for Wales) and seller (Network Rail). Further information on these transactions is available from the Transport for Wales website.

[2] For some transactions, we are unable to provide any information other than the total tax due figure in the year, as there is a risk of revealing details of the individual transactions. These are rounded to the nearest million pounds for additional protection. They should only be included if seeking a value for total LTT revenue in the year.

. Not applicable

LTT statistics on total tax due including transactions with restricted detail on StatsWales

Comparing April 2020 to March 2021 on a like-for like basis with April 2019 to March 2020:

- all transactions and tax due on those transactions fell by 13% and 8% respectively

- residential transactions and tax due on those transactions decreased by 13% and 4% respectively
- higher rates transactions decreased by 13%
- additional revenue from higher rates residential transactions increased by 10%, although this comparison should be treated with some caution
- non-residential transactions fell by 14%. Tax due from non-residential transactions decreased by 15%

These comparisons exclude the additional transactions presented in Figure 1.2 above. The values in Figure 1.2 should only be used if seeking a value for total LTT revenue in the year.

In April 2020, a sharp drop in residential and non-residential transactions was observed shortly after the first coronavirus (COVID-19) restrictions were introduced in the UK. Transaction numbers gradually recovered throughout the rest of the financial year, although the annual numbers of residential and non-residential transactions remained lower than the previous year.

Tax due on residential and non-residential transactions in April 2020 to March 2021 was also lower than the previous year, except for the additional revenue from higher rates residential transactions (which increased by 10%). As mentioned above, this annual comparison for additional revenue from higher rates residential should be treated with some caution. This is due to LTT rate changes introduced in July 2020 and December 2020, explained in the following section '[Effects of coronavirus \(COVID-19\) and changes to LTT rates](#)'. The temporary reduction in rates, that impacted main rates revenues, also had the impact of skewing more of the residential tax due towards the additional revenue. In addition, a rise in the value of residential properties transacted contributed positively to the amount of tax due in all parts of Wales.

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Effects of coronavirus (COVID-19) and changes to LTT rates

The data in this release should be considered in the context of the coronavirus (COVID-19) pandemic. This had a significant impact on the number of property transactions and tax due during 2020-21. It therefore affects comparisons made between this period and the same period in 2019-20.

The national restrictions imposed on 23 March 2020 resulted in the housing market being mainly closed until it was **partially re-opened** on 22 June 2020. At that point, house viewings could take place in vacant properties along with house moves where a sale had been agreed but not yet completed. The market was then more fully opened on 27 July 2020 to coincide with a **change in LTT rates** on that date, at that time effective until 31 March 2021. On 3 March 2021, **it was announced that the temporary tax reduction period would be extended by 3 months**, to end on 30 June 2021.

Although there were further local and national restrictions introduced since the initial changes to LTT rates in July 2020, these appear to have had no impact on transaction counts.

There were **further changes to LTT rates** effective from 22 December 2020. These changes required us to edit to our non-residential data tables, introducing a more granular split of lower value tax bands.

Please note that some higher rates residential and non-residential transactions effective in December 2020 will have been charged at pre 22 December rates, and some at the post 22 December rates. We estimate around 100 higher rates and 10 non-residential transactions within those December 2020 data were charged at the post 22 December rates.

Impact of LTT rate changes

It is not possible to isolate the impact of the LTT rate changes from the general

recovery that is likely to have occurred due to easing of coronavirus (COVID-19) restrictions. However, on a per transaction basis, we can quantify the impact.

The first rate change introduced on 27 July 2020 only applied to residential transactions at the main rate. The rates for all residential transactions at the higher rate and non-residential transactions were unchanged. For these main rate transactions, the threshold at which LTT rates was charged was raised from £180,000 to £250,000, so that the tax on all those with a value of £250,000 or less is reduced to zero. Although the LTT rates on property values above £250,000 were unchanged, those main rate transactions also benefit from the increased threshold on the first £250,000 of their value. In these cases, LTT is reduced by £2,450 compared with that which would have been charged previously.

The second rate change from 22 December 2020 introduced the following:

- an increase of 1% across all bands for the higher residential rates of tax
- for non-residential transactions, the zero-rate band charged for lease premiums and assignments, and freehold property transfers increased from £150,000 to £225,000
- the zero-rate band of the tax charged on the rent element of non-residential leases increased from £150,000 to £225,000

The combined impact of the pandemic and the first rate change can be seen in Figure 2.1. Following an initial sharp drop in April and May 2020, there has been a steady recovery in numbers of residential and non-residential transactions since. There were 2,130 residential and non-residential transactions effective in April 2020, which was just under half of the number seen in April 2019. The recovery in the property market that followed saw residential transactions increase but remaining below the levels of 2019-20, until the end of September 2020. Since October 2020, and particularly in the latter part of 2020-21, numbers have been higher than in the same months of previous years, representing the recovery referred to above.

Unlike in the first set of national COVID-19 restrictions introduced in March 2020, the property market was largely allowed to continue in the 2-week restrictions at end October 2020 and the further restrictions introduced from 20

December 2020. The dampening in property transactions seen in the first set of restrictions in March 2020 was not observed during the restrictions introduced more recently.

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1. About these statistics

Introduction of LTT

From 1 April 2018, LTT replaced Stamp Duty Land Tax (SDLT) on residential and non-residential property and land interests purchased in Wales. The [tax rates and tax bands for LTT](#) vary depending on the type of transaction.

LTT statistics are not fully comparable to previous SDLT statistics. This is because different rates and bands are used in LTT. The reliefs may also be different for the two taxes. For example, first time buyers' relief applies to SDLT but not to LTT.

Value of LTT statistics

Timely information on activity in the property market is important for policy makers. When filing an LTT return about a property transaction, the organisation paying the return has 30 days after the effective date to submit and pay any tax due. LTT statistics therefore are relatively timely.

Forecasting LTT revenues for Wales in future is an important use of LTT statistics. The Office for Budget Responsibility produce LTT forecasts to coincide with Welsh Government and UK Government budgets.

Data available for LTT

All of the data used in this statistical release is available in a spreadsheet on the

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[headline statistics page](#).

Alongside this annual release, we publish geographic datasets for LTT on the [StatsWales website](#). This includes annual data by:

- local authority
- Senedd constituency (for residential transactions only)
- level of deprivation, using the Welsh Index of Multiple Deprivation (for residential transactions only)
- built up areas (for residential transactions only)
- national parks (for residential transactions only). This data was published in August 2021.

We provide links to the relevant StatsWales datasets throughout this release.

Timing of and revisions to LTT statistics

The diagram on the [key quality information](#) page explains the timing of LTT statistics. We present provisional estimates for May 2021 and revised estimates for periods before this. We will revise the provisional data in future. Not all tax returns for these periods may yet have been received.

In future, we may continue to revise statistics for earlier periods to account for any amendments to transactions and new tax returns received. In particular, this will be due to:

- [higher rate refunds](#) being made for several years after the date of the original transaction
- taxpayers mistakenly sending tax returns to HMRC which relate to Welsh property transactions. Once the error has been realised, it can take some time for the taxpayer to send the return correctly to the WRA

Comparisons with the same period a year earlier

There can be seasonal patterns in the property market, with higher levels of

activity generally seen in the summer and autumn, and lower levels in winter and spring. However, within the trends in 2020-21, the effects of coronavirus (COVID-19) and subsequent recovery appear to be a more dominant factor. Nevertheless, it can be helpful to compare the current period with data for the same period a year earlier.

However, in our monthly and quarterly statistics, we are gradually revising downwards the **tax due** for earlier periods. This is because of **higher rate refunds** being paid out in each month (for higher rates residential transactions which were effective in earlier periods, back to April 2018).

The value for April 2019 to March 2020 will have already been subject to some of this downward revision, whereas the equivalent figure for April 2020 to March 2021 will not have been revised so much. Also, in future, there will be some upward revisions to the values for April 2020 to March 2021 due to late transactions.

Therefore in this release, we compare:

- April 2020 to March 2021 data against
- our previous published estimates for April 2019 to March 2020 (which were taken in June 2020)

This provides for the fairest comparisons over time. However, all comparisons of 2020-21 data against 2019-20 data should be considered in light of the '**Effects of coronavirus (COVID-19) and changes to LTT rates.**'

Key quality information and glossary pages

Please see the separate **glossary** and **key quality information** while reading this statistical release:

- we define relevant terms in the **glossary** as they are used in this release
- on the **key quality information page**, we describe how Land Transaction Tax statistics meet the Code of Practice for Statistics and the dimensions of value, trustworthiness and quality

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Properties or land sold more than once

These statistics relate to transactions which were **effective** in a particular month, quarter or year. A property or piece of land may have been sold more than once in that time. If so, it would feature multiple times in the statistics.

For example, in April 2020 to March 2021, our best estimate is that between 4% and 5% of transactions involved a piece of land or property which has been sold more than once in the year.

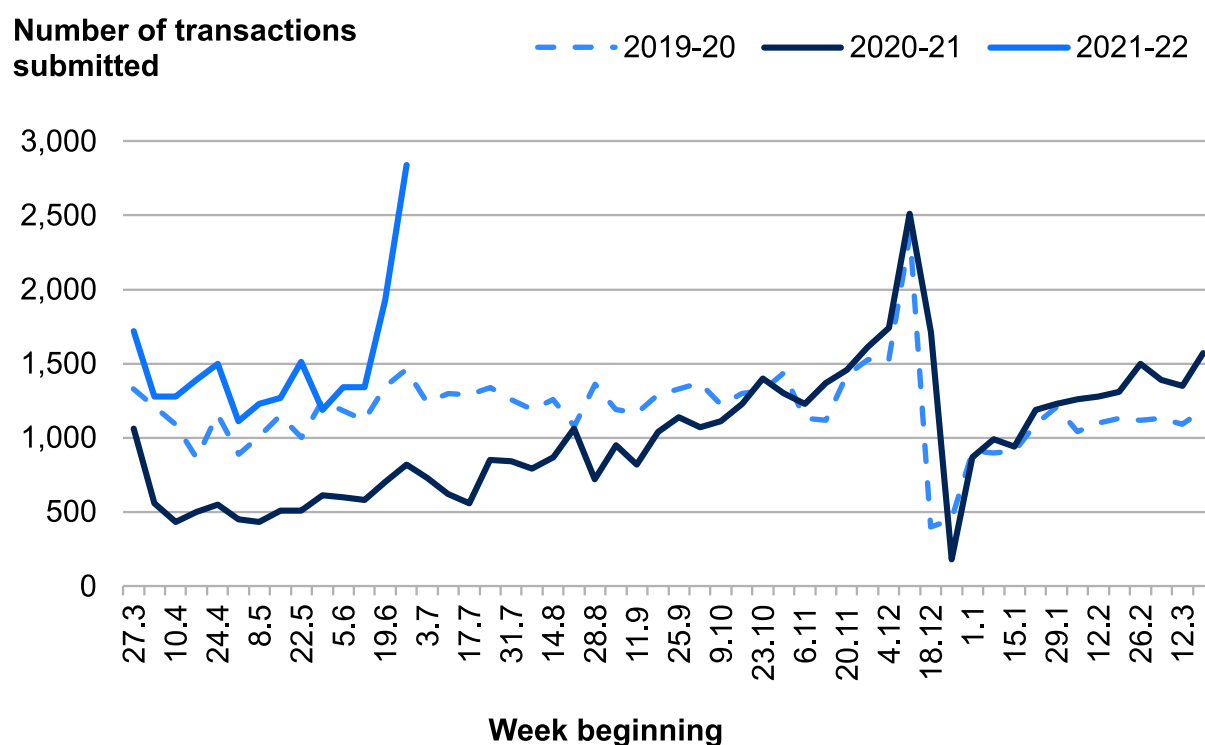
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2. Transactions, tax due and property value taxed

In March 2020, we released an [update on publishing WRA statistics due to coronavirus \(COVID-19\)](#). We stated then that in our releases for LTT, we would look at any potential impacts of coronavirus (COVID-19) on our statistics.

To understand the impacts on number of transactions, tax due and value of property taxed, users should refer to the section of this release '[Effects of coronavirus \(COVID-19\) and changes to LTT rates](#).'

Figure 2.1 Weekly number of transactions submitted to the WRA



¹ Please note that this chart includes a small number of transactions effective in July 2021.

Weekly number of transactions submitted to the WRA (MS Excel)

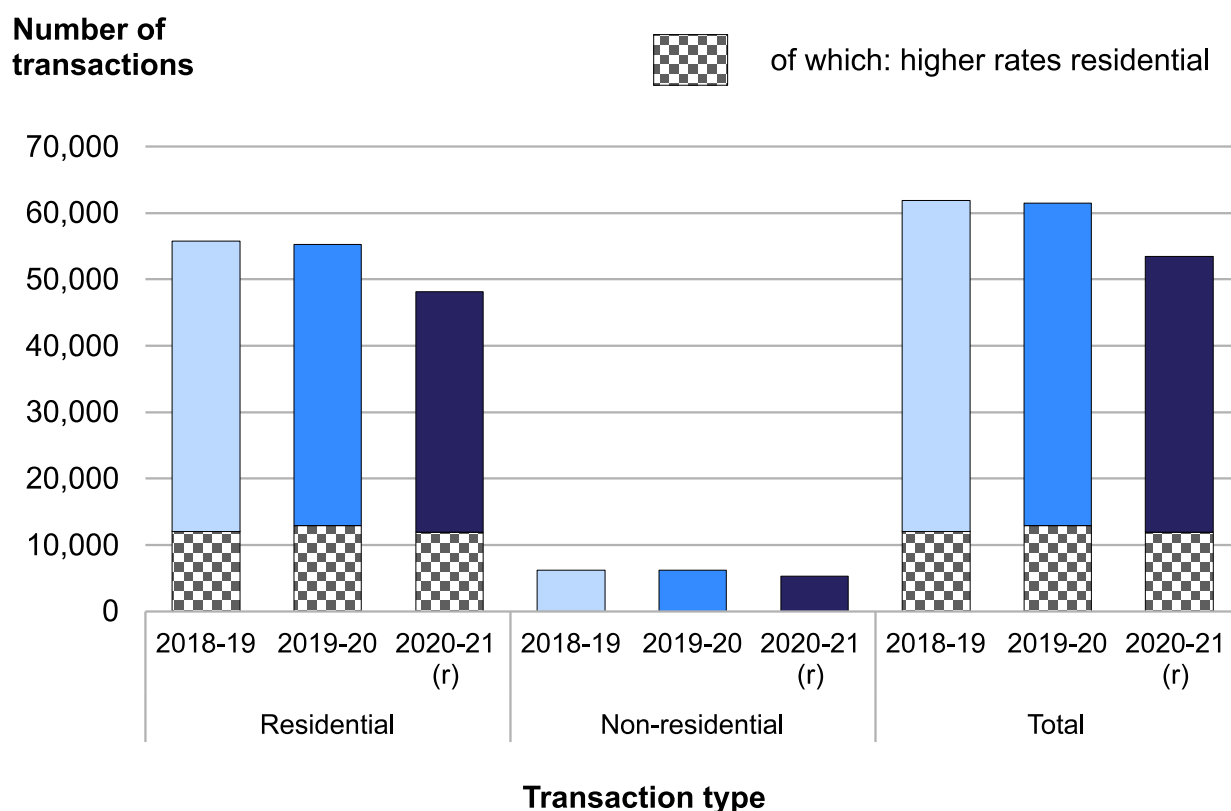
Figure 2.1 above shows the total number of transactions submitted to the WRA in each 7-day period for each financial year. These periods begin on a Saturday and end on the following Friday. For example, the point '26.6' in 2021-22 shows the number of residential and non-residential transactions submitted to the WRA from 26 June to 2 July 2021 (inclusive). The actual dates differ slightly in the previous year. For example, the same week in 2020-21 ran from 27 June to 3 July 2020 (inclusive).

Please note that Figure 2.1 shows data by **submitted date**. This differs from effective date, which is the date we use for most analysis in this release.

The weekly number of transactions submitted from April to July 2020 ranged

between 40% to 60% of the number seen in the same week of 2019 and averaged at around 50% over the whole period. Since then, there has been a recovery in transactions, with levels similar to or above those seen in the previous year since October 2020. In particular, there was a sharp rise in transactions submitted towards the end of June 2021. This increase is likely to be associated with the **temporary tax reduction period that ended on 30 June 2021**.

Figure 2.2 Number of transactions, by transaction type and year the transaction was effective



¹ The category 'non-residential' includes properties that are not wholly residential (namely, those which have both residential and commercial elements).

(r) The value has been revised in this publication.

LTT statistics by time period and transaction type on StatsWales

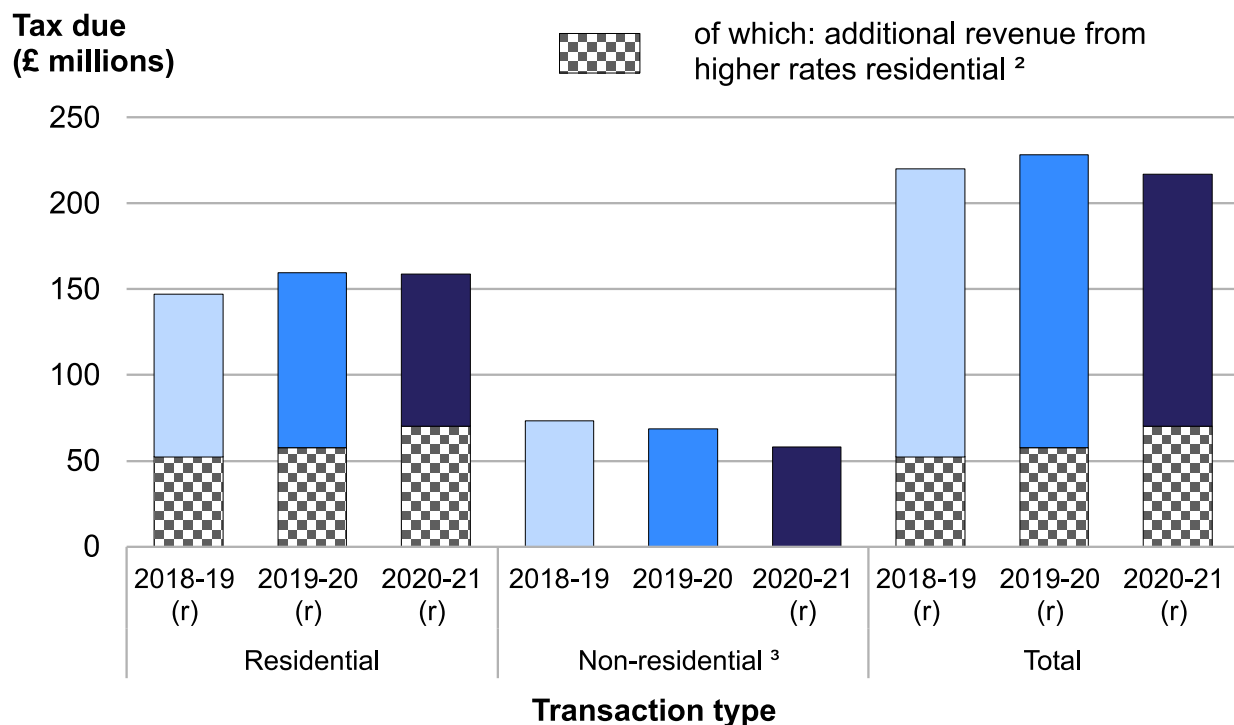
By the close of 21 June 2021, we received details of 53,410 **notifiable transactions** with an **effective date** in April 2020 to March 2021. This is 13%

lower than our estimate for April 2019 to March 2020 (made in June 2020).

The corresponding changes for residential, higher rates residential and non-residential transactions were similar: 13% decrease, 13% fall and a 14% decrease, respectively. Within April 2020 to March 2021, Figures 2.5a and 2.5b show the sharp drop in transactions when COVID-19 restrictions were first introduced. Transaction numbers gradually recovered throughout the year but the annual totals remained lower than the previous year.

In April 2020 to March 2021, 90% of transactions were residential and 10% were non-residential. These are similar percentages to previous years.

Figure 2.3 Tax due on transactions, by transaction type and year the transaction was effective ¹



¹ Please note that this chart excludes any tax due from the additional transactions shown in Figure 1.2.

² Please note this item only includes the additional revenue from higher rate transactions. It does not include the main rate component of higher rate transactions.

³ The category 'non-residential' includes properties that are not wholly residential (namely, those which have both residential and commercial elements).

(r) The value has been revised in this publication.

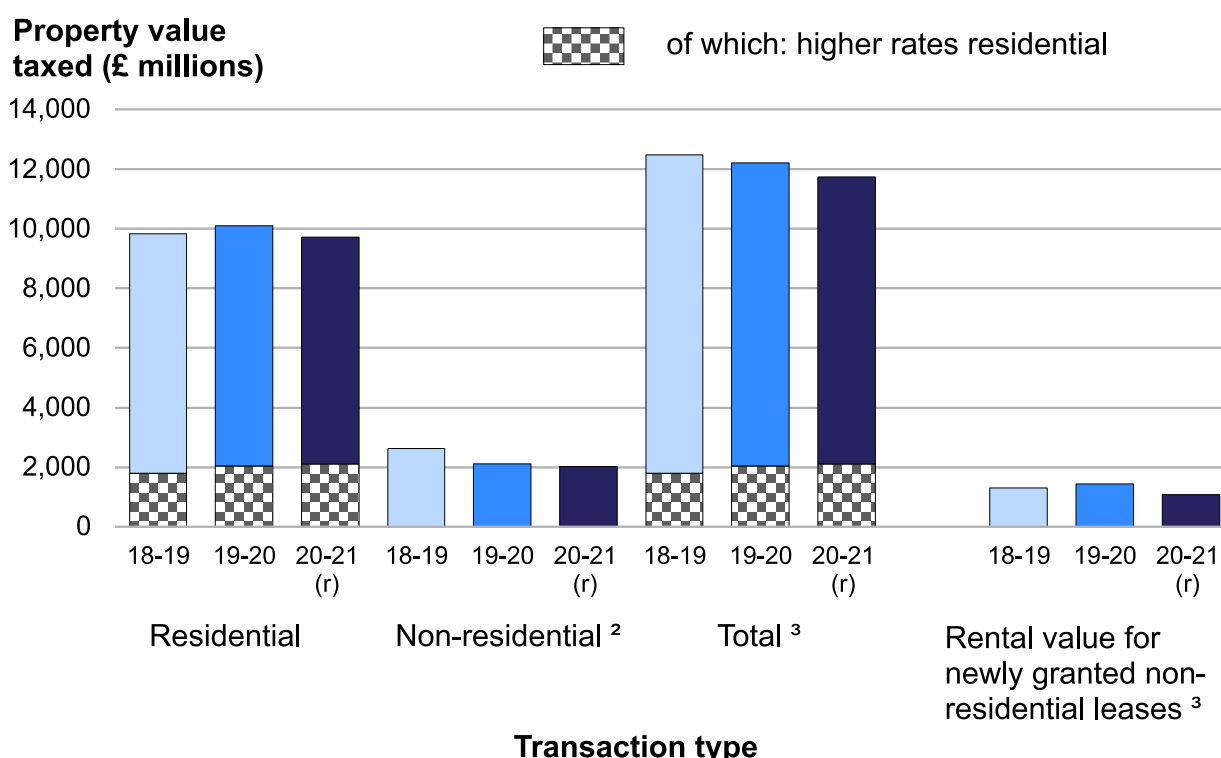
LTT statistics by time period and transaction type on StatsWales

The total **tax due** for transactions with an **effective date** in April 2020 to March 2021 was £216.8 million. This value is 8% lower than our estimate for April 2019 to March 2020 (made in June 2020 – see Figure 1.1).

The corresponding changes for residential tax due, additional revenue from higher rates residential, and non-residential tax due were a decrease of 4%, an increase of 10% and a decrease of 15%, respectively. Commentary on Figure 2.6a later in this section discusses the differing trends during April 2020 to March 2021 for all residential tax due and additional revenue from higher rates. Similarly, commentary below Figure 2.6b provides insight into the trends in non-residential tax due.

As noted in Figure 2.3 above, these comparisons exclude any tax due from the additional transactions shown in Figure 1.2.

Figure 2.4 Value attributed to properties subject to LTT, by transaction type and year the transaction was effective ¹



¹ Any property value associated with the additional transactions shown in Figure 1.2 is excluded here.

² The category 'non -residential' includes properties that are not wholly residential (namely, those which have both residential and commercial elements).

³ Newly granted non-residential leases may have either, or both, a premium and a rental value (the term 'premium' is more accurately described as 'consideration other than rent'). The rental value is the net present value (NPV) of the rents'.

In this chart, only the premium element is included in the total. The rental value is shown separately in the bars to the right of the total. The rental value should not be added to the total property value taxed, as these are different concepts.

More information on these transactions having a rental element can be seen in Section 4 of this release.

(r) The value has been revised in this publication.

LTT statistics by time period and transaction type on StatsWales

The **value of property taxed** in April 2020 to March 2021 was £11.8 billion, lower than the £12.2 billion seen in April 2019 to March 2020. This is consistent with the fall in residential transactions but is tempered by a rise in the values of

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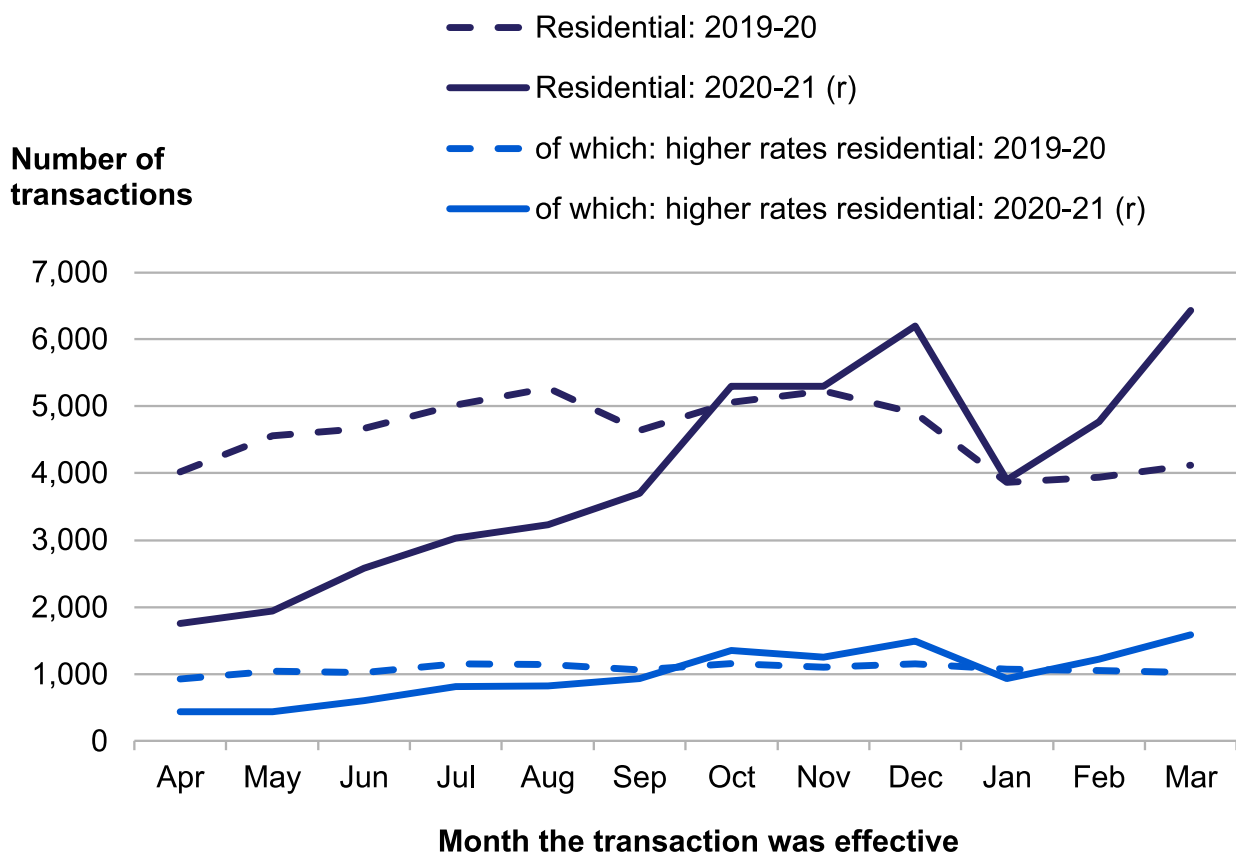
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those transactions (described under Figure 2.6a). [Section 3 of this release](#) describes trends in residential transactions and tax due by value.

Separately, in April 2020 to March 2021, the rental value for newly granted non-residential leases was £1.1 billion. The equivalent figure in April 2019 to March 2020 was £1.4 billion.

Figure 2.5a Number of residential transactions, by month the transaction was effective



(r) The value has been revised in this publication.

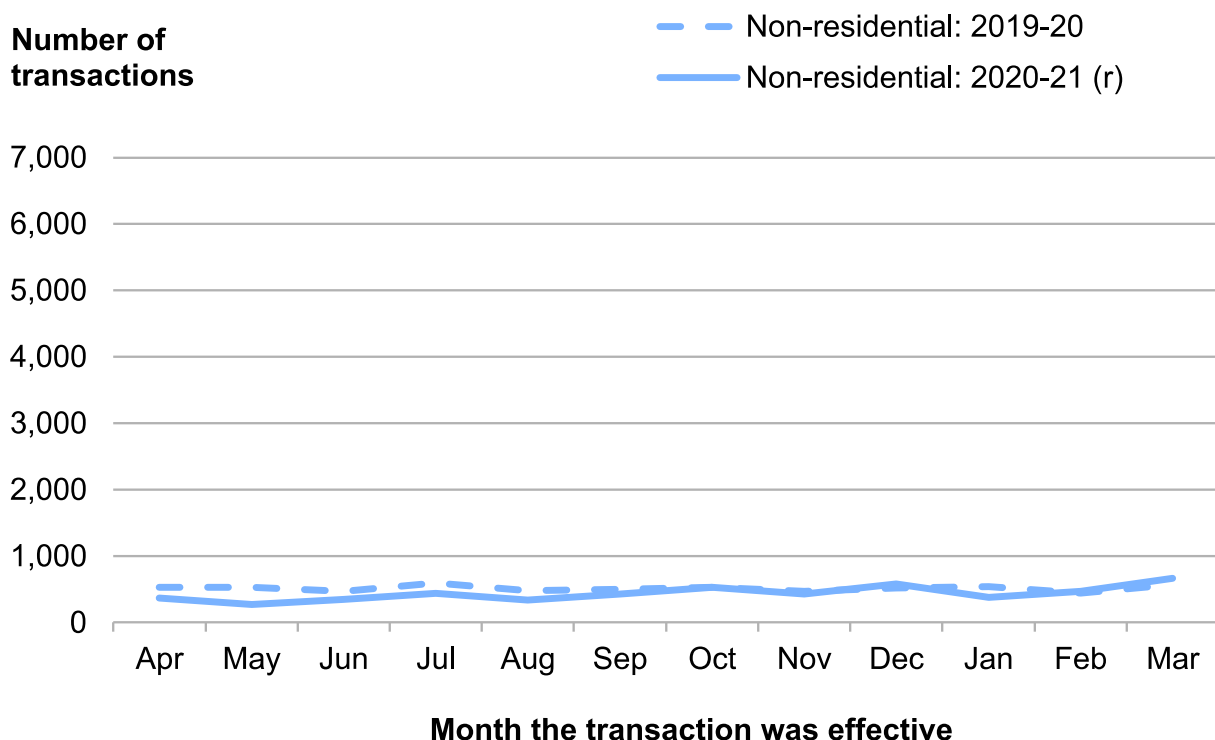
[LTT statistics by time period and transaction type on StatsWales](#) (includes data for 2018-19, not presented above)

In a typical year, the numbers of residential transactions by effective month vary somewhat. There is general seasonality with more transactions in the summer

and autumn months, although some fluctuation is due to there being five Fridays in particular months, rather than four. Figure 2.9 in this section shows that nearly half of transactions have an effective date that is a Friday.

Following COVID-19 restrictions introduced in March 2020, the monthly number of residential transactions dropped sharply in April 2020. Since then, it has gradually recovered, rising above the numbers seen in the previous year between October and December 2020. In January 2021, the numbers fell but have since risen again to above the numbers seen in the previous year. Within this number, higher rate residential transactions have also recovered.

Figure 2.5b Number of non-residential transactions, by month the transaction was effective ¹



¹ The category 'non-residential' includes properties that are not wholly residential (namely, those which have both residential and commercial elements).

(r) The value has been revised in this publication.

LTT statistics by time period and transaction type on StatsWales (includes data for 2018-19, not presented above)

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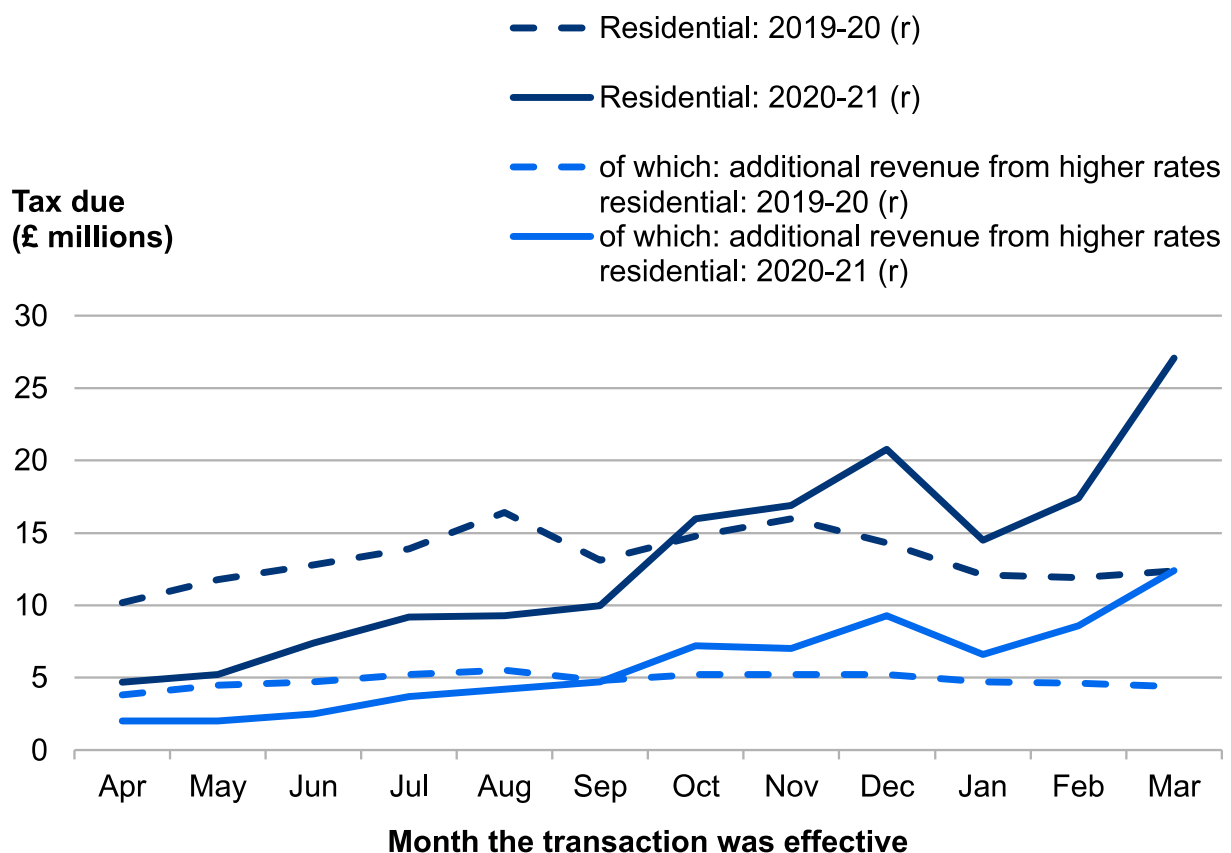
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In both March 2020 and March 2021, we see an increase from the previous month (February) in non-residential transactions. This may be expected, as it is common for non-residential leases to be renewed at the end of the financial year.

The impact of COVID-19 restrictions is less easily seen in non-residential transactions. This is in part due to the lower number of transactions generally, and the irregular nature of the non-residential sector.

Figure 2.6a Tax due on residential transactions, by month the transaction was effective ¹



¹ Please note that this chart excludes any tax due from the additional transactions shown in Figure 1.2.

(r) The value has been revised in this publication. Please note that in this chart, data for earlier periods has been revised downwards. This is to account for refunds of the higher rates of residential tax being paid out.

LTT statistics by time period and transaction type on StatsWales (includes

data for 2018-19, not presented above)

As may be expected, similar trends are seen in the monthly residential tax due as are seen in the monthly counts of transactions, although there has been an even greater recovery in the additional revenue for higher rates transactions than for all residential transactions in 2020-21.

In October, November and December 2020, the additional revenue from higher residential transactions had recovered to considerably above the level seen in the same months in 2019, although the former will reduce slightly as refunds yet to be claimed are processed. In January, February and March 2021, residential revenues have continued to rise to record levels, with the influence of main rates transactions increasing compared to previous quarters.

The residential increases have been fuelled in part by the rise in transactions but also by a rise in the values of those transactions, which more than offset the temporary reduction in rates that impacted main rates revenues (see '[Effects of coronavirus \(COVID-19\) and changes to LTT rates](#)').

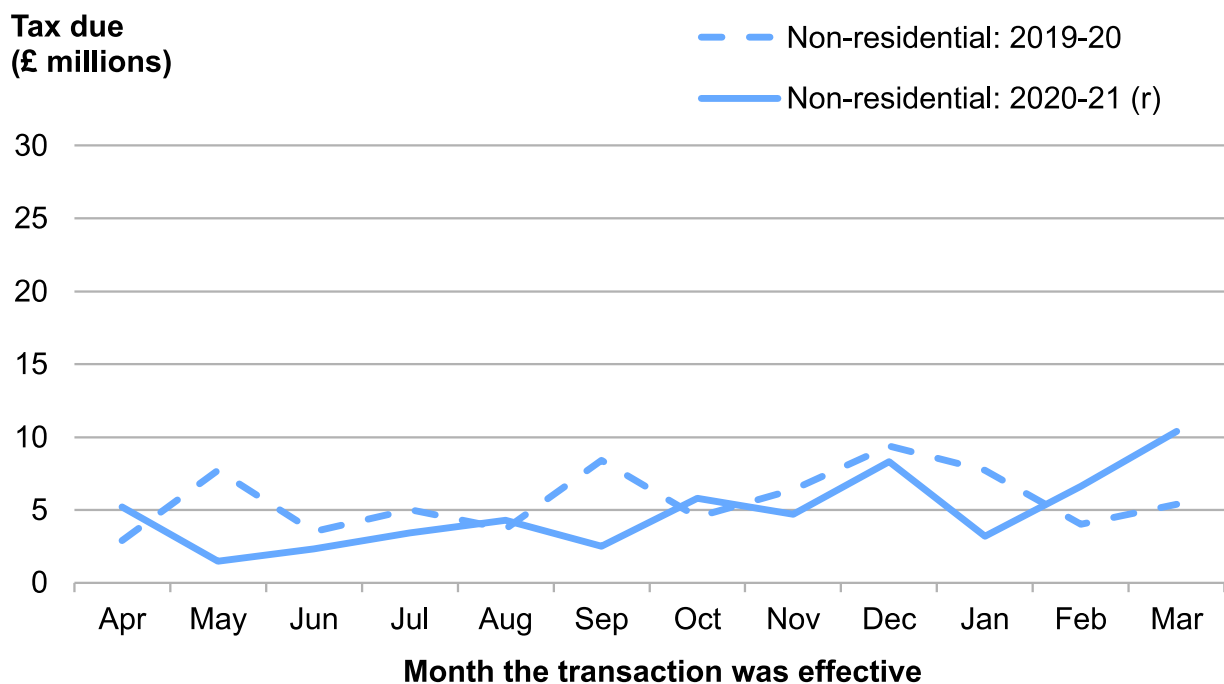
The increase in revenues is mainly due to higher price properties charged at a higher tax rate when compared with the same period last year.

Note though the increase of 10% in additional revenue (shown in Figure 1.2) is somewhat inflated by the temporary reduction in main rates as that reduction was not also applied to higher rates transactions. The result is that since July 2020 all revenue from higher rates is classed as “additional” revenue, whereas in the same period of 2019, the “additional” element would have excluded any main rates elements.

For example, the component of tax due in the band £180,000 to £250,000 was previously 3% of the property value (for main rates residential transactions effective up to 26 July 2020). From 27 July 2020 until 30 June 2021, this changed to 0%, whereas for residential transactions at the higher rates, the component of tax due on this band was unchanged at 6.5% until 21 December 2020 (and 7.5% from 22 December 2020 until 30 June 2021). Therefore, for higher rates transactions, all the revenue in this band is now counted as additional revenue.

In this case, it is therefore safer to focus on the increase in tax across all residential transactions if making the comparisons in Figure 1.2. That the overall number of residential transactions declined in April 2020 to March 2021 (compared with the previous year) demonstrates that a mix of both the number and value of those transactions is at play.

Figure 2.6b Tax due on non -residential transactions, by month the transaction was effective ^{1 2}



¹ Please note that this chart excludes any tax due from the additional transactions shown in Figure 1.2.

² The category 'non-residential' includes properties that are not wholly residential (namely, those which have both residential and commercial elements).

(r) The value has been revised in this publication.

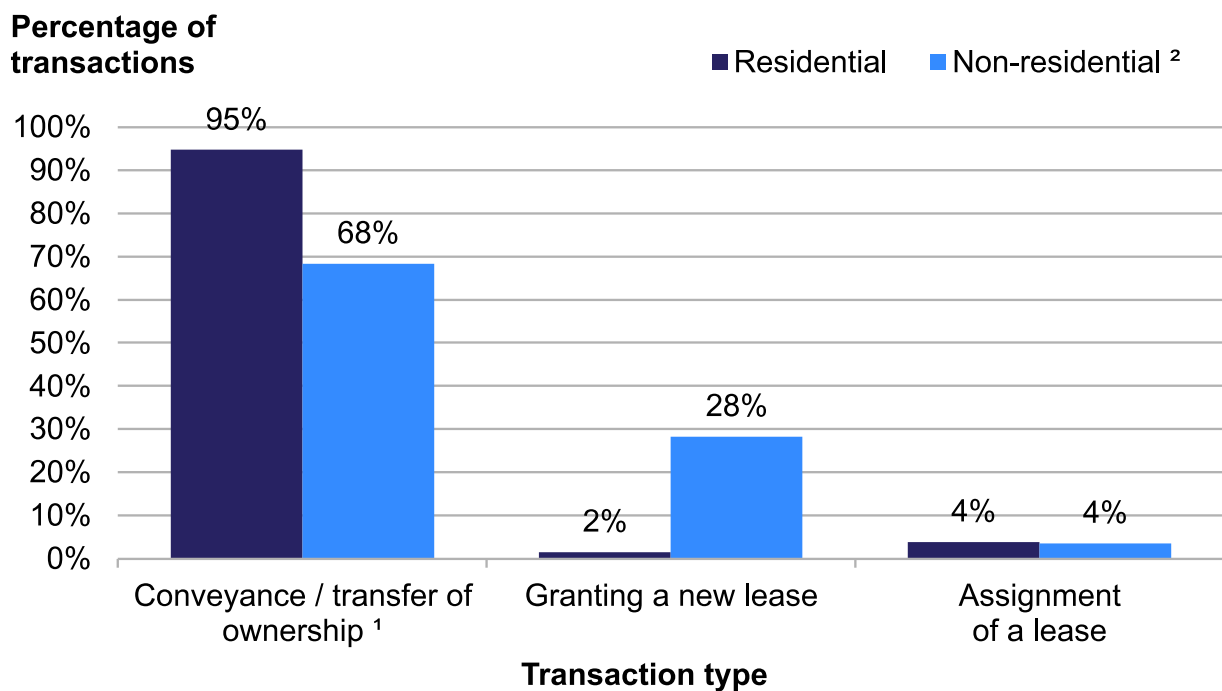
LTT statistics by time period and transaction type on StatsWales (includes data for 2018-19, not presented above)

Non-residential revenues were steady in April 2020, due to a small number of large transactions in that month. Non-residential revenues then fell to the lowest level seen to date in May 2020 (£1.5 million), before generally recovering in the remainder of 2020. In February and March 2021, revenues have increased

above levels seen in 2020.

There is greater volatility in the monthly series for non-residential transactions, than for residential transactions. Non-residential transactions also make up a larger share of total tax due than the share of the number of transactions.

Figure 2.7 Transactions by transaction type, April 2020 to March 2021 (r)



¹ Conveyance / transfer of ownership also includes a small number of transactions classed as 'Other'.

² The category 'non-residential' includes properties that are not wholly residential (namely, those which have both residential and commercial elements).

(r) The value has been revised in this publication.

LTT statistics by transaction type and transaction description on StatsWales

The value of the properties associated with conveyances and transfer of ownership during April 2020 to March 2021 was £11.3 billion (not shown in Figure 2.7).

Most of these transactions were associated with a conveyance or a transfer of ownership. This figure was 95% for residential transactions and 68% for non-residential transactions.

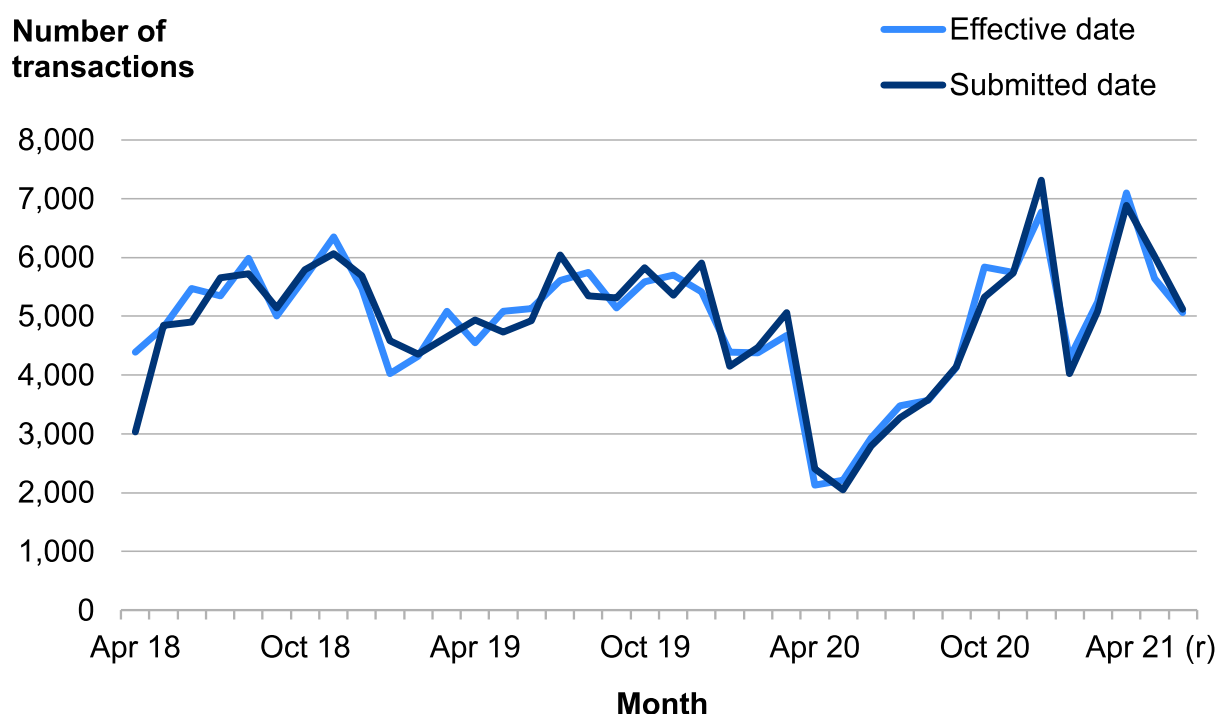
A new lease was granted in 28% of non-residential transactions (compared with 2% of residential transactions).

Similar percentages are seen in previous years.

Analysis by submission date of the return

We are aware that some other statistical publications in the UK base their analysis on the date that the tax return is submitted. We have therefore produced some comparable figures to other UK countries (using date submitted) and compared these to our effective date statistics.

Figure 2.8 Transactions notified to the WRA, by month the transaction was effective / was submitted, April 2018 to May 2021



(p) The value is provisional and will be revised in a future publication.

(r) The value has been revised in this publication.

Transactions notified to the WRA, by month transaction was effective / was submitted, April 2018 to May 2021 (MS Excel)

As might be expected, the monthly trend is generally quite similar for the monthly series of transactions submitted and transactions by effective date. In some instances, differences can be explained by there being five Fridays in particular months, rather than four. In these instances, there is a greater impact on monthly data by effective date than by submitted date. This is because Figure 2.9 in this section shows that nearly half of transactions have an effective date that is a Friday.

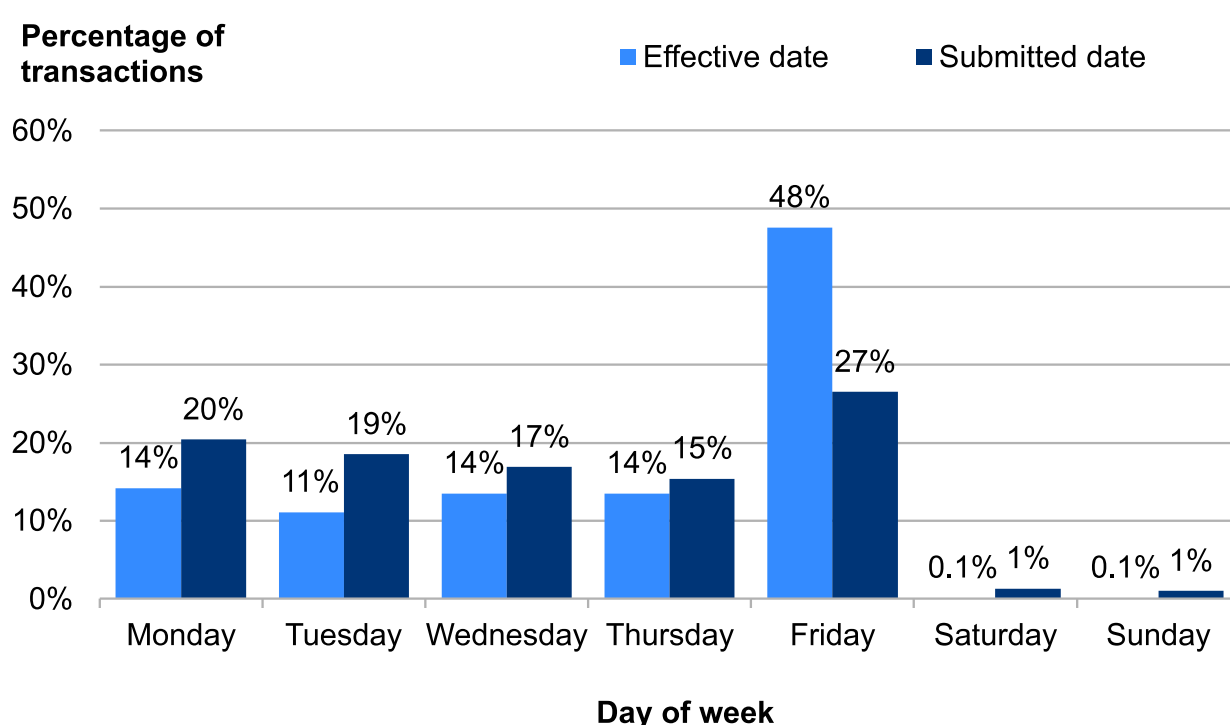
Other differences between the two series can be explained as follows:

- in April 2018, 1,360 more transactions were effective than were submitted. This is largely because there were no LTT transactions which would have

been effective in March 2018 to act as a balance for those effective in April that were received in May 2018. These March 2018 transactions were still being submitted to HMRC under the predecessor tax regime of Stamp Duty Land Tax

- in the months December and January, differences of up to 600 transactions can be seen. This is likely due to Christmas holidays and delays in submitting transactions around this time

Figure 2.9 Transactions notified to the WRA, by day of week and effective / submitted date, April 2020 to March 2021 (r)



(r) The value has been revised in this publication.

Transactions notified to the WRA, by day of week and effective / submitted date, April 2020 to March 2021 (MS Excel)

Friday was the most popular day for both transactions to be submitted and for transactions to become effective, with very few on a weekend. This reflects the typical working week of agents who complete LTT returns.

Nearly half of transactions effective in April 2020 to March 2021 became

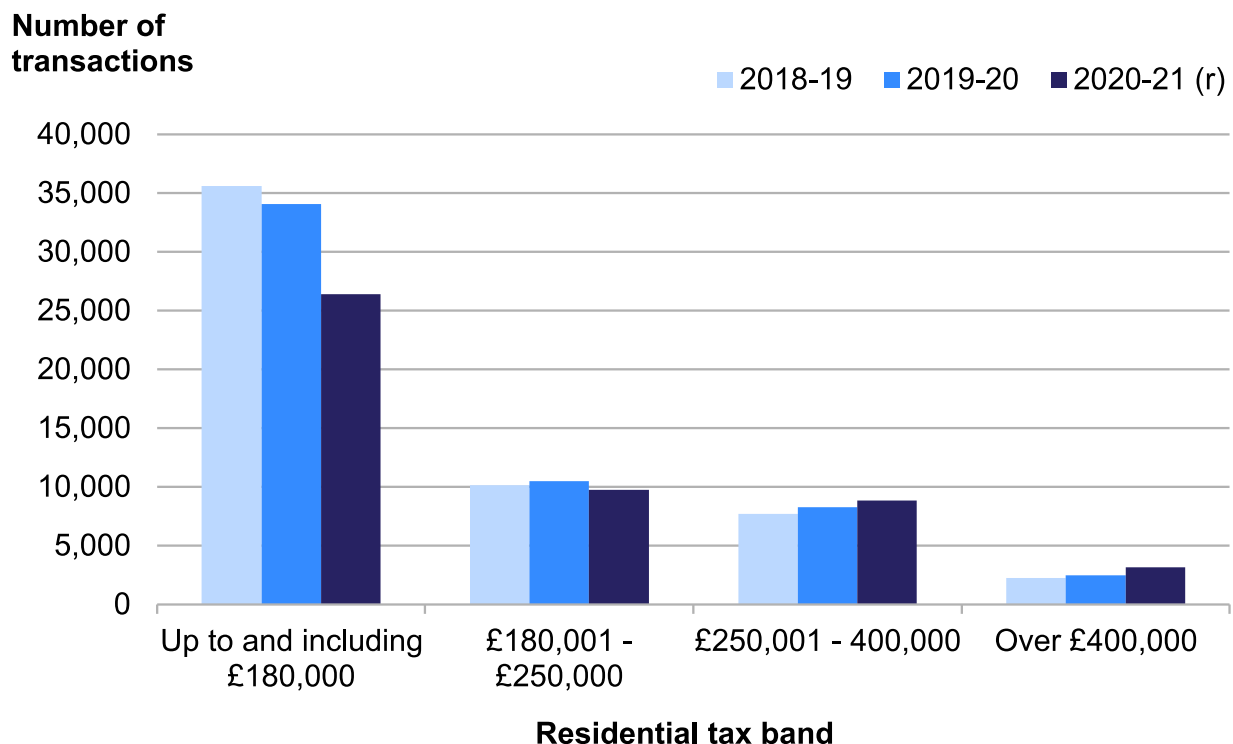
effective on a Friday. While an above average proportion of returns were submitted on a Friday, the difference is far less pronounced than for effective date. This suggests that returns are generally not submitted on the same day that the transaction completes.

Although not shown above, there is also evidence within the data of even more marked peaks in submissions on the last Friday of each month.

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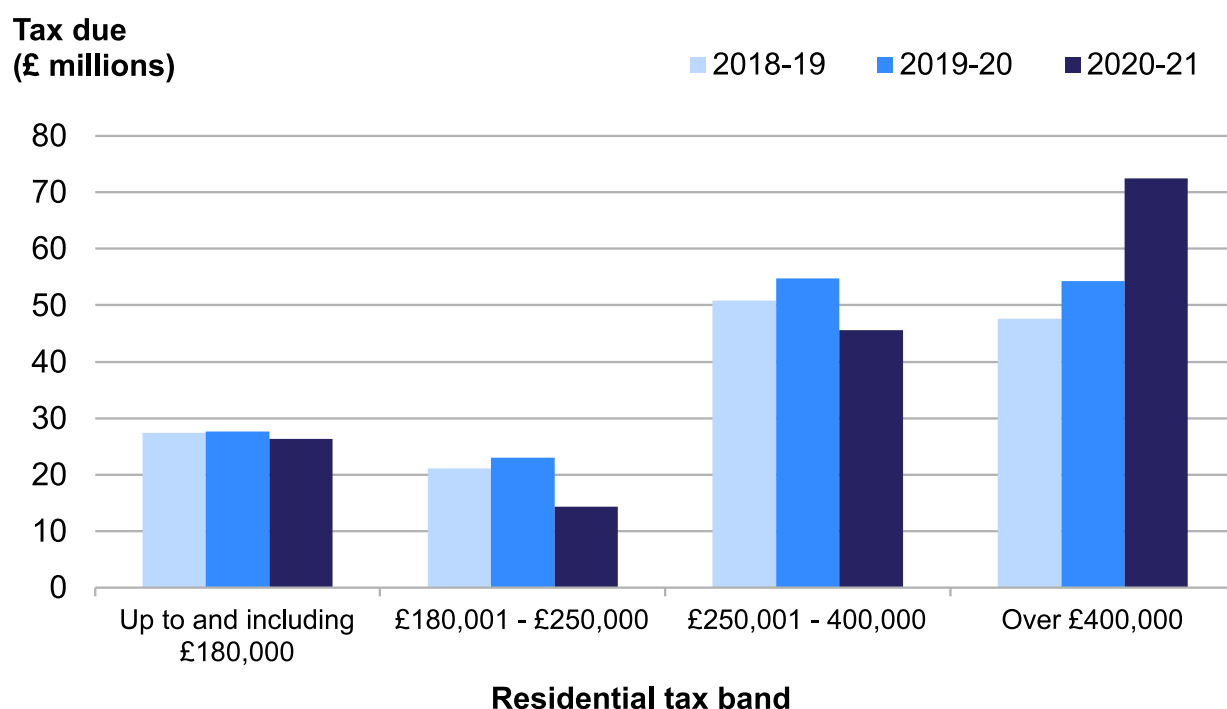
3. Residential transactions by value

Figure 3.1 Number of residential transactions, by residential tax band and year the transaction was effective



(r) The value has been revised in this publication.

Figure 3.2 Tax due on residential transactions, by residential tax band and year the transaction was effective ¹ (r)



¹ Please note that this chart excludes any tax due from the additional transactions shown in Figure 1.2.

(r) The value has been revised in this publication. Please note that in this chart, data for earlier periods has been revised downwards. This is to account for refunds of the higher rates of residential tax being paid out.

LTT statistics by time period and residential transaction value on StatsWales

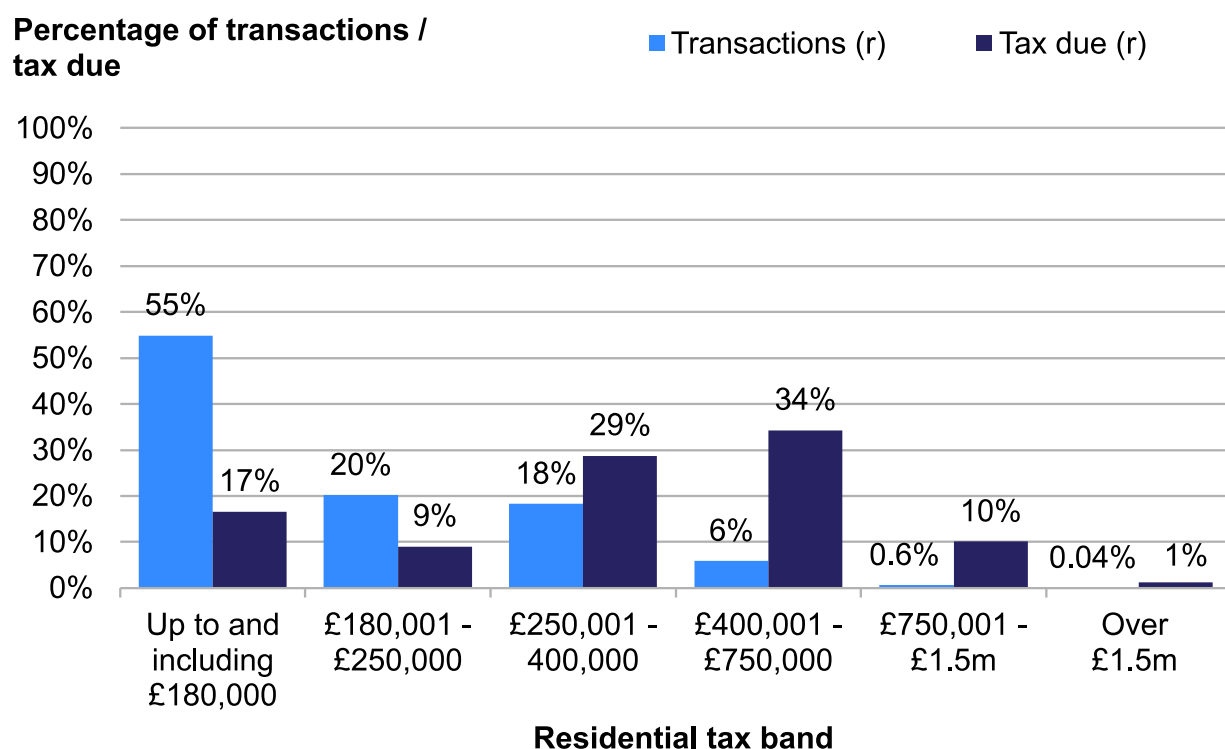
For each tax band, Figures 3.1 and 3.2 show the annual trends in the number of **residential transactions** and tax due. There are six residential tax bands. We have combined the largest three bands here to show results for properties purchased for more than £400,000.

Analysis of quarterly trends by tax band is presented in our **quarterly releases**. There has been considerable variation during April 2020 to March 2021, analysed for all tax bands in Section 2 of this release and more generally in the section '**Effects of coronavirus (COVID-19) and changes to the LTT rates**'.

Considering data on an annual basis, the number of residential transactions of properties up to and including £180,000 fell sharply in April 2020 to March 2021, compared with the previous year. The number of transactions in higher value tax bands either fell to a small extent or slightly increased.

For transactions of residential properties up to and including £180,000, tax due fell only slightly in April 2020 to March 2021, compared with the previous year. Tax due on properties in the second tax band (purchase price £180,001 to £250,000) fell sharply between these time periods (see also Figure 3.3). Tax due on properties in the largest three bands (over £400,000) increased by around a third in April 2020 to March 2021, compared with the previous year.

Figure 3.3 Percentage of residential transactions and tax due within each property tax band, April 2020 to March 2021



(r) The value has been revised in this publication.

LTT statistics by time period and residential transaction value on StatsWales

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In April 2020 to March 2021, 55% of **residential transactions** were within the first tax band (purchase price £180,000 or lower). Although the main tax rate on residential transactions of up to £180,000 is 0%, these transactions still accounted for 17% of total residential tax due, which relates to the higher rates residential component of the tax.

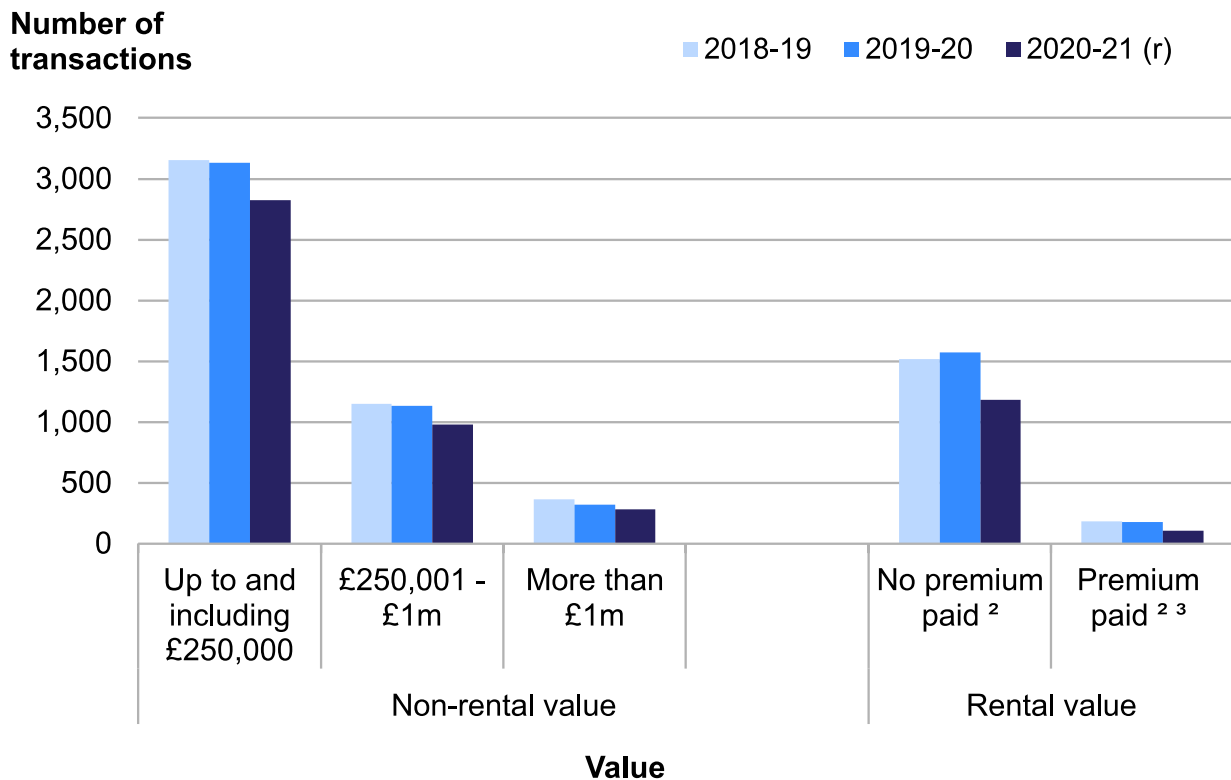
The 20% of transactions in the second tax band (purchase price £180,001 to £250,000) accounted for a lower proportion of the tax due (9%) than seen in earlier years (previously around 15%). This would be expected due to the **LTT rate change on 27 July 2020**.

Combining the fourth, fifth and sixth bands (purchase price of greater than £400,000), these accounted for 7% of transactions. However, the tax due for these transactions accounted for 46% of the total residential tax due, the highest annual proportion to date.

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4. Non-residential transactions by value

Figure 4.1 Number of non-residential transactions by value and year ¹



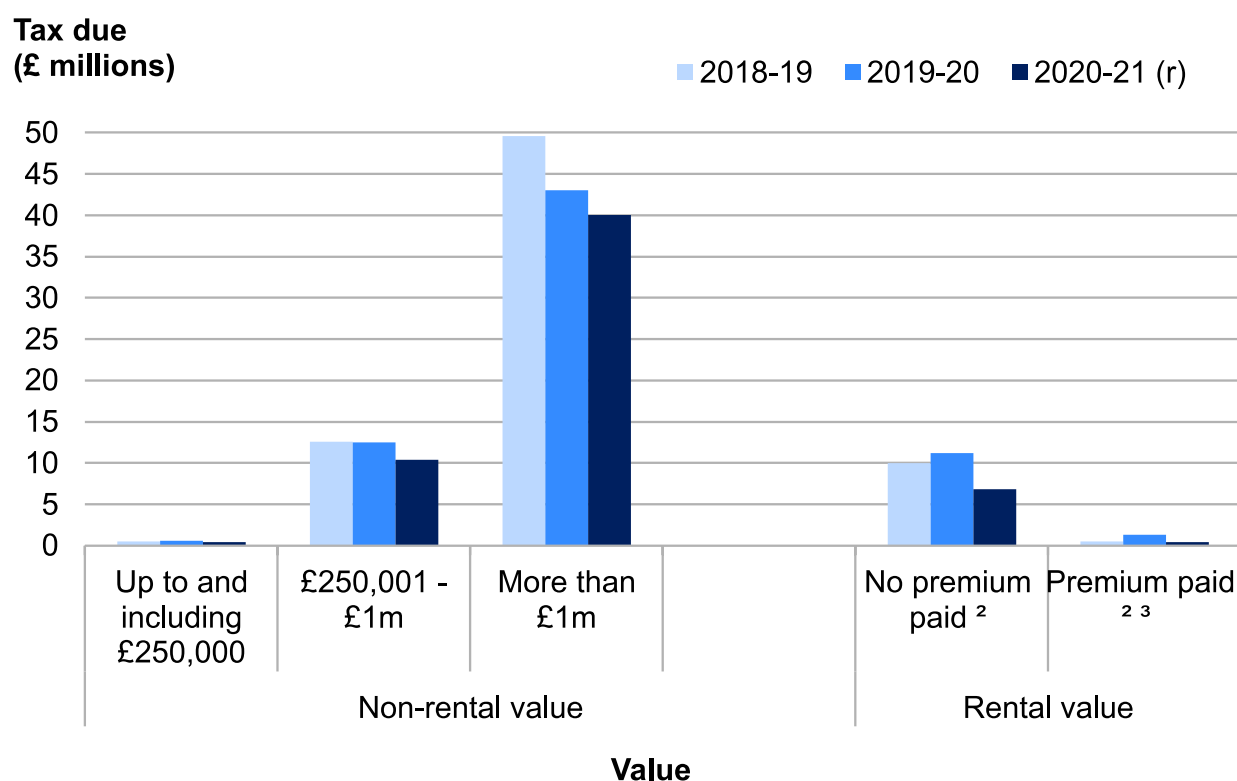
¹ The category 'non-residential' includes properties that are not wholly residential (namely, those which have both residential and commercial elements).

² The term 'premium' is more accurately described as 'consideration other than rent'. In most cases, the premium paid will be in the form of a cash value, but could take another form.

³ Please note that transactions with both a rental value and a premium paid are counted twice in the number of transactions (in Figure 4.1). The tax due for these transactions is counted once (in Figure 4.2).

(r) The value has been revised in this publication.

Figure 4.2 Tax due on non -residential transactions, by value and year ¹



¹ The category 'non-residential' includes properties that are not wholly residential (namely, those which have both residential and commercial elements).

² The term 'premium' is more accurately described as 'consideration other than rent'. In most cases, the premium paid will be in the form of a cash value, but could take another form.

³ Please note that transactions with both a rental value and a premium paid are counted twice in the number of transactions (in Figure 4.1). The tax due for these transactions is counted once (in Figure 4.2).

(r) The value has been revised in this publication.

LTT statistics by time period and non-residential transaction value on StatsWales

For each tax band, Figures 4.1 and 4.2 show the annual trends in the number of **non-residential transactions** and tax due. There are 5 tax bands for the non-rental value. We have combined the smallest 3 bands here to show results for properties with a non-rental value less than £250,000.

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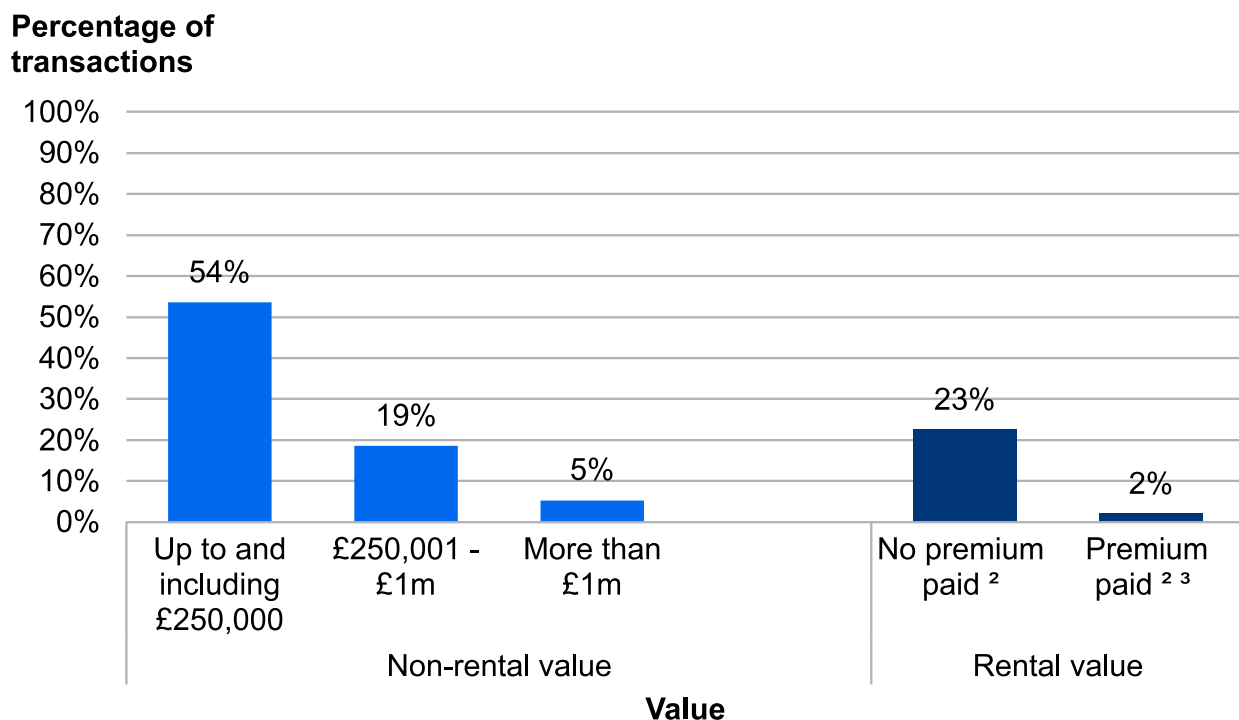
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Figure 4.1 shows that in April 2020 to March 2021, the number of transactions in each value band fell to the lowest annual values seen to date. To understand these trends, users should refer to the section of this release '[Effects of coronavirus \(COVID-19\) and changes to LTT rates](#)'. Quarterly data has varied considerably, and analysis is presented in our [quarterly releases](#).

In each year, around 60% to 70% of the tax due has been contributed by transactions with a non-rental value greater than £1 million. In each year, around 10% to 20% of the tax due has been contributed by the rental value of non-residential properties.

Figure 4.3 Percentage of non -residential transactions within each value band, April 2020 to March 2021 ¹ (r)



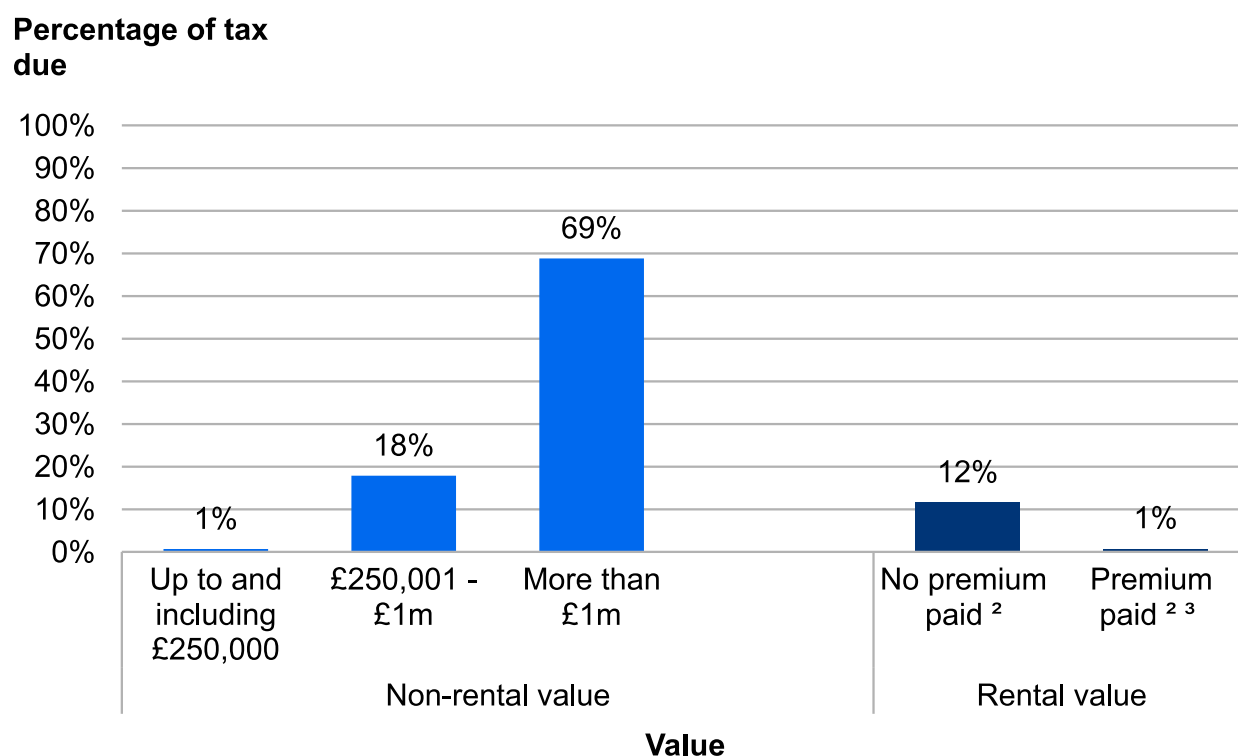
¹ The category 'non-residential' includes properties that are not wholly residential (namely, those which have both residential and commercial elements).

² The term 'premium' is more accurately described as 'consideration other than rent'. In most cases, the premium paid will be in the form of a cash value, but could take another form.

³ Please note that transactions with both a rental value and a premium paid are counted twice in the number of transactions (in Figure 4.3). The tax due for these transactions is counted once (in Figure 4.4).

(r) The value has been revised in this publication.

Figure 4.4 Percentage of tax due on non -residential transactions within each value band, April 2020 to March 2021¹ (r)



¹ The category 'non-residential' includes properties that are not wholly residential (namely, those which have both residential and commercial elements).

² The term 'premium' is more accurately described as 'consideration other than rent'. In most cases, the premium paid will be in the form of a cash value, but could take another form.

³ Please note that transactions with both a rental value and a premium paid are counted twice in the number of transactions (in Figure 4.3). The tax due for these transactions is counted once (in Figure 4.4).

(r) The value has been revised in this publication.

LTT statistics by time period and non-residential transaction value on StatsWales

Figure 4.3 shows that in April 2020 to March 2021, 5% of **non-residential transactions** had a non-rental value of more than £1 million. These transactions accounted for 69% of the non-residential tax due (Figure 4.4).

Figure 4.3 also shows that for 24% of non-residential transactions in this period, a rental value was associated with the property (which contributed to the tax paid on the transaction).

The rental value of non-residential properties accounted for 12% of the total non-residential tax due (Figure 4.4). This is a lower percentage than the 18% in the previous year April 2019 to March 2020.

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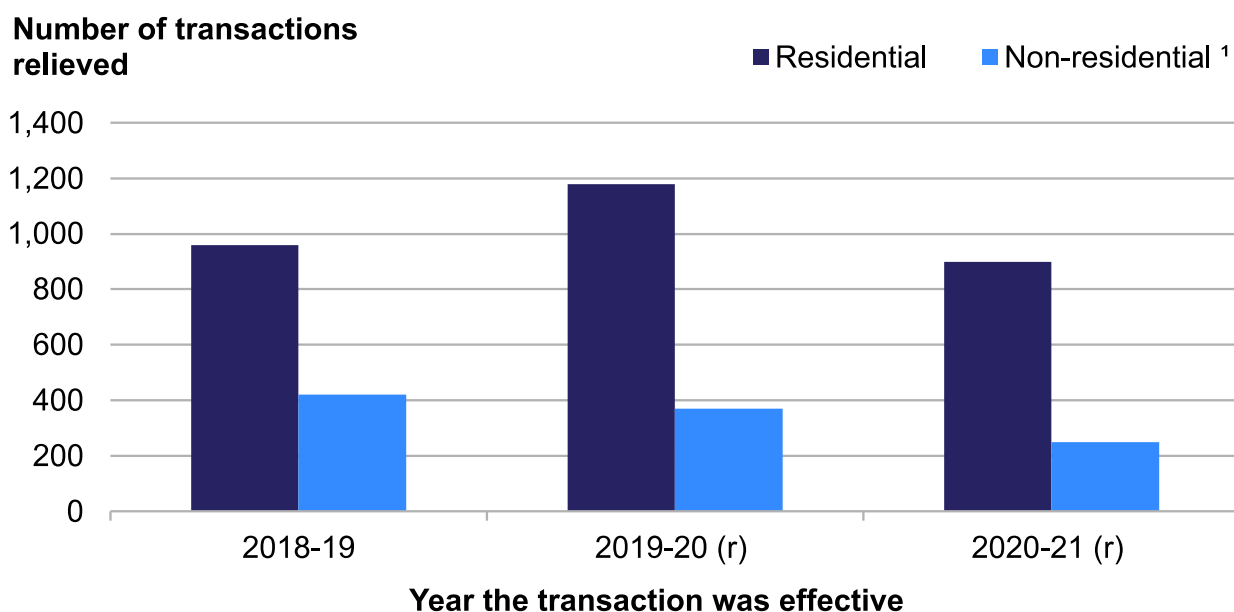
5. Reliefs

Taxpayers can claim [reliefs](#) on both residential and non-residential transactions. Reliefs reduce the amount of tax due when certain conditions are met. More than one relief can be applied to a single transaction.

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

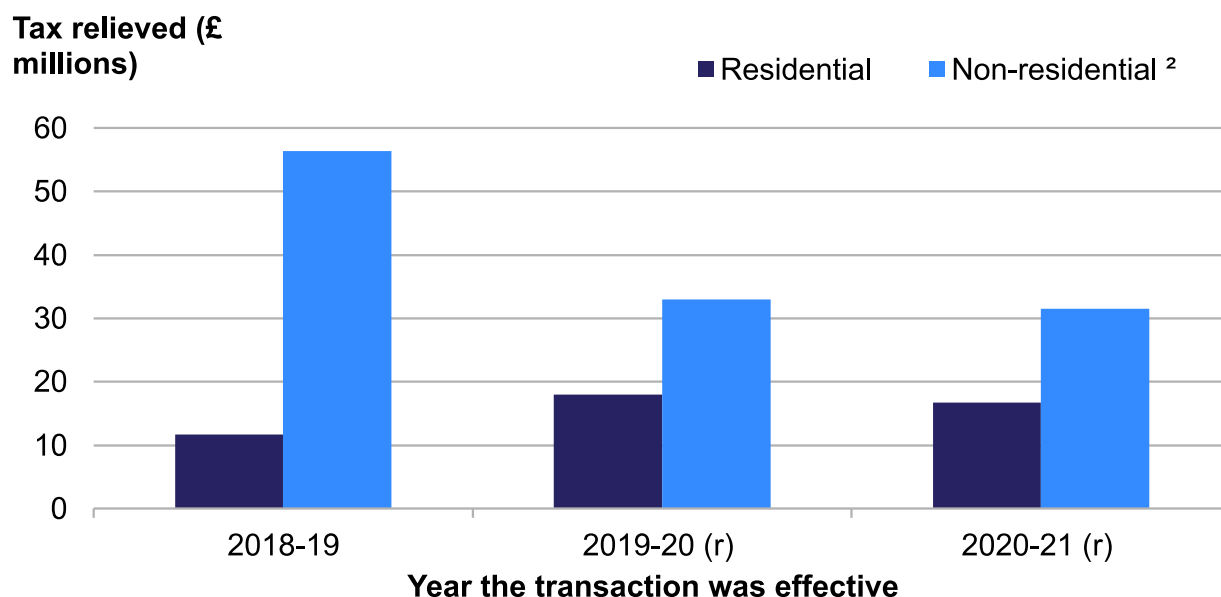
Figure 5.1 Number of transactions relieved, by year the transaction was effective



¹ The category 'non-residential' includes properties that are not wholly residential (namely, those which have both residential and commercial elements).

(r) The value has been revised in this publication.

Figure 5.2 Tax relieved, by year the transaction was effective (£ millions) ¹



¹ Please note that this chart excludes any tax due from the additional transactions shown in Figure 1.2.

² The category 'non -residential' includes properties that are not wholly residential (namely, those which have both residential and commercial elements).

(r) The value has been revised in this publication.

LTT statistics on reliefs by measure and transaction type on StatsWales

There were 1,140 transactions in April 2020 to March 2021 with reliefs applied to them that reduced the associated tax due. This is lower than the previous two years. These effects are consistent with recent trends in transactions numbers as a whole and should be read in the context of the earlier section on the **effects of coronavirus (COVID-19) and changes to LTT rates**. Quarterly data has varied considerably, and analysis is presented in our **quarterly releases**.

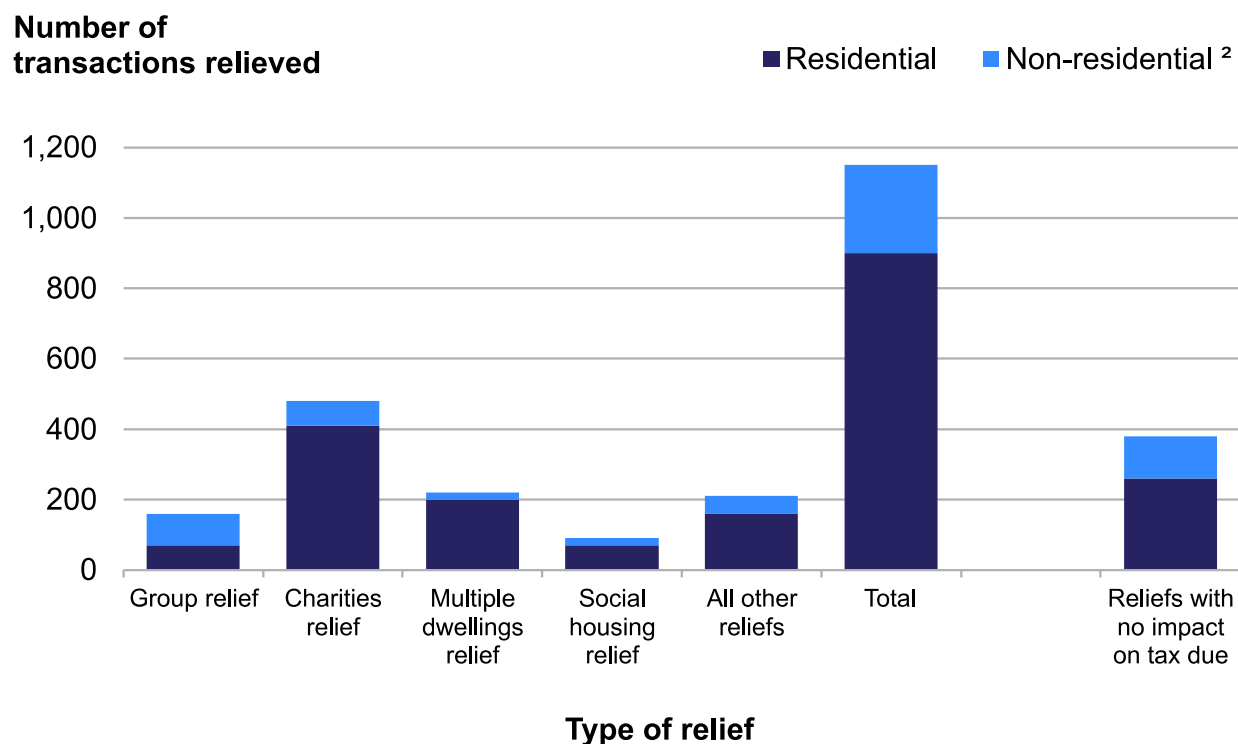
On average, there are around 400 to 600 reliefs claimed each year which had no impact on the tax due. These reliefs are excluded from Figure 5.1. Many of them have been reported unnecessarily by the organisations completing the tax return.

As an example, some of these mistakenly claimed reliefs apply to low value

residential transactions. Indications are that they are due to a perceived but mistaken need to claim first time buyer relief (which applies for the predecessor tax, but not to LTT). This is known following queries raised with several agents asking why tax reliefs have been claimed where there is no impact on value of the tax. Further information about this category of reliefs is provided in [Example 4 in our key quality information](#).

Each year, the number of reliefs claimed on residential transactions was higher than for non-residential transactions. In contrast, the value of reliefs claimed on non-residential transactions contributed around two-thirds, or higher, of the total value of reliefs claimed. However, analysis in our [quarterly releases](#) showed considerable variation for three-month periods. For example, there have been some three-month periods where a few large residential transactions contributed to residential reliefs being considerably larger than their non-residential counterparts.

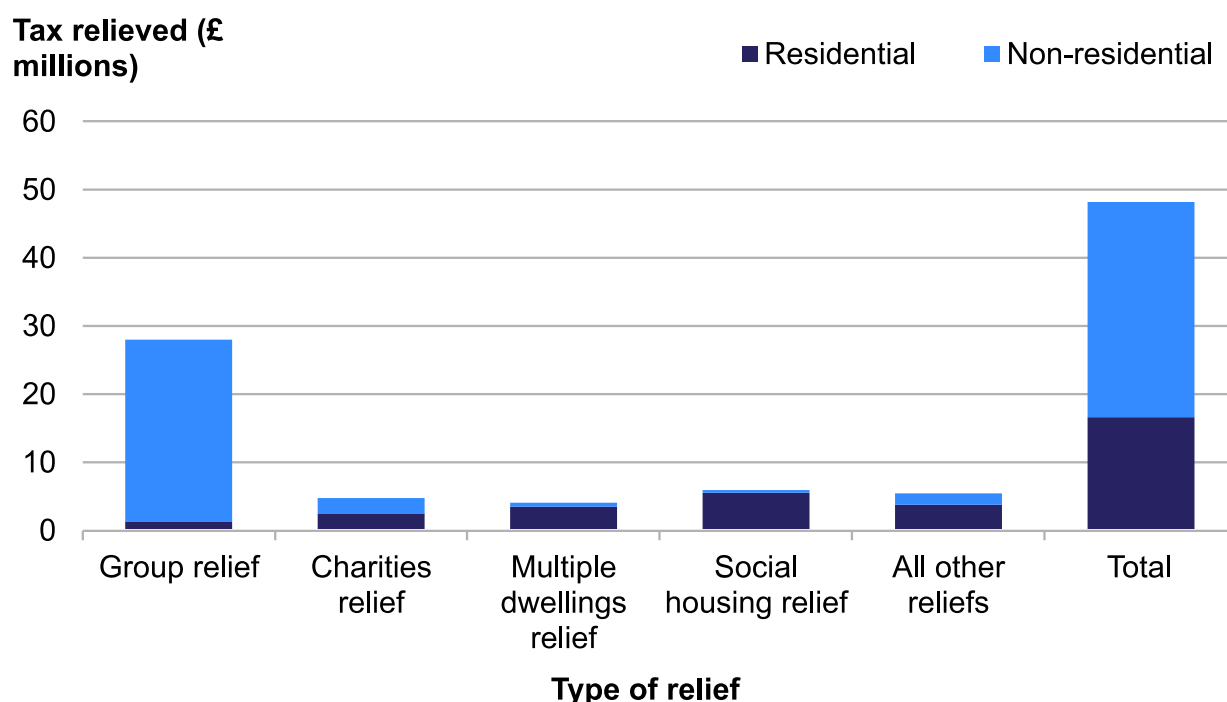
Figure 5.3 Number of transactions relieved, by type of relief, April 2020 to March 2021 ¹



¹ In a very small number of transactions, more than one type of relief is claimed. Such transactions are counted against each relief claimed, but only once in the total.

² The category 'non-residential' includes properties that are not wholly residential (namely, those which have both residential and commercial elements).

Figure 5.4 Tax relieved (£ millions), by type of relief, April 2020 to March 2021 ¹ (r)



¹ In a very small number of transactions, more than one type of relief is claimed. Such transactions are counted against each relief claimed, but only once in the total.

² The category 'non-residential' includes properties that are not wholly residential (namely, those which have both residential and commercial elements).

(r) The value has been revised in this publication.

LTT statistics on reliefs by measure and transaction type on StatsWales

The type of relief with the largest impact on tax due in April 2020 to March 2021 was group relief, which predominantly relates to non-residential transactions. This relief accounted for just over half of the total tax relieved.

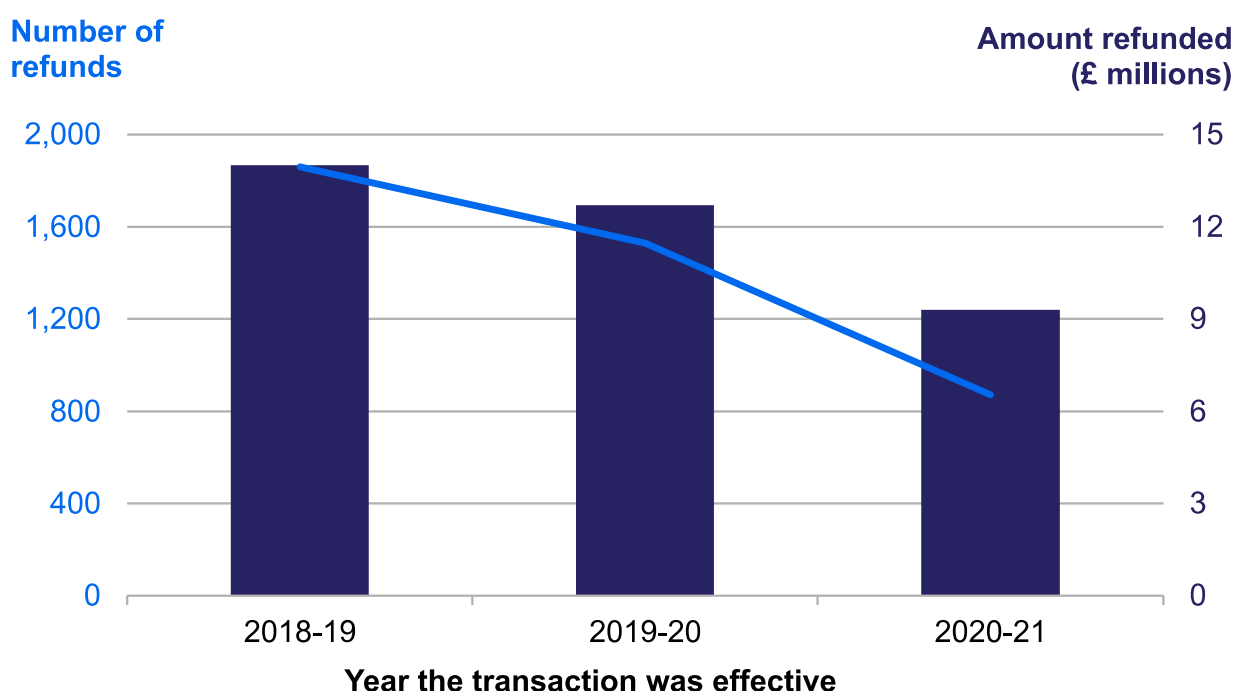
In April 2020 to March 2021, the total value of reliefs claimed was £48.3 million. This is slightly lower than the £51.1 million claimed in April 2019 to March 2020, and considerably lower than the £68.1 million claimed in April 2018 to March 2019.

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6. Higher rate refunds

When a taxpayer claims a **refund for higher rates residential LTT**, the original transaction is amended to a main rate residential LTT transaction. The data in this release is adjusted for any refunds approved by WRA up to and including 21 June 2021.

Figure 6.1 Number and value of refunds of higher rates residential issued, by year the transaction was effective (r)



(r) The value has been revised in this publication.

(not shown in Figure 6.1) Cumulatively, 4,270 higher rate refunds were claimed for transactions effective from April 2018, with £36.2 million refunded to taxpayers.

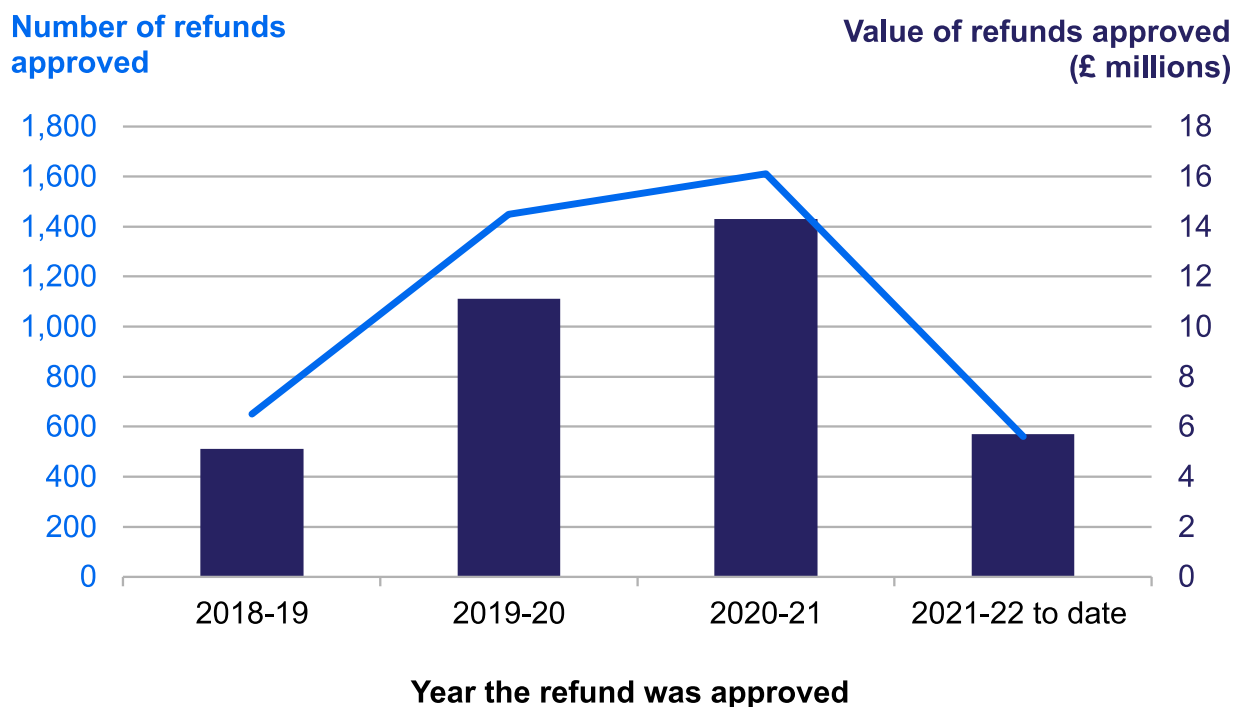
Taxpayers have up to three years to sell their previous main residence and claim a refund. Therefore, all the values in Figure 6.1 will continue to be revised upwards in future editions of our statistics. This will lead to the total tax due in other tables and charts reducing.

The number and value of refunds presented for April 2020 to March 2021 is lower than for earlier years. This is because compared with earlier years, a shorter time has passed since the transaction was effective for many of the relevant taxpayers to sell their previous main residence and claim their refund.

Refunds of higher rates residential by date the refund was approved

Figure 6.2 below shows another useful way of presenting data on higher rates refunds, using the date when the refund was approved by the WRA.

Figure 6.2 Refunds of higher rates residential issued for transactions effective from April 2018 to March 2021, by year the refund was approved



LTT statistics on higher rate refunds by original transaction date and refund approved date on StatsWales

The number of refunds approved (and value of those refunds) increased each year up to April 2020 to March 2021. This would be expected, as more time has

passed for claims to be made.

This is already reflected in the April 2021 to March 2022 year, where many refunds have already been approved in the period 1 April to 21 June 2021. It remains to be seen if this is a temporary increase following the larger number of transactions received in recent months, or the lead up to a more permanent higher level of higher rates refund activity.

Refunds of higher rates residential (cash basis)

Further information on the refund payments made to taxpayers, by the month in which they were made, can be found at the link below.

[LTT statistics on tax paid and higher rate refunds \(cash basis\) on StatsWales](#)

In the main, these additional data are provided to support forecasting requirements.

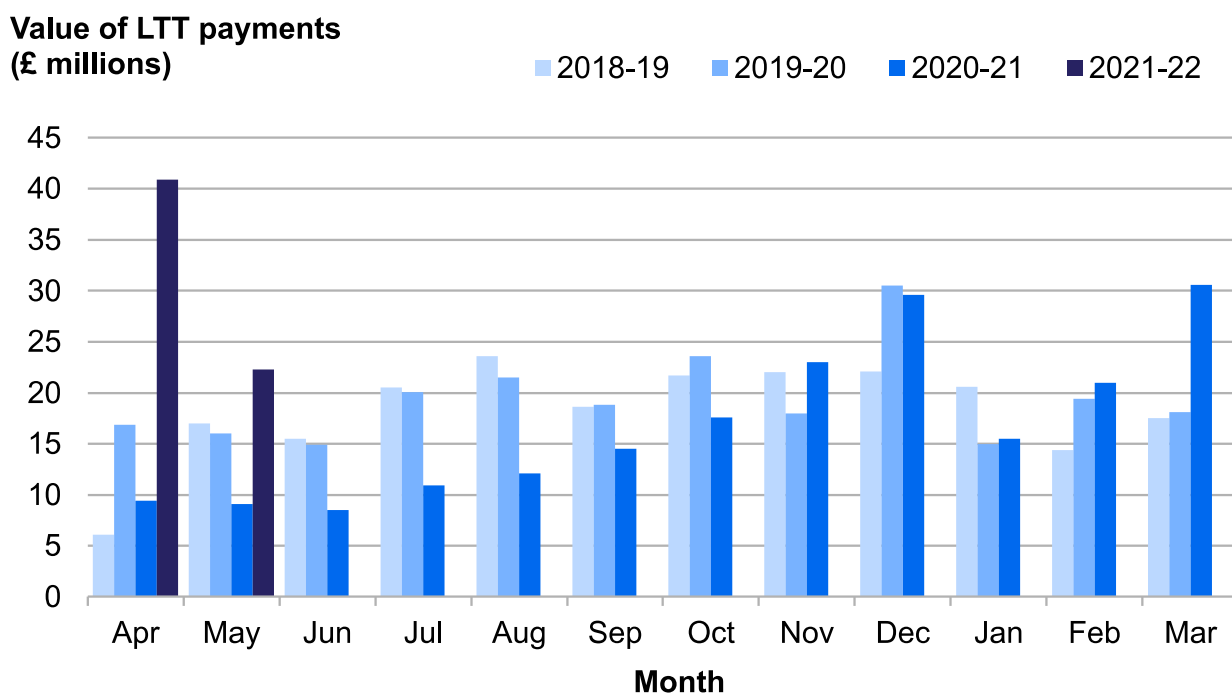
Intention to claim a refund of the higher rates element

For all higher rates transactions, the WRA asks the question whether the taxpayer intends to reclaim the higher rates element in future. It will take several years before we know how likely someone is to claim based on their stated intentions (it can take up to three years to make the claim). But we do currently know that around two thirds of those who do claim answer this question in the positive.

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7. Tax paid

Figure 7.1 Land Transaction Tax (LTT) paid to the Welsh Revenue Authority (WRA) ¹



¹ Please note that for April 2020 (due to its untypical size), the £28.2 million paid for the Transport for Wales transaction of the core valley lines has been excluded from this chart.

LTT statistics on tax paid and higher rate refunds (cash basis) on StatsWales

In April 2020 to March 2021, the WRA received £201.8 million in LTT payments. This is considerably lower than the £232.8 million received in April 2019 to March 2020.

Due to its untypical size, the above comparison excludes the £28.2 million paid by Transport for Wales for the core valley lines from the data. It should be noted that while the transaction was effective in March 2020, the tax was paid in the following financial year (April 2020).

These values are different to those reported in Figure 2.3 as they relate to the payments **received** in each month (often referred to as 'on a cash basis'). This differs from earlier data presented in this release which is based on transactions that were **effective** in the month.

There is a difference in April 2018 as the WRA only started collecting the tax in that month. Therefore, no payments relating to transactions effective in earlier months were relevant.

Please also note that the data in Figure 7.1 is presented net of higher rate refunds being paid out in a particular month.

The highest monthly receipts seen to date were in April 2021 (£40.9 million). This was influenced in the main by the record monthly level of reported tax due in March 2021.

WRA accounts

LTT transactions are subject to revision for various reasons, for example following a review into their accuracy, or the granting of higher rates refunds. As the data in this release is largely based on the effective date of the transaction, which usually remains the same, then much of the data published here for previous periods can still change.

Whilst virtually all the transactions relating to 2020-21 should now be included in this release (due to the time that has elapsed since the end of the year), data for 2018-19 to 2020-21 will never be fully finalised until the window for revisions closes. In the case of higher rate refunds this can be as much as three years after the original transaction, with a potentially longer window available for certain other transactions, such as those which WRA choose to open an enquiry into.

For the purposes of accounting and forecasting, it is necessary to create a final figure at the Wales level for the total tax due for each year. Whilst the value of the money received in figure 7.1 is fixed as soon as each period ends, this is too simplistic for this purpose. For example, Figure 7.1 doesn't identify the tax year

to which each transaction relates.

Instead, a final accounting figure for 2020-21 is defined by including transactions (or any amendments to transactions) received up until 30 April 2021 with an effective date in 2020-21. Any transactions received (or amendments made) since 30 April 2021, or yet to be received are excluded. This data has been formally published as part of the WRA's annual report and accounts for 2020-21, as laid before the Welsh Parliament.

Figure 7.2: Revenues presented in the WRA accounts (£ millions), by year

Transaction type	2018-19	2019-20	2020-21
Residential	155.4	163.4	152.1
Non-residential	72.4	96.9	58.4
Total	227.8	260.3	210.5

Source: WRA accounts

A key difference between the total revenue for each year (Figure 7.2) and our wider statistics relates to **higher rate refunds**. For example, transactions refunded during 2020-21 (which relate to an original transaction in 2018-19 or 2019-20) will act on the 2020-21 value in Figure 7.2, but on 2018-19 or 2019-20 values in our wider statistics.

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8. Analysis within Wales

Main points in this section

These annual statistics for April 2020 to March 2021 by local authority show:

- for residential transactions, the average tax due per transaction was highest in Monmouthshire (£7,470) and lowest in Blaenau Gwent (£920). For non-residential transactions, this figure was highest in Cardiff (£27,310) and lowest in Conwy (£2,850)
- for residential transactions, the average property value per transaction was highest in Monmouthshire (£311,000) and lowest in Blaenau Gwent (£114,000)
- higher rates transactions as a percentage of all residential transactions varied between 18% in Flintshire and 38% in Gwynedd

It is important to note that several factors can mean a residential transaction is subject to higher rates. These include:

- purchasing buy-to-let properties
- buying a second home or holiday home
- buying a new property while trying to sell an existing one
- companies such as social housing providers buying properties

The LTT statistics only include properties sold in the past year. They don't represent the full stock of properties in any local authority.

Further information on how to use statistics on the higher rates of LTT is presented in the [article accompanying this release](#).

Data by local authority

This release presents geographic breakdowns for LTT (on an annual basis only). We have not provided breakdowns by month or quarter, as there would be too few transactions in most local authorities to provide reliable statistics.

The local authority in which the transaction occurs is a mandatory question on the tax return, whereas the postcode where the transaction occurs is an optional question. We have combined these two pieces of information to derive our local authority statistics. Further information on this process and the data quality is available in our [key quality information for LTT statistics](#).

We present local authority data for residential and non-residential transactions and tax due.

We also present local authority data on the value of properties taxed (known as the consideration) for residential transactions only. This is because there are some non-residential transactions with a particularly large consideration and a possible risk of identifying a taxpayer if we were to publish annual local authority data on these.

In future, we will investigate the viability of combining several years of non-residential transactions to support safe publication of consideration data.

Data by Senedd constituency and built-up area

We also publish annual statistics for Senedd constituencies and built-up areas. These statistics are not analysed in this release but are available on the [StatsWales website](#). These statistics are published for residential transactions only.

Where supplied, the postcode on the tax return is used to derive the Senedd constituency or built-up area.

Where the postcode is not supplied, there is a clear bias towards larger non-residential transactions, and as these cannot be allocated to a local area, the resulting statistics are not reliable. Therefore, it is not currently appropriate to produce statistics on non-residential transactions for Senedd constituencies and built-up areas.

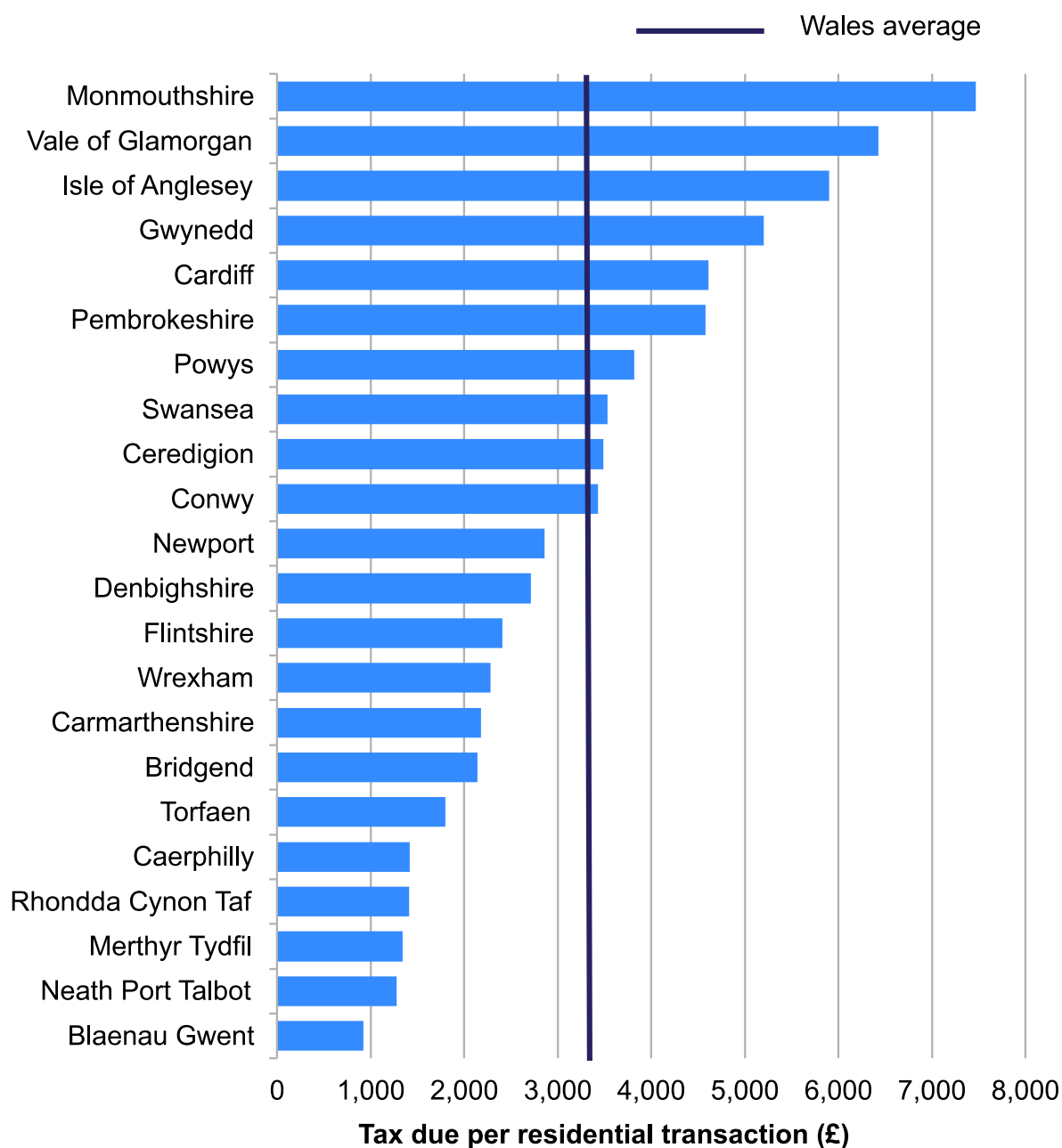
Presentation of averages in this section

Where Wales averages are presented in this section, these are a weighted mean which takes account of different numbers of transactions in each local authority.

Figures 8.1 to 8.3 and 8.5 present ratios (for example tax due per transaction or higher rates transactions as a proportion of all transactions). This use of ratios is needed to create comparable data across all local authorities, as the individual concepts will often vary greatly between local authorities simply due to their varying size and population.

As an example, consider Figure 8.1. Among Welsh local authorities, Cardiff had both the highest amount of residential tax due and number of residential transactions. Due to their size, this would prevent meaningful comparison across local authorities, but when looking at tax due per residential transaction, a much smaller authority (Monmouthshire) exhibited the highest figure, with the comparable figure in Cardiff being the fifth largest.

Figure 8.1 Tax due per residential transaction (£), by local authority, April 2020 to March 2021 ¹



¹ Please note that this chart excludes any tax due from the additional transactions shown in Figure 1.2.

Residential LTT statistics by measure and local authority on StatsWales

Figure 8.1 shows that for residential transactions, the average tax due per

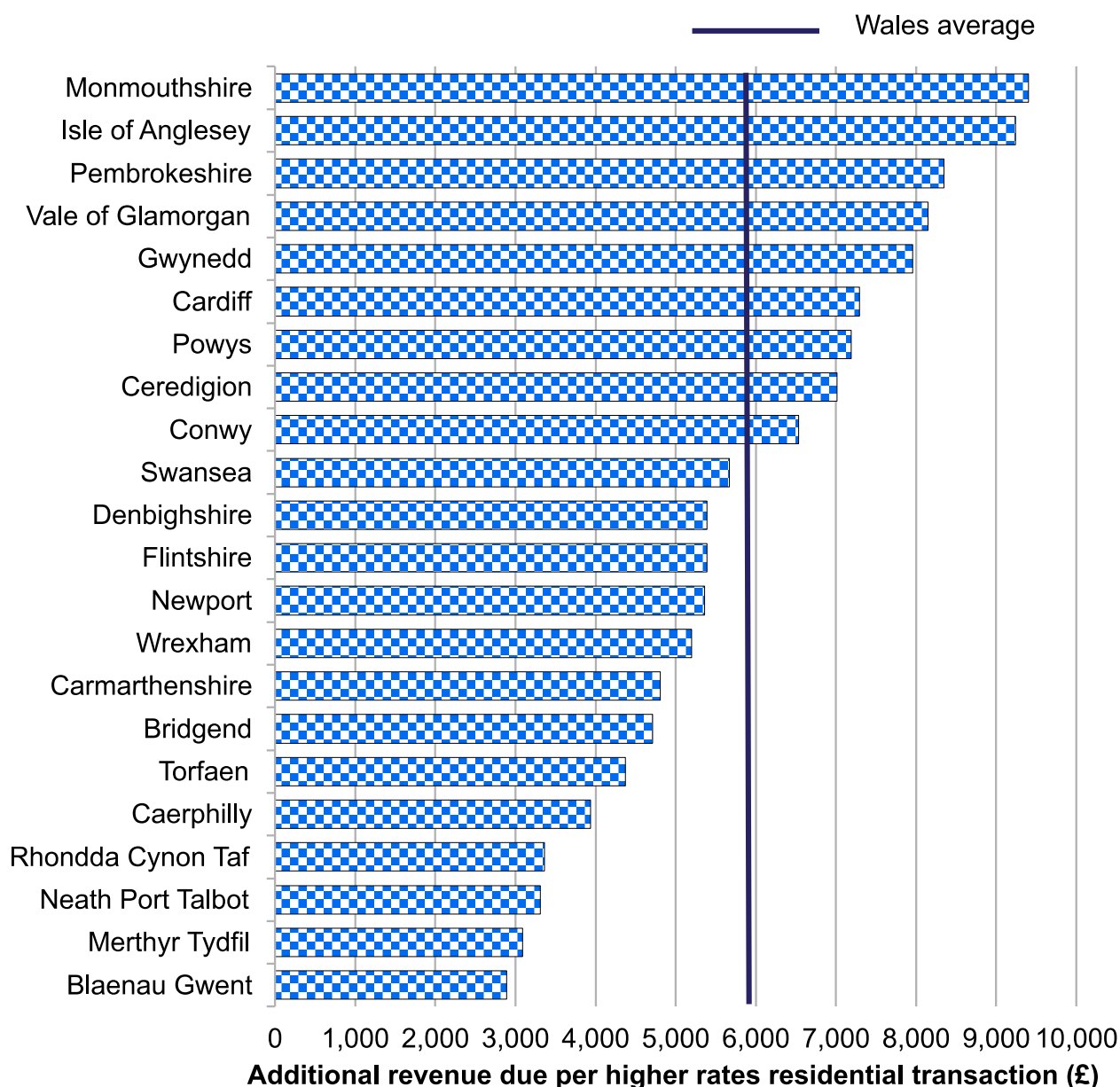
transaction was highest in Monmouthshire (£7,470) and Vale of Glamorgan (£6,430).

The average tax due per residential transaction was lowest in Blaenau Gwent (£920) and Neath Port Talbot (£1,280).

For April 2020 to March 2021, the ordering and distribution of local authorities in this chart is very similar to the previous year.

In most local authorities (but not all), the average tax due per residential transaction increased in April 2020 to March 2021, compared with the previous year.

Figure 8.2 Additional revenue due per higher rates residential transaction (£), by local authority, April 2020 to March 2021 ^{1 2}



¹ Please note that this chart excludes any tax due from the additional transactions shown in Figure 1.2.

² Please note this chart only includes the additional revenue from higher rates transactions. This chart does not include the main rate component of higher rate transactions.

Residential LTT statistics by measure and local authority on StatsWales

Figure 8.2 presents similar data to Figure 8.1, except Figure 8.2 focuses on the

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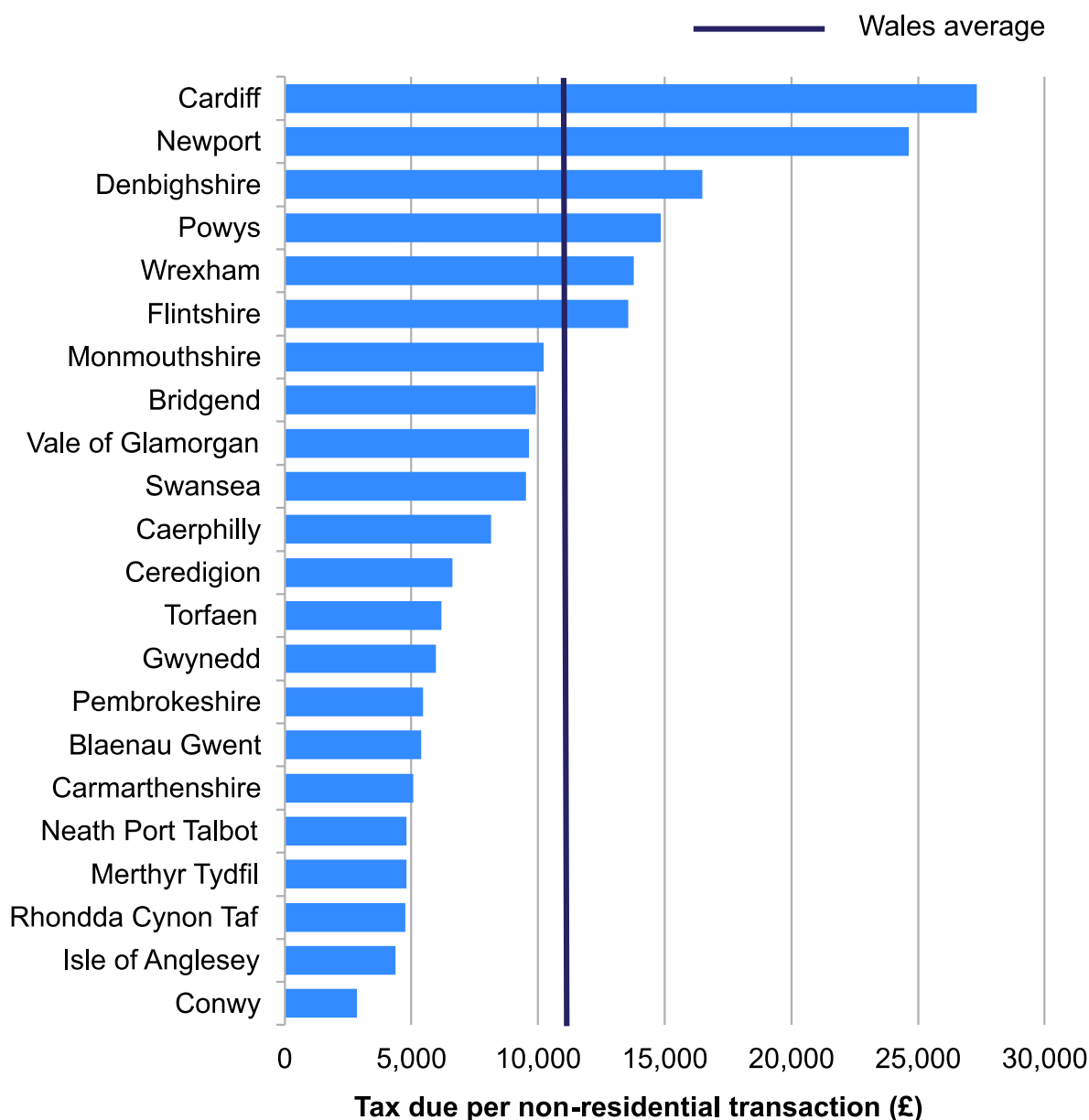
additional revenue due from higher rates transactions (not the main rate component of those transactions). The average revenue is calculated per the number of higher rates residential transactions in each local authority.

The ordering of local authorities is generally similar between Figure 8.1 and 8.2, but with some differences. For example, Pembrokeshire is only 6th highest in Figure 8.1 but 3rd highest in Figure 8.2.

In April 2020 to March 2021, the average additional revenue due per higher rates residential transaction was highest in Monmouthshire (£9,400) and Isle of Anglesey (£9,240), and lowest in Blaenau Gwent (£2,890) and Merthyr Tydfil (£3,090).

In all local authorities, the additional revenue due per higher rates residential transactions increased in April 2020 to March 2021, compared with the previous year.

Figure 8.3 Tax due per non -residential transaction (£), by local authority, April 2020 to March 2021 ^{1 2}



¹ Please note that this chart excludes any tax due from the additional transactions shown in Figure 1.2.

² The category 'non-residential' includes properties that are not wholly residential (namely, those which have both residential and commercial elements).

Non-residential LTT statistics by measure and local authority on StatsWales

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Figure 8.3 shows that for non-residential transactions, the average tax due per transaction was highest in Cardiff (£27,310).

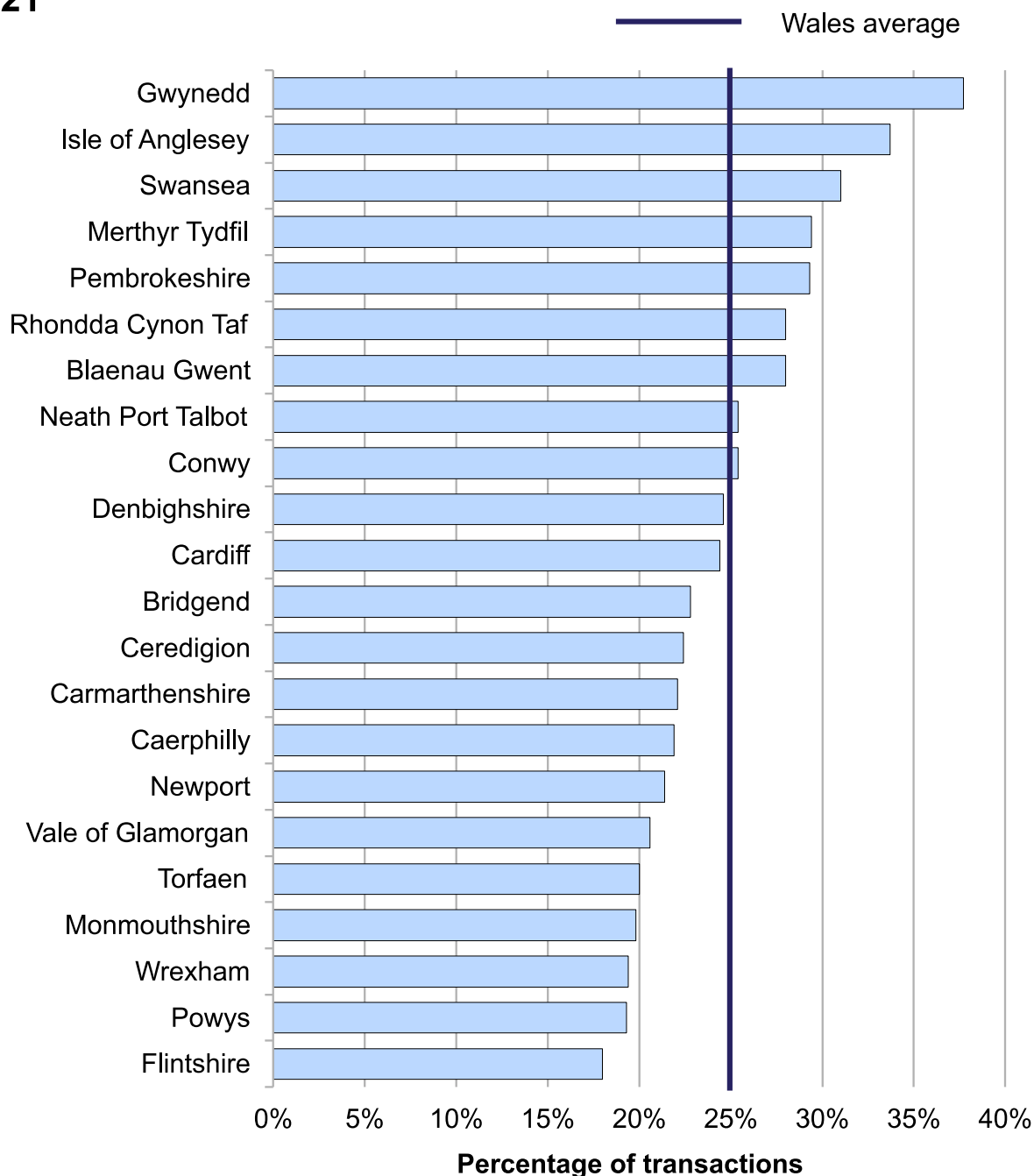
The average tax due per non-residential transactions was lowest in Conwy (£2,850).

As with residential transactions, the tax due for individual transactions in a local authority varied widely around the average figure for Wales.

Although the patterns seen for residential and non-residential are quite similar, there are some clear differences in the ordering of the local authorities between the two charts.

For April 2020 to March 2021, the relative position in the chart for some local authorities has changed considerably (compared with April 2019 to March 2020). For example, Denbighshire has risen from 16th highest to 3rd highest, while Caerphilly has fallen from 2nd highest to 11th highest. This illustrates the volatility in the non-residential data from year to year.

Figure 8.4 Higher rates transactions as a percentage of all residential transactions, by local authority, April 2020 to March 2021



Residential LTT statistics by measure and local authority on StatsWales

Figure 8.4 shows the wide variation between local authorities in the level of higher rates residential transactions. This data is presented as a percentage of

all residential transactions.

When do purchasers pay higher rates?

A number of factors can mean a residential transaction is subject to higher rates. These include:

- purchasing buy-to-let properties
- buying a second home or holiday home
- buying a new property while trying to sell an existing one
- companies like social housing providers buying properties

We can't determine the influence of some of these categories (because the LTT return does not ask the question). However, analysis in [section 9 of this release](#) (by deprivation) allows us to draw a tentative conclusion that buy-to-let properties are at least as prevalent as second or holiday homes as a factor on why the higher rates of tax are charged.

The LTT statistics only include properties sold in the past year. They don't represent the full stock of properties in any local authority

Further information on how to use statistics on the higher rates of LTT is presented in the [article accompanying this release](#).

Higher rates transactions were generally more common in authorities located in the northern and western parts of Wales. The highest percentages were seen in Gwynedd (38%), Isle of Anglesey (34%) and Swansea (31%).

The lowest percentages were seen in Flintshire (18%) and Powys (19%).

For April 2020 to March 2021, the ordering and distribution of local authorities in this chart is similar to April 2019 to March 2020 (data extracted in June 2020). In terms of percentage points, the local authorities with the largest changes (between the two years were:

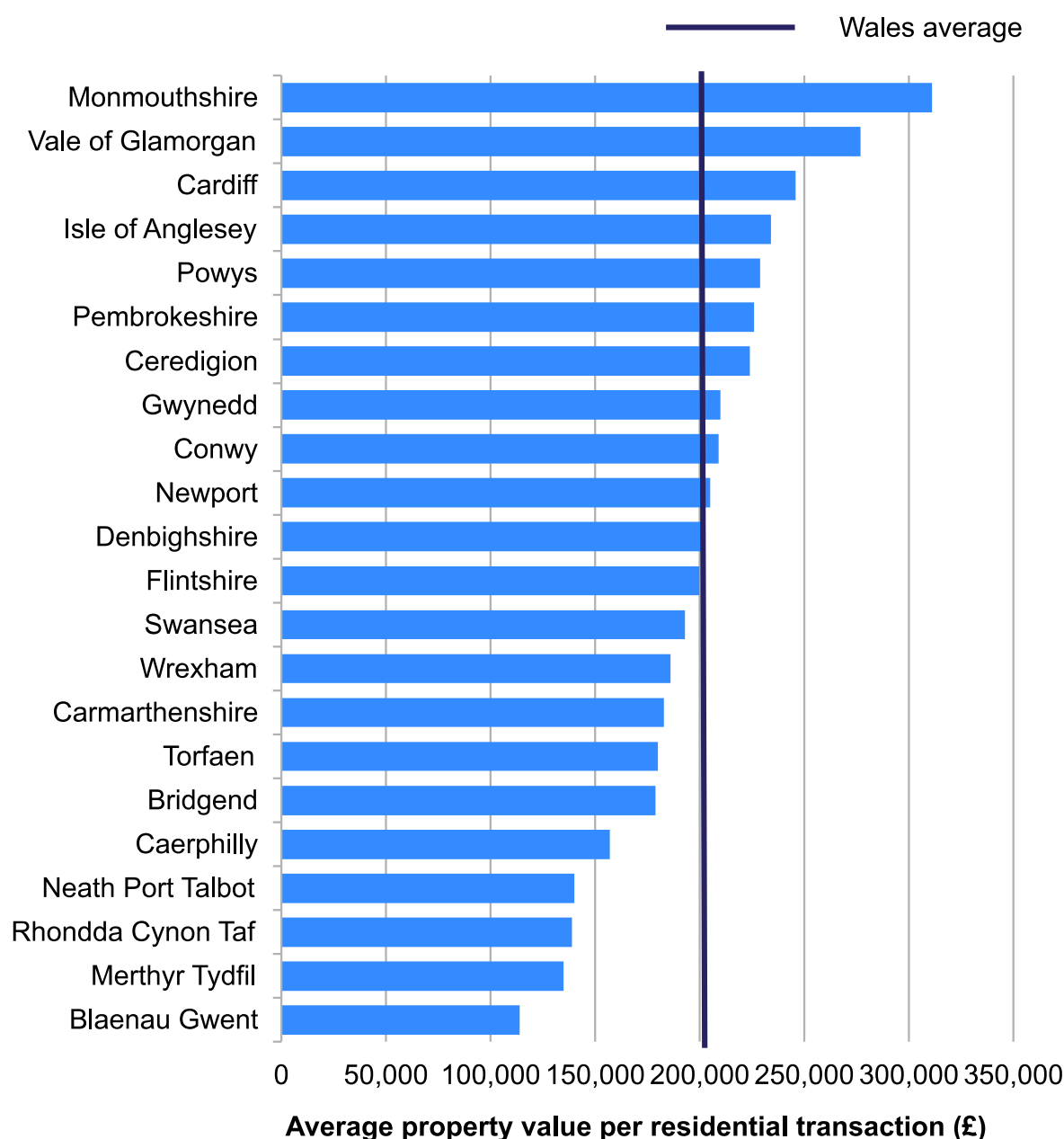
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- Merthyr Tydfil (increase of 5 percentage points)
- Torfaen (increase of 4 percentage points)
- Conwy, Wrexham and Cardiff (each with a decrease of 3 percentage points)

Figure 8.5 Average property value per residential transaction (£), by local authority, April 2020 to March 2021 ¹



¹ Any property value associated with the additional transactions shown in Figure 1.2 is excluded here.

Residential LTT statistics by measure and local authority on StatsWales

For residential transactions, the highest average property value per transaction was in Monmouthshire (£311,000) and Vale of Glamorgan (£277,000), and the lowest in Blaenau Gwent (£114,000) and Merthyr Tydfil (£135,000).

It is too simplistic to treat the figures above as average property prices in their own right, or to derive price growth in a given local authority. There will be some large transactions present which can bias these data and the composition of transactions in any given period may not be representative of the entire stock, or the change in stock. Instead the data should be used to indicate broader trends in house prices across Wales, and where in Wales prices are generally highest or lowest.

As observed in wider trends in the property market, the average value of residential property taxed has increased in each local authority in April 2020 to March 2021, compared with the previous year. And for April 2020 to March 2021, the ordering and distribution of local authorities in this chart is very similar to the previous year.

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9. Analysis by Welsh Index of Multiple Deprivation area

In this section of the release, we analyse LTT for Welsh Index of Multiple Deprivation (WIMD) areas. This analysis shows the level of transactions and tax due in the most and least deprived areas of Wales.

These statistics for WIMD areas are published for residential transactions only. Where supplied, the postcode on the tax return is used to derive the WIMD area. Where the postcode is not supplied, there is a clear bias towards larger non-residential transactions, and as these cannot be allocated to a WIMD area, the resulting statistics are not reliable. Therefore, it is not currently appropriate to produce statistics on non-residential transactions for WIMD areas.

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What is WIMD and how are we using it?

WIMD is designed to identify the small areas of Wales that are the most deprived. WIMD is currently made up of eight separate domains (or types) of deprivation. Each domain is compiled from a range of different indicators. The eight domains are income, employment, health, education, access to services, community safety, physical environment, and housing. [Further information is available on the WIMD webpage.](#)

Where provided, we have linked the postcode from the tax return to around 1,900 small areas in Wales. These small areas are ranked by WIMD from the most to least deprived. These areas are grouped into ten equal sized bands from the most to least deprived (known as 'deciles' or 'tenths').

WIMD ranks were updated recently (2019). We have used these [latest WIMD ranks](#) in this release. Each update of WIMD ranks is designed to last for around three to six years. When we first published this analysis two years ago, we used 2014 WIMD ranks.

Where averages are presented in this section, this is a weighted mean which takes account of different numbers of transactions in each WIMD tenth.

It is important to note that WIMD is an area-based measure. In the most deprived areas of Wales, not everyone living in those areas are deprived. Similarly, some of the population who live in the least deprived areas may themselves be deprived.

Importantly, WIMD focuses on relative deprivation only, so the least deprived areas will not necessarily be the most affluent. The direction of travel indicated here should be regarded as most deprived to least deprived, not deprived to affluent.

Furthermore, most of the variation in terms of deprivation is found in the most

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deprived tenths. The difference (in relative deprivation) between the most deprived and second most deprived tenths is greater than that at the other end of the distribution.

Figure 9.1 Number of transactions, by WIMD tenth, April 2020 to March 2021

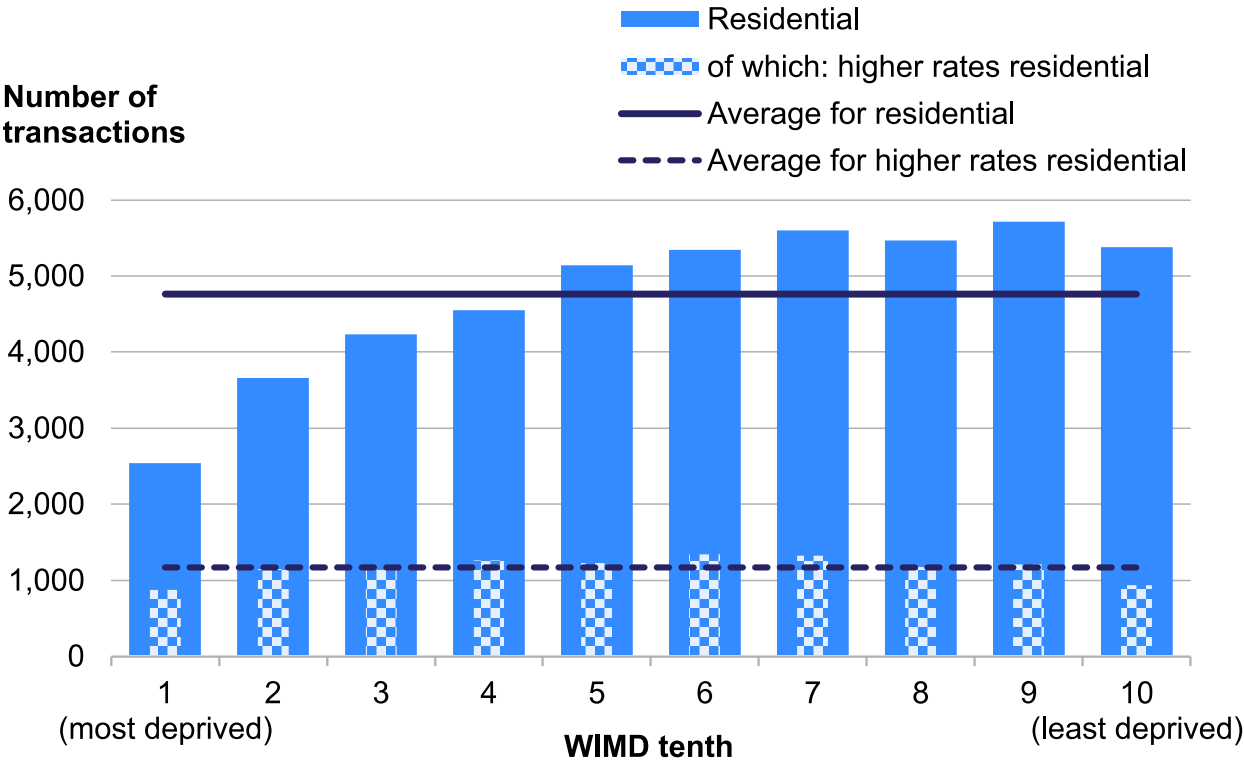
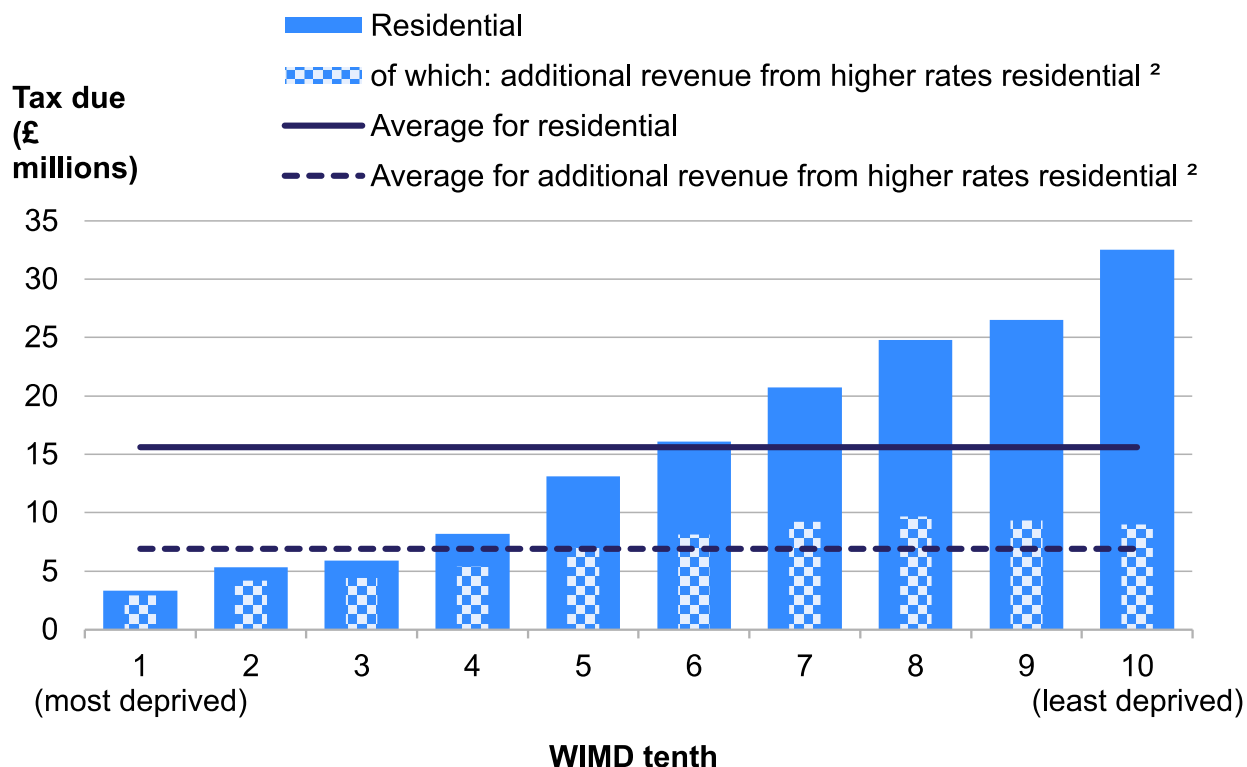


Figure 9.2 Tax due on transactions (£), by WIMD tenth, April 2020 to March 2021 ¹



¹ Please note that this chart excludes any tax due from the additional transactions shown in Figure 1.2.

² Please note this item only includes the additional revenue from higher rates transactions. This item does not include the main rate component of higher rate transactions.

Residential LTT statistics by measure and deprivation area on StatsWales

Because each of these tenths are of a similar size in terms of population, we can analyse the data without scaling for their size, as was necessary for local authorities (see the grey box in [section 8 of this release](#)). This allows us to consider the number of transactions and tax due separately rather than the ratio between the two items that we analysed for local authorities.

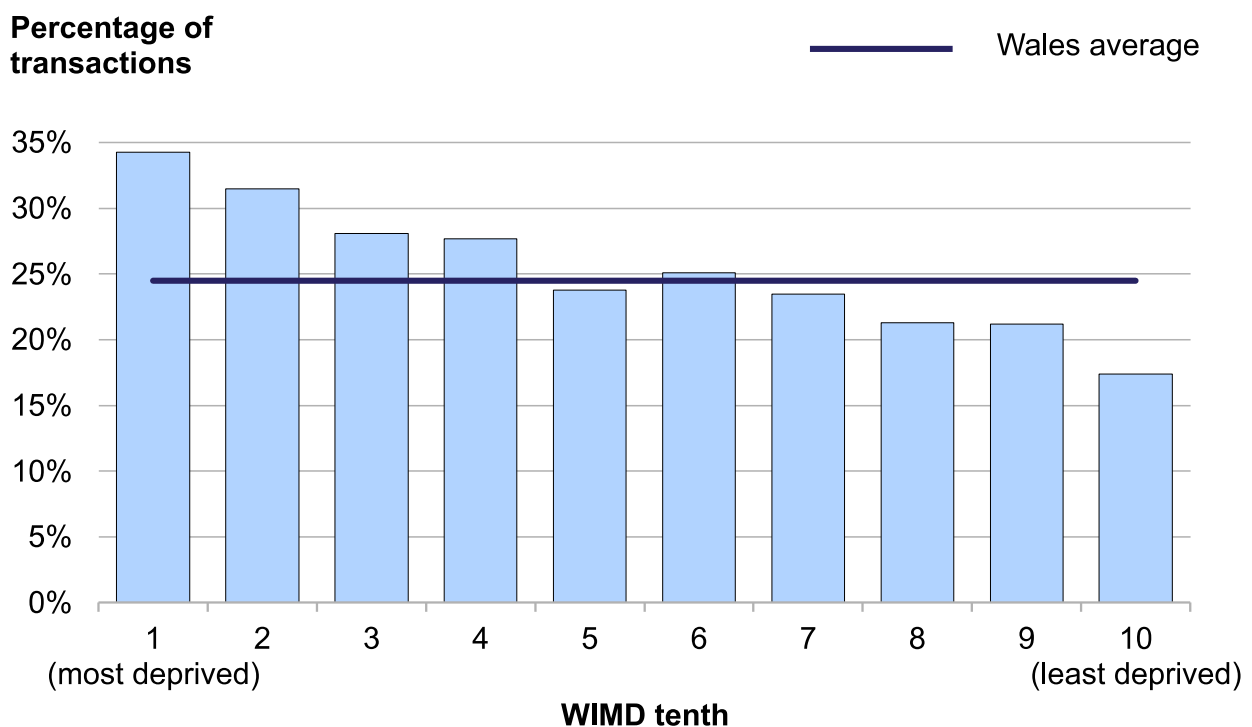
Figure 9.2 shows, as might be expected, that the total residential tax due grows considerably and quite uniformly through the range of areas (from most deprived to least deprived). This represents likely differences in the value of property in these areas.

However, Figure 9.1 also shows that the number of residential transactions is lowest in the most deprived areas of Wales, peaking towards the middle and latter part of the distribution, and dropping down a little for the least deprived tenth. This suggests that deprivation is not only linked to prices but also to the level of activity in the housing market in Wales.

The additional revenue from higher rates also generally grows from the most deprived areas to the latter end of the distribution, before dropping in the least deprived tenth.

For April 2020 to March 2021 LTT data (using 2019 WIMD ranks), the pattern seen in Figures 9.1 and 9.2 is broadly similar to the analysis last year of April 2019 to March 2020 data (also using 2019 WIMD ranks).

Figure 9.3 Higher rates transactions as a percentage of all residential transactions, by WIMD tenth, April 2020 to March 2021



Residential LTT statistics by deprivation area and transaction type on StatsWales

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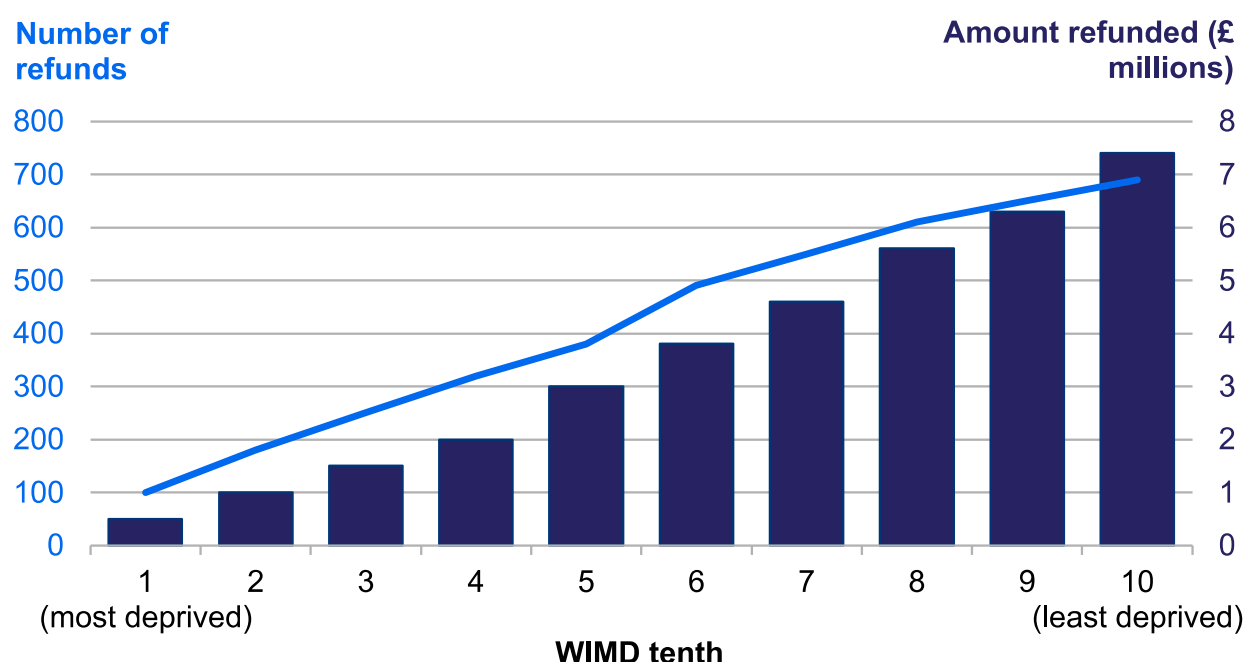
Figure 9.3 shows the percentage of higher rates transactions within total residential transactions for each WIMD tenth. The proportion of residential transactions which are taxed at the higher rates generally falls from the most deprived areas to the least deprived areas (with some exceptions).

The trend in the percentages (going from most deprived to least deprived) is smoother on this chart than the analysis published last year for April 2018 to March 2019 (using 2014 WIMD data). This is likely to be due to greater alignment between the date of the transactions and the date that applies to the WIMD analysis (2019).

As stated in [section 8 of this release](#), there are various reasons for the higher rates tax being chargeable, two of these being purchases of buy-to-let properties and purchase of second or holiday homes. Figure 9.3, taken together with Figure 9.1 (which shows that the number of higher rates transactions varies only very little between WIMD tenths), may give some insight into the balance between these two items.

Assuming that buy-to-let properties are more likely to be bought in more deprived areas, while second or holiday homes are more likely to be bought further up the distribution, then a tentative conclusion can be drawn that buy-to-let properties are at least as prevalent as second or holiday homes as a factor on why the higher rates of tax are charged. It is therefore important not to assume that any single factor is the driver for the higher rate charge.

Figure 9.4 Number and value of refunds of higher rates residential issued for transactions effective in 2018-19 to 2020-21, by WIMD tenth



Residential LTT statistics on higher rates refunds by deprivation area and original transaction date on StatsWales

Figure 9.4 presents data by WIMD tenth on refunds of higher rates residential issued for transactions effective in the 3 years April 2018 to March 2021. Further refunds for transactions effective in this period are expected to be made in future. Other analyses of refunds by effective date are presented in Figure 6.1 earlier in this release.

Figure 9.4 shows comparatively few refunds, and value of those refunds, in the most deprived areas. This may add weight to the tentative conclusion below Figure 9.3 on buy-to-lets being a factor on why the higher rates of tax are charged.

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Annex A: Analysis of revisions

We analyse here at the effect of the regular revisions made to Land Transaction Tax statistics. We analyse the differences between the first, second and third estimates published for a month. This is for both the number of transactions and the tax due.

For example, we have published three estimates for March 2021. We published the first estimate on 29 April 2021, published the second estimate on 21 May 2021 and the third estimate on 25 June 2021.

Figure A1 Number of transactions: Percentage change between the first and second estimates, by month the transaction was effective

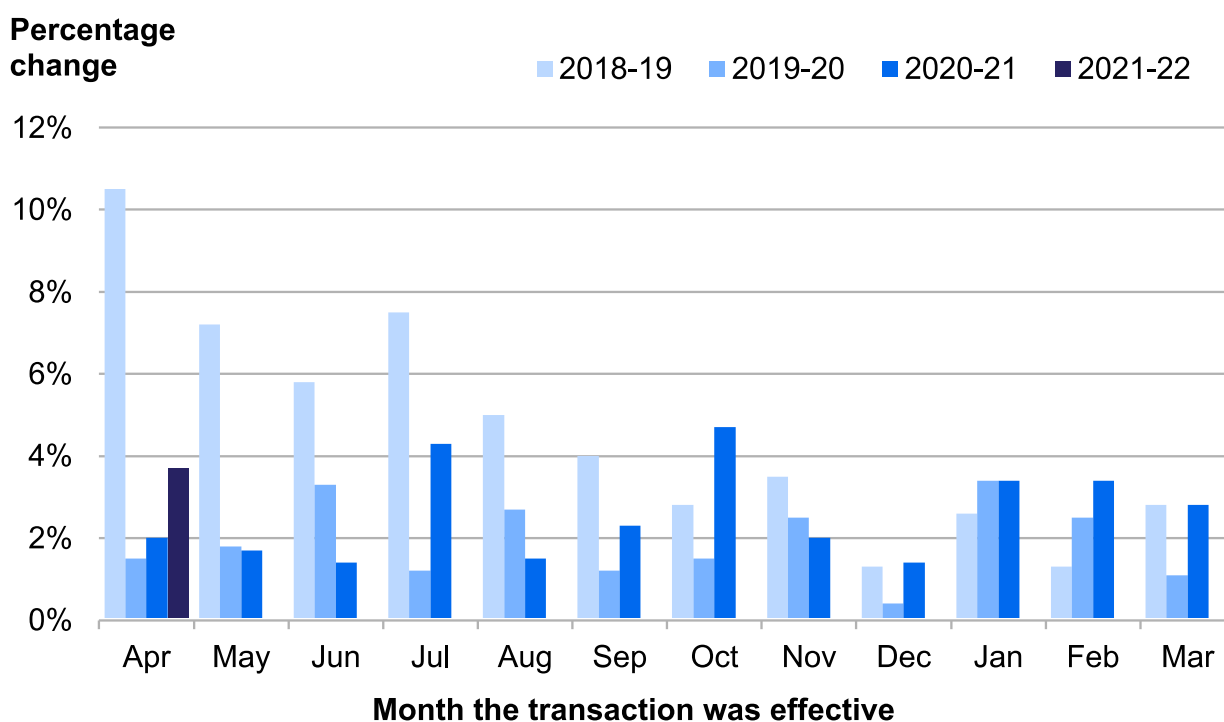
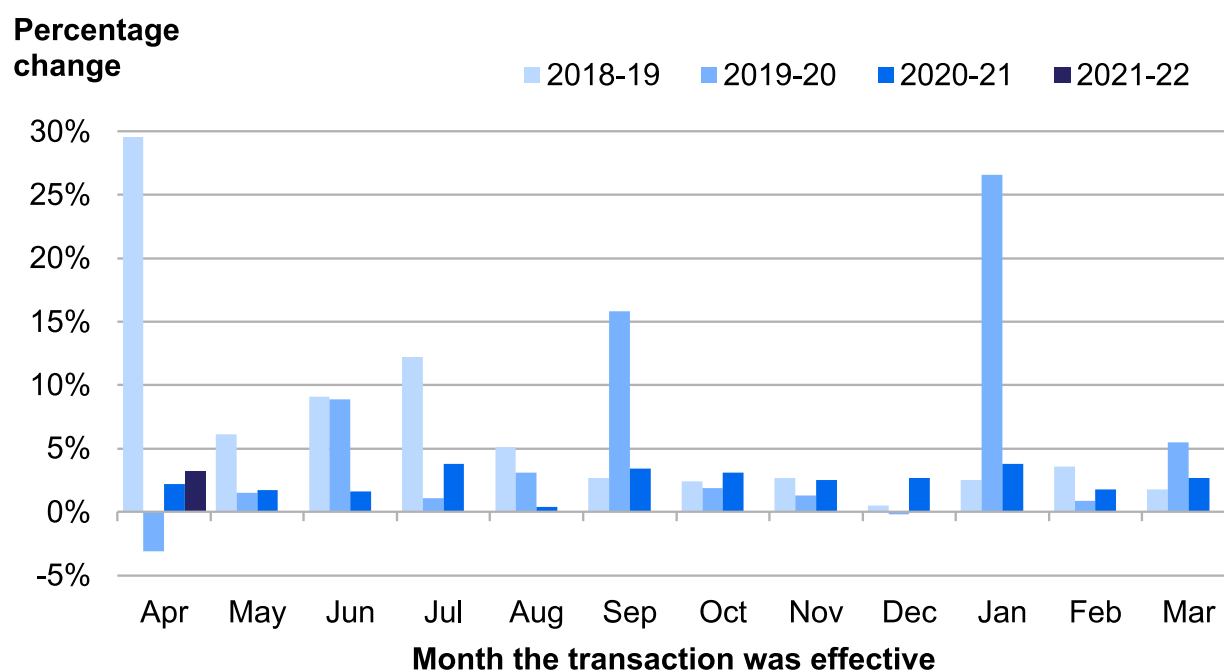


Figure A2 Tax due: Percentage change between the first and second estimates, by month the transaction was effective



¹ We have corrected a non-residential transaction effective in April 2019. This transaction was entered incorrectly as being overly large and has now been amended. This led to a downward revision in the non-residential tax due in this month.

Percentage change between the first and second estimates, by month transaction was effective (MS Excel)

Figures A1 and A2 show that higher levels of revisions can generally be seen in the earlier months that the WRA began collecting LTT. This is particularly the case for the tax due for transactions with an effective date in April 2018, where there was a 30% increase in the estimate of tax due (from the first to the second estimate for the month). A larger revision in April 2018 was expected because the familiarity of the system to users would have been lower, and also because an earlier **cut-off date** in the following month was used to extract the data.

Nevertheless, the 30% figure for April 2018 in terms of tax due is considerably higher than the equivalent figure for the number of transactions (11%). It is explained by a few larger transactions with an effective date late in April 2018 that were not reported to WRA until later in May 2018 (before the 30 day filing

limit, but after the cut-off date for the April 2018 publication).

Figures A1 and A2 also show the levels of revisions have generally decreased over time. Since October 2018, the revisions between the first and second monthly estimates have generally been upwards and between 0 and 5%. Recent exceptions were:

- April 2019 when the tax due was revised downwards by 3% between the first and second estimate
- June 2019 (tax due was revised upwards by 9%)
- September 2019 (tax due was revised upwards by 16%)
- January 2020 (tax due was revised upwards by 27%)
- March 2020 (tax due was revised upwards by 6%)

These exceptions are generally due to a small number of larger value returns arriving towards the end of the 30-day notification period.

The lower level of revisions generally seen now is likely to be due in part to an increasing familiarity with the system amongst solicitors and conveyancers completing the returns. It is consistent with a general decrease in the time taken for returns to be filed with the WRA over the same period (not shown in tables or charts).

There may also be seasonal effects in revisions to the data. Although we saw higher revisions for the July 2018 estimates than the months around it, we do not see any obvious similarities in data for 2019. And further, the data for April 2020 to March 2021 has been significantly influenced by coronavirus (COVID-19) effects. Therefore, we will require at least another year's worth of data to properly assess any revisions for seasonality.

Revisions between second and third published estimates

In a spreadsheet published alongside this statistical release, Tables A1 and A2 show the difference between first, second and third published estimates for a month.

We see relatively small increases between the second and third estimates for a month. In general, this is also the case for the later estimates for a month (not shown in the tables). However, falls may be seen in the second, third and later estimates of tax due for a month. This is because the data are shown net of any refunds for higher rate residential transactions. These refunds may be claimed several years after the effective date of the original transaction. We analyse refunds in [section 6 of this statistical release](#).

In future, we may consider applying a grossing factor to the first estimates for a month. This may help reduce the revisions required to the first estimate for a month. With the volatility shown in the data to date, it is likely we will need several years of LTT data to calculate appropriate grossing factors.

In general, we see larger revisions in the data on non-residential transactions than for residential transactions. This reflects the more volatile nature and often larger size of non-residential transactions.

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Links to key quality information and glossary pages

Our [key quality information](#) page describes how our Land Transaction Tax statistics meet the Code of Practice for Statistics and the dimensions of value, trustworthiness and quality.

We define relevant terms in the [glossary](#) as they are used in this release.

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Feedback and contact details

We would be grateful for your feedback on these statistics to help us improve

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