



Llywodraeth Cymru
Welsh Government

PUBLICATION

Land Transaction Tax statistics: October to December 2021

Our quarterly Welsh Revenue Authority (WRA) statistics for Land Transaction Tax (LTT). Data includes the number of land and property transactions, tax due and value of property taxed.

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Contents

Main points

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

1. About these statistics

2. Transactions, tax due and property value taxed

3. Residential transactions by value

4. Non-residential transactions by value

5. Reliefs

6. Higher rate refunds

7. Tax paid

Annex A: Analysis of revisions

Links to key quality information and glossary pages

Feedback and contact details

Main points

We present these statistics on LTT transactions that we (the WRA) have

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received by 17 January 2022.

Figure 1.1 below shows:

- quarterly estimates for October to December 2021
- the percentage change against previous estimates for October to December 2019 (made in January 2020)

We explain why these comparisons are made in [section 1 of this release](#) ('Comparisons with the same period a year earlier'). In this edition of the release, comparisons would be usually made against estimates for October to December 2020. However, we do not recommend this comparison due to complex effects of coronavirus (COVID-19) restrictions and changes to tax rates.

Figure 1.1 Number of reported notifiable transactions, tax due and % change from the previous estimate 2 years earlier ^[1] ^[2]

Transaction type	October to December 2021 (p)	% change (compared with October to December 2019) ^[6]
Transactions (number)		
Residential	15,880	5%
Of which: higher rates residential	3,720	-1%
Non-residential ^[3]	1,630	10%
All transactions ^[4]	17,510	5%
Tax due (£ millions)		

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Transaction type	October to December 2021 (p)	% change (compared with October to December 2019) [6]
Residential	81.6	69%
Of which: additional revenue from higher rates [5]	28.3	52%
Non-residential [3]	31.2	56%
All transactions [4]	112.8	65%

[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 October to December 2019 were made in January 2020.

(p) The value is provisional and will be revised in a future 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	0
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 October to December 2021 on a like-for-like basis with the same three-month period in 2019:

- all transactions rose by 5% while tax due on those transactions increased by 65%
- residential transactions and tax due on those transactions increased by 5%

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and 69% respectively

- higher rates transactions fell by 1%
- additional revenue from higher rates residential transactions rose by 52%, although this comparison should be treated with some caution
- non-residential transactions increased by 10%. Tax due from non-residential transactions increased by 56%

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 October to December 2021, the numbers of each type of transaction rose compared with 2 years earlier, except higher rates residential transactions which fell slightly. However, revenues rose even more strongly during this time.

October to December 2021 saw the highest quarterly revenues to date for residential transactions. The additional revenue from higher rates residential and non-residential transactions remained relatively high, although not as high as that seen in April to June 2021.

It should be noted that additional revenue from higher rates residential is not entirely comparable with earlier periods, due to the 1% increase to all higher rate bands introduced from 22 December 2020.

In the residential sector, the record quarterly revenues can mainly be attributed to a strong recovery in the property market after COVID-19, with an increase in the value of properties transacted. [Section 3 of this release](#) presents further analysis on the value of residential transactions.

Monthly residential revenues fell in July 2021 following the record revenues seen in June 2021, which coincided with the end of the temporary tax reduction period. Residential revenues then increased, with monthly revenues in September to December 2021 being the highest seen to date, except for the June 2021 peak.

Whilst there has been a strong recovery in residential transactions and revenues after COVID-19, the number of residential transactions in April 2020 to

December 2021 remains slightly below the number of residential transactions seen in April 2018 to December 2019.

Non-residential revenues have also seen a strong recovery after COVID-19. Considering the top 10 monthly figures for non-residential revenues since April 2018, 9 of these 10 records were during 2021. It is possible that a changing pattern of transactions during the COVID-19 recovery is contributing to this trend. Beyond that, the reasons for this trend are unclear. It is also unclear if the high non-residential revenues in recent months will continue to be seen during the remainder of 2021-22.

[Back to top](#)

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, particularly during the early months of the pandemic.

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 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

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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 was reduced to zero. Although the LTT rates on property values above £250,000 were unchanged, those main rate transactions also benefitted 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. This change was reversed after 30 June 2021, on which date temporary tax reduction period came to an end.

The second rate change from 22 December 2020 introduced the following and continues to apply:

- 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. There was an initial sharp drop in April and May 2020 and 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 were 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 those later restrictions introduced more recently.

Figure 2.1 shows a sharp rise in the weekly number of transactions submitted at the end of June 2021, coinciding with the end of the temporary tax reduction period. This was followed by a return to more usual weekly levels of transactions submitted from early July.

[Back to top](#)

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

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different for the 2 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. Therefore, LTT statistics 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.

Article explaining our local area statistics and how to use statistics on the higher rates of LTT

We encourage users of our statistics to read the **article explaining our local area statistics and how to use statistics on the higher rates of LTT**. Higher rates is a complex area of LTT and can be mis-interpreted. The article is intended to support users of our statistics on how to interpret this data.

Data available for LTT

All of the data used in this statistical release is available in a spreadsheet on the **headline statistics page**.

Annually, we also publish geographic datasets for LTT on the **StatsWales website**. This includes annual data by:

- local authority
- Senedd constituency (residential transactions only)
- level of deprivation, using the Welsh Index of Multiple Deprivation (residential transactions only)

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- built up areas (residential transactions only)
- National Parks (residential transactions only)

For data at the Wales level, we provide links to the relevant StatsWales datasets throughout this release.

Timing of and revisions to LTT statistics

In our [statistical output policy](#), we explain the timing of LTT statistics. We present provisional estimates for December 2021, the quarter October to December 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. Reasons for this include:

- [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 is 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. It can then be helpful to compare the current period (October to December 2021) with data for the same period in previous years. However, the trends in 2020-21 have been particularly affected by coronavirus (COVID-19) and LTT rate changes. It is therefore more appropriate to compare the current period against October to December 2019 (than against October to December 2020).

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It should be noted that in each edition of our LTT 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 October to December 2019 will have already been subject to some of this downward revision, whereas the equivalent figure for October to December 2021 will not yet. In future, there will also be some upward revisions to the values for October to December 2021 due to late transactions.

Therefore in this release, we compare:

- October to December 2021 data; and
- our previous estimates for October to December 2019 (which we published in January 2020)

This provides for the fairest comparisons over time. However, all comparisons 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.

Pre-release access to our statistics

We publish the list of posts which have **pre-release access to our statistics**, including for LTT.

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Properties or land sold more than once

These statistics relate to transactions which were **effective** in 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.

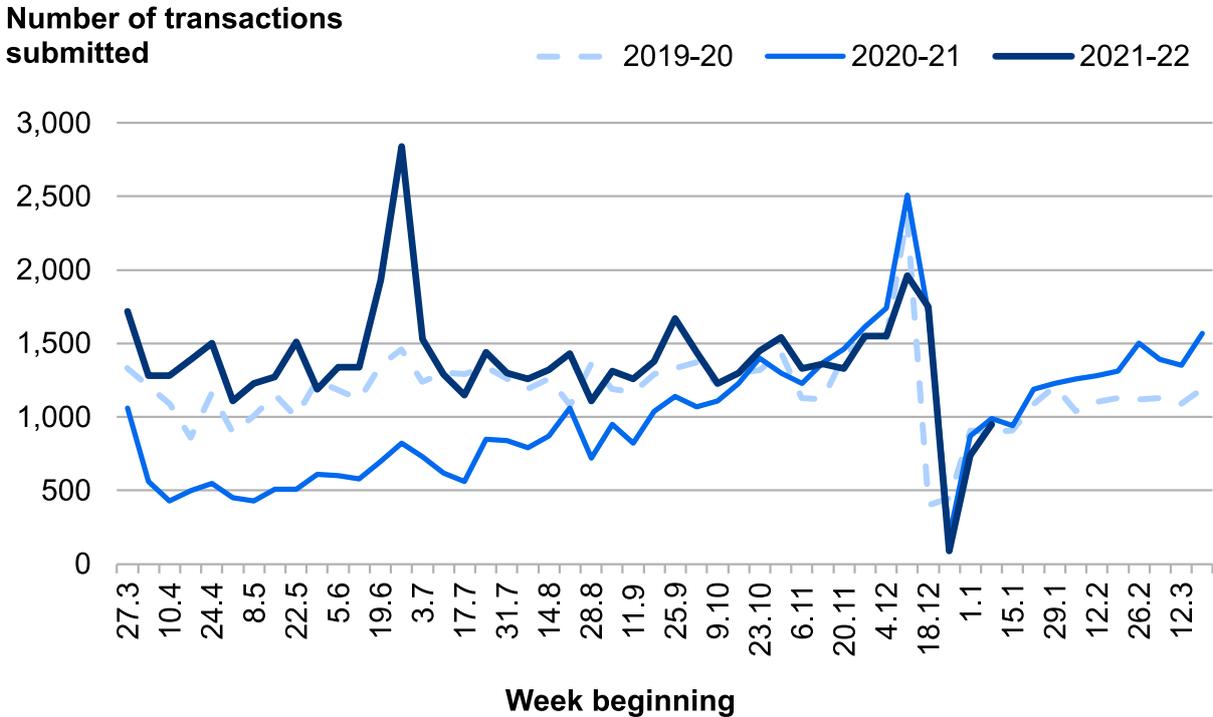
[Back to top](#)

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



¹ Please note that this chart includes a small number of transactions effective in January 2022.

Weekly number of transactions submitted to the WRA (Open Document Spreadsheet)

Figure 2.1 above shows the total number of transactions submitted to the WRA in each 7-day period for the latest 2 financial years. These periods begin on a Saturday and end on the following Friday. For example, the point '15.01' in 2021-22 shows the number of residential and non-residential transactions submitted to the WRA from 15 to 21 January 2022 (inclusive). The actual dates differ slightly in the previous year. For example, the equivalent week in 2020-21 ran from 16 to 22 January 2021 (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 gradual recovery in transactions, with levels similar to or above those seen in the previous year since October 2020.

There was a sharp peak in transactions submitted at the end of June 2021. This peak is associated with the **temporary tax reduction period that ended on 30 June 2021**. A record 2,840 transactions were submitted in the week beginning 26 June 2021, with many of those being submitted on 30 June 2021. The weekly number of transactions submitted then fell to a more usual level from July 2021, except for a smaller peak of 1,670 transactions seen in the week beginning 25 September 2021.

Figure 2.2 Number of transactions, by transaction type and quarter 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).

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

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

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

By the close of 17 January 2022, we received details of 17,510 **notifiable transactions** with an **effective date** in October to December 2021. This is lower than the peak seen in April to June 2021, but represents an increase of 5% compared with October to December 2019 (estimate taken as at January 2020).

The corresponding changes for residential, higher rates residential and non-residential transactions were an increase of 5%, decrease of 1%, and increase

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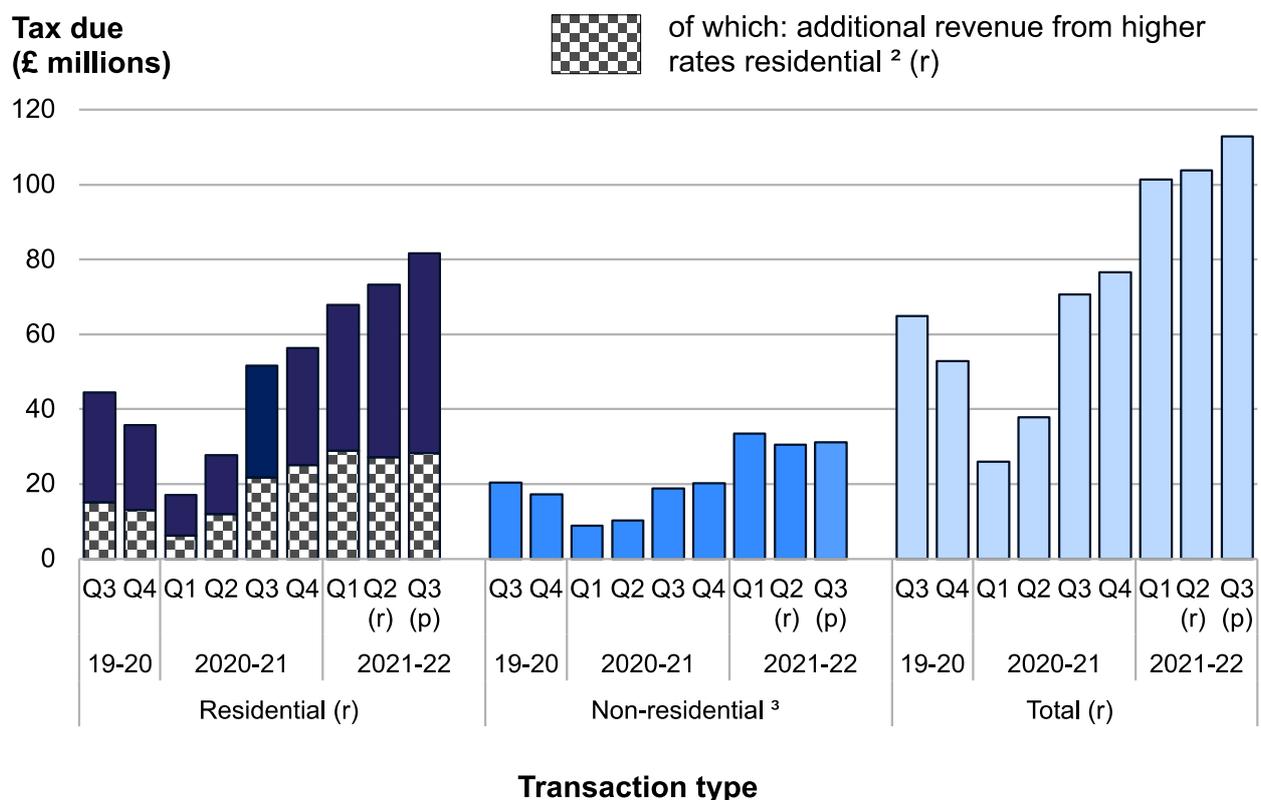
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of 10% respectively. Commentary on Figure 2.5a later in this section discusses the differing trends since April 2020 for all residential tax due and additional revenue from higher rates. Similarly, commentary below Figure 2.5b provides insight into the trends in non-residential tax due.

In October to December 2021, 91% of transactions were residential and 9% were non-residential, similar to the previous three-month period.

Figure 2.3 Tax due on transactions, by transaction type and quarter 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).

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

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

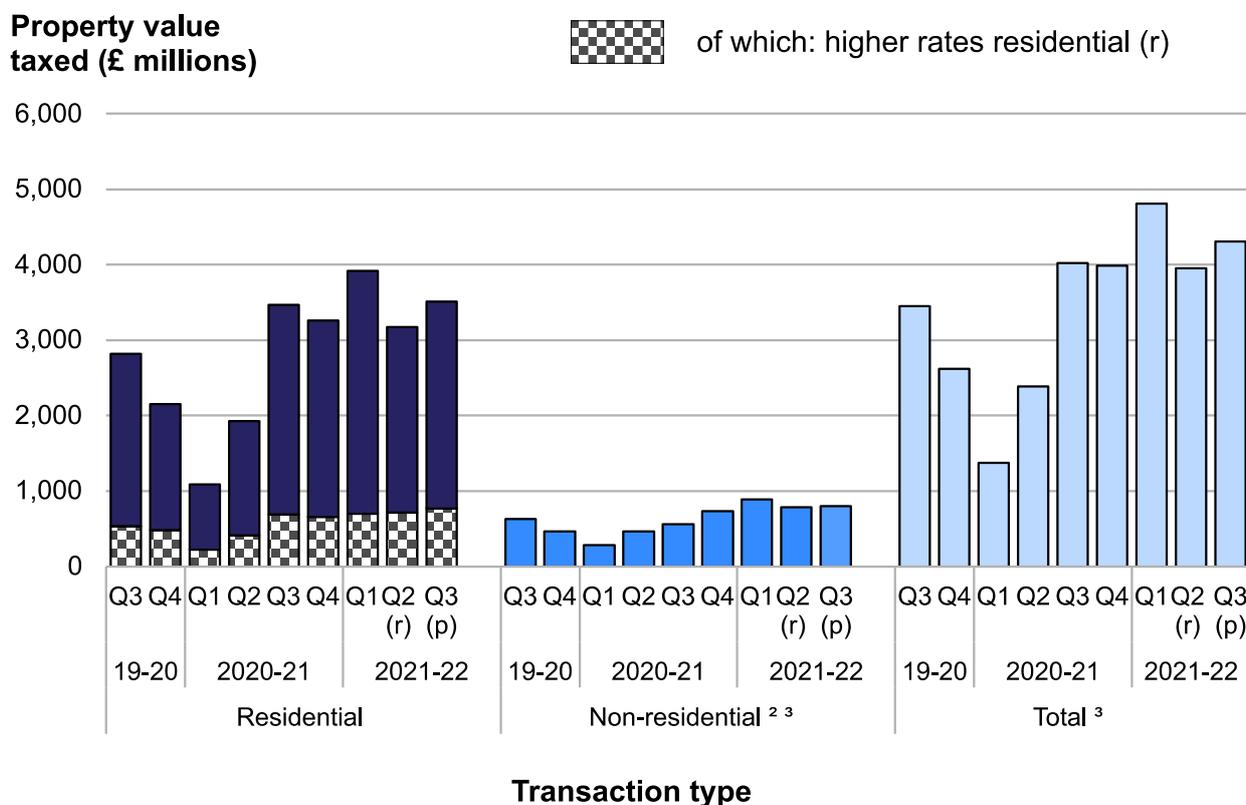
LTT statistics by time period and transaction type on StatsWales (also includes data back to 2018-19, not presented above)

The total **tax due** for transactions with an **effective date** in October to December 2021 was £112.8 million, the highest quarterly value seen to date. The corresponding quarterly value for residential tax due was also the highest seen to date. The quarterly values for additional revenue from higher rates residential and non-residential tax due were the second highest seen to date, after April to June 2021.

Commentary on Figure 2.6a later in this section discusses the differing trends since April 2020 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 quarter 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 not presented in this chart. 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

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

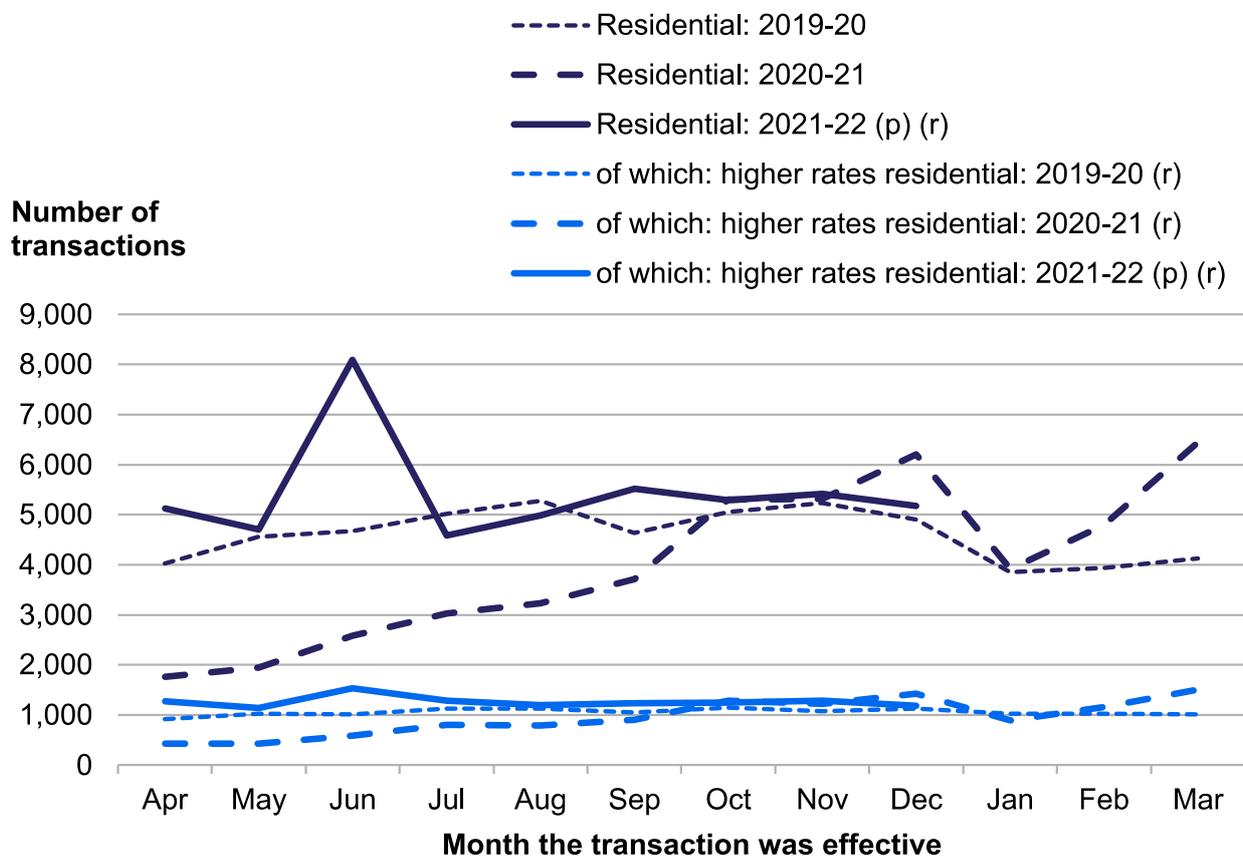
(r) The value has been revised in this publication.

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

The **value of property taxed** in October to December 2021 was £4.3 billion. This is higher than the £3.4 billion seen in October to December 2019. This is consistent with a rise in the values of transactions in the intervening 2 years. **Section 3 of this release** describes trends in residential transactions and tax due by value.

(not shown in Figure 2.4) Separately, in October to December 2021, the rental value for newly granted non-residential leases was £182 million. The equivalent figure in October to December 2019 was £346 million.

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



(p) Values for December 2021 are provisional and will be revised in a future publication.

(r) Values for September to November 2021 and all values for higher rates residential are revised in this publication.

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

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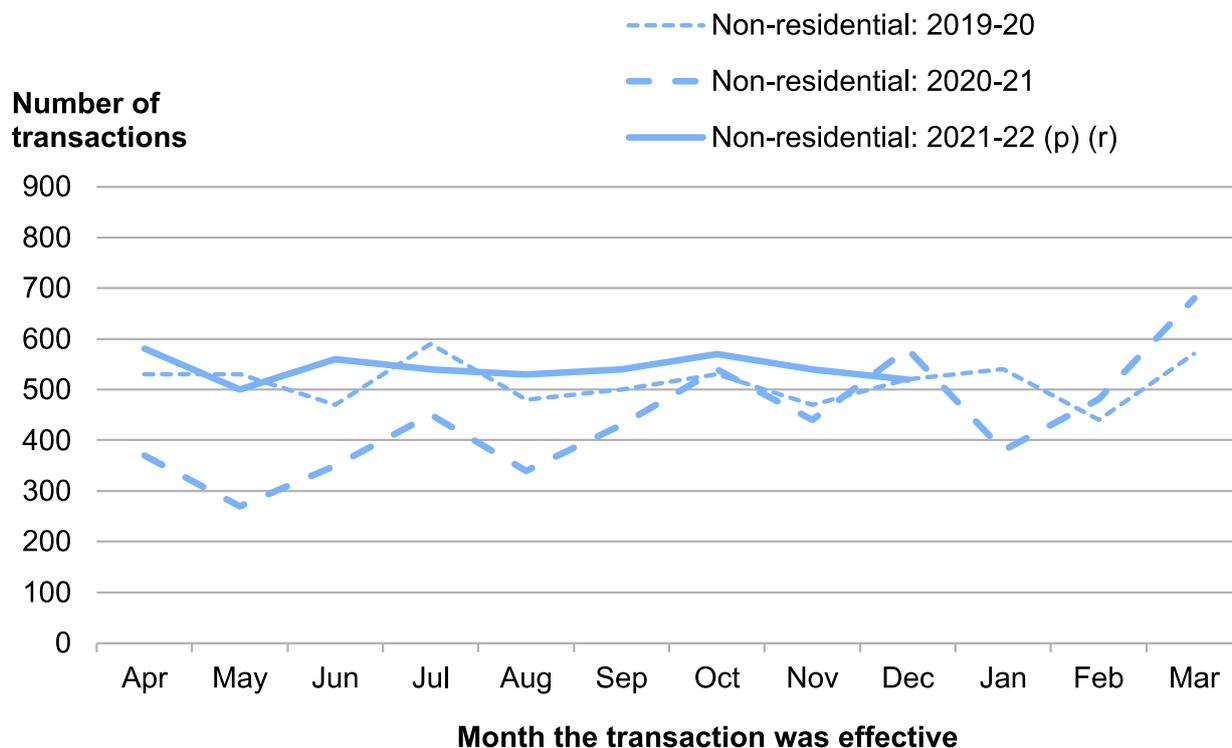
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data back to 2018-19, not presented above)

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 5 Fridays in particular months, rather than 4. Figure 2.9 in [our annual statistical release](#) 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 a year earlier. Within this number, higher rate residential transactions have also recovered. In June 2021, a record monthly number of residential transactions was seen, coinciding with the [temporary tax reduction period that ended on 30 June 2021](#). Residential transactions since July 2021 have been more in line with usual levels (seen in the corresponding months in 2019).

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).

(p) Values for December 2021 are provisional and will be revised in a future publication.

(r) Values for September to November 2021 are revised in this publication.

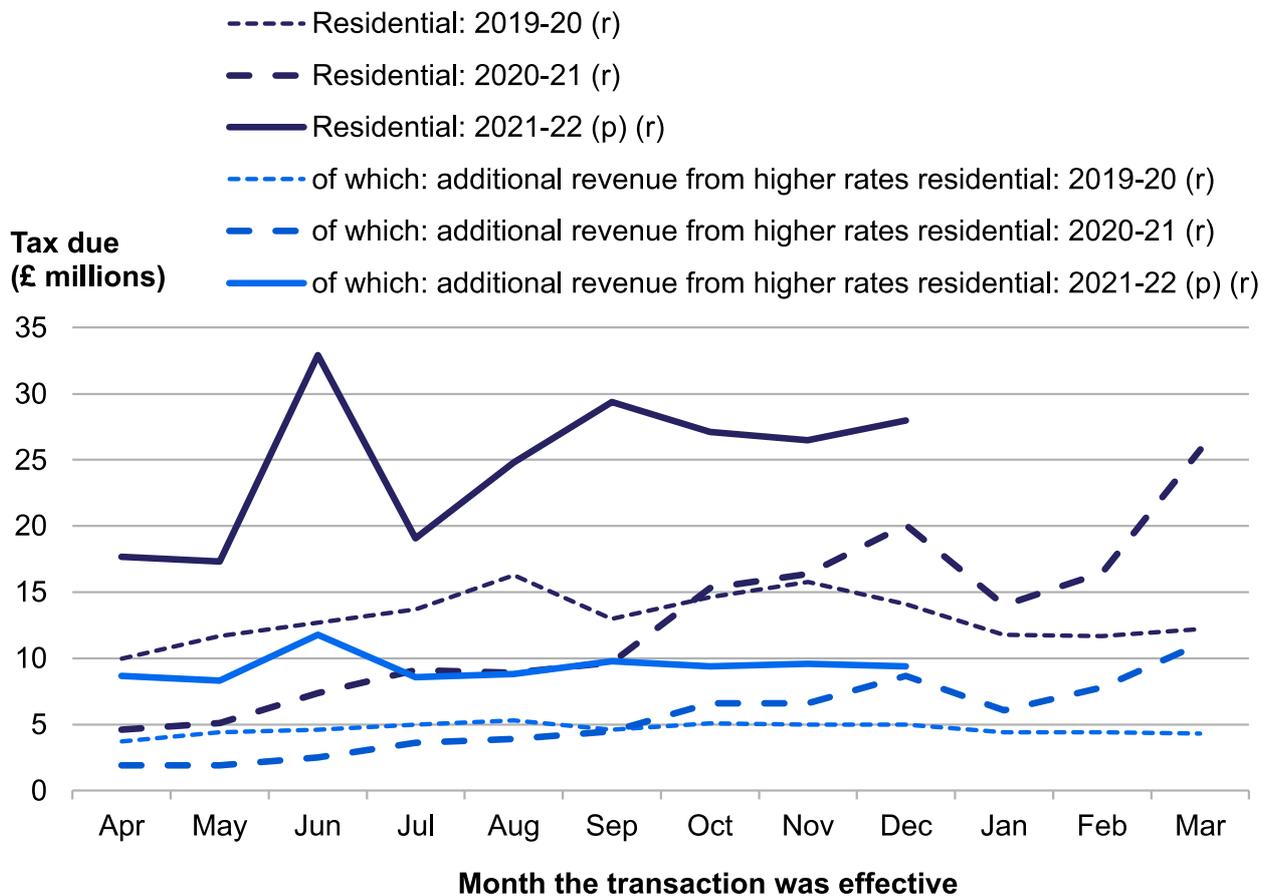
LTT statistics by time period and transaction type on StatsWales (includes data back to 2018-19, not presented above)

Please note that the scale of Figure 2.5b is different to that of Figure 2.5a.

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 transaction was effective ¹



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

(p) Values for December 2021 are provisional and will be revised in a future publication.

(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.

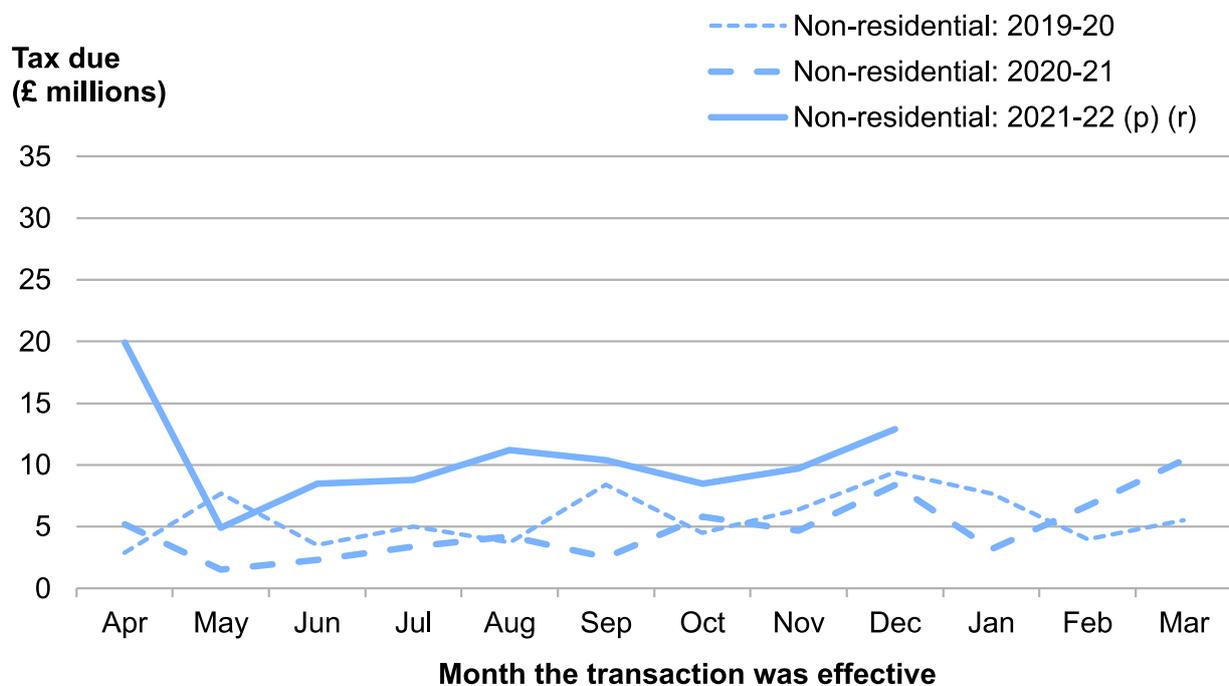
LTT statistics by time period and transaction type on StatsWales (includes data back to 2018-19, not presented above)

As may be expected, similar trends are seen in the monthly residential tax due as are seen in the monthly counts of transactions. There has been an even greater recovery in revenues for higher rates transactions than for all residential transactions since summer 2020. This was further boosted when all higher rate bands were increased by 1% from 22 December 2020.

The recovery continued in 2021 with record residential revenues seen in June 2021. This is likely to be a temporary effect due to some transactions being brought forward in the year to benefit from the temporary tax reduction period. Residential revenues fell in July 2021. This is likely to be partially due to higher value transactions being brought forward to benefit from the temporary tax reduction period.

Residential revenues then increased, with monthly revenues in September to December 2021 being the highest seen to date, except for the June 2021 peak. This is consistent with a rise in the value of residential transactions, described in [section 3 of this release](#).

Figure 2.6b Tax due on non-residential transactions, by month 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).

(p) Values for December 2021 are provisional and will be revised in a future publication.

(r) Values for September to November 2021 are revised in this publication.

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

data back to 2018-19, not presented above)

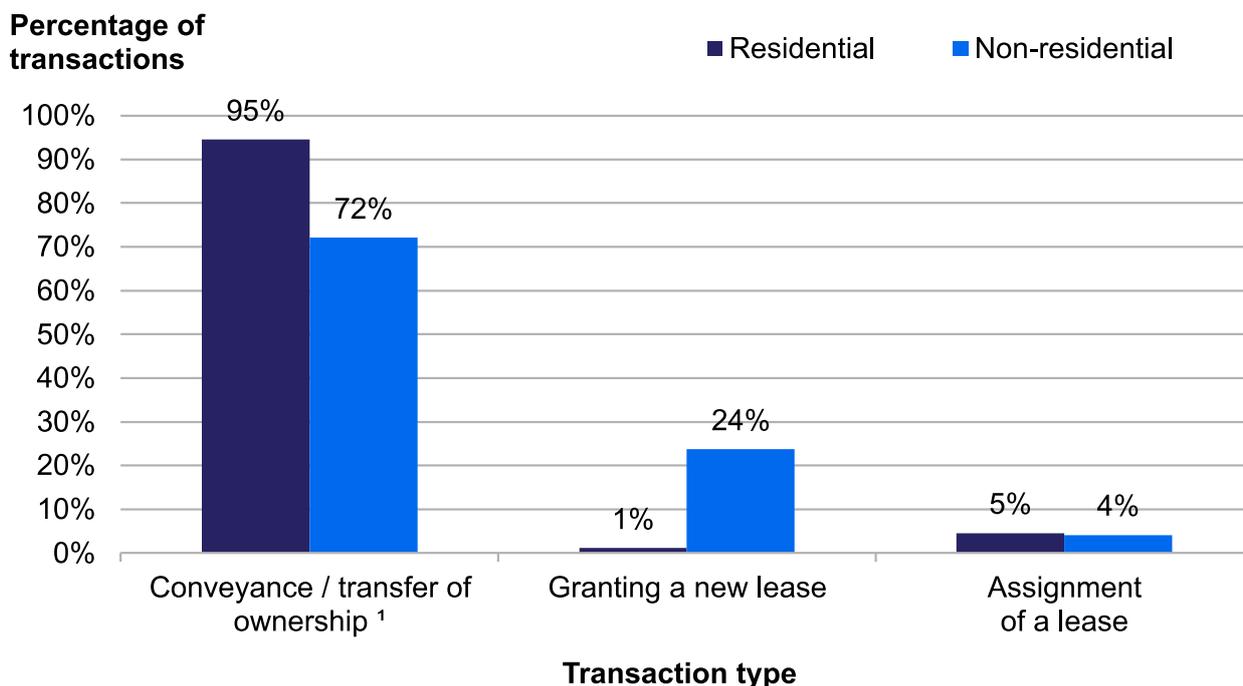
Non-residential revenues were steady in April 2020, due to a small number of large transactions that month. Non-residential revenues then fell to the lowest level seen to date in May 2020 (£1.5 million), before generally recovering in the following months.

In April 2021, record monthly revenues were seen due to a small number of high value non-residential transactions. Revenues then dipped in May 2021, before rising over the following months. These recent increases in revenue are driven mainly by conveyances or transfer of ownership.

Considering the top 10 monthly figures for non-residential revenues since April 2018, 9 of these 10 records were during 2021. It is possible that a changing pattern of transactions during the COVID-19 recovery is contributing to this trend. Beyond that, the reasons for this trend are unclear. It is also unclear if the high revenues in recent months will continue to be seen during the remainder of 2021-22.

There is greater volatility in the monthly series for non-residential transactions (than for residential transactions). They 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, October to December 2021 (p)



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

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

LTT statistics by transaction type and transaction description on StatsWales (includes data back to 2018-19, not presented above)

The value of the properties associated with conveyances and transfer of ownership during October to December 2021 was £4.0 billion (not shown in Figure 2.7).

Most transactions were associated with a conveyance or a transfer of ownership. This figure was 95% for residential transactions and 72% for non-residential transactions.

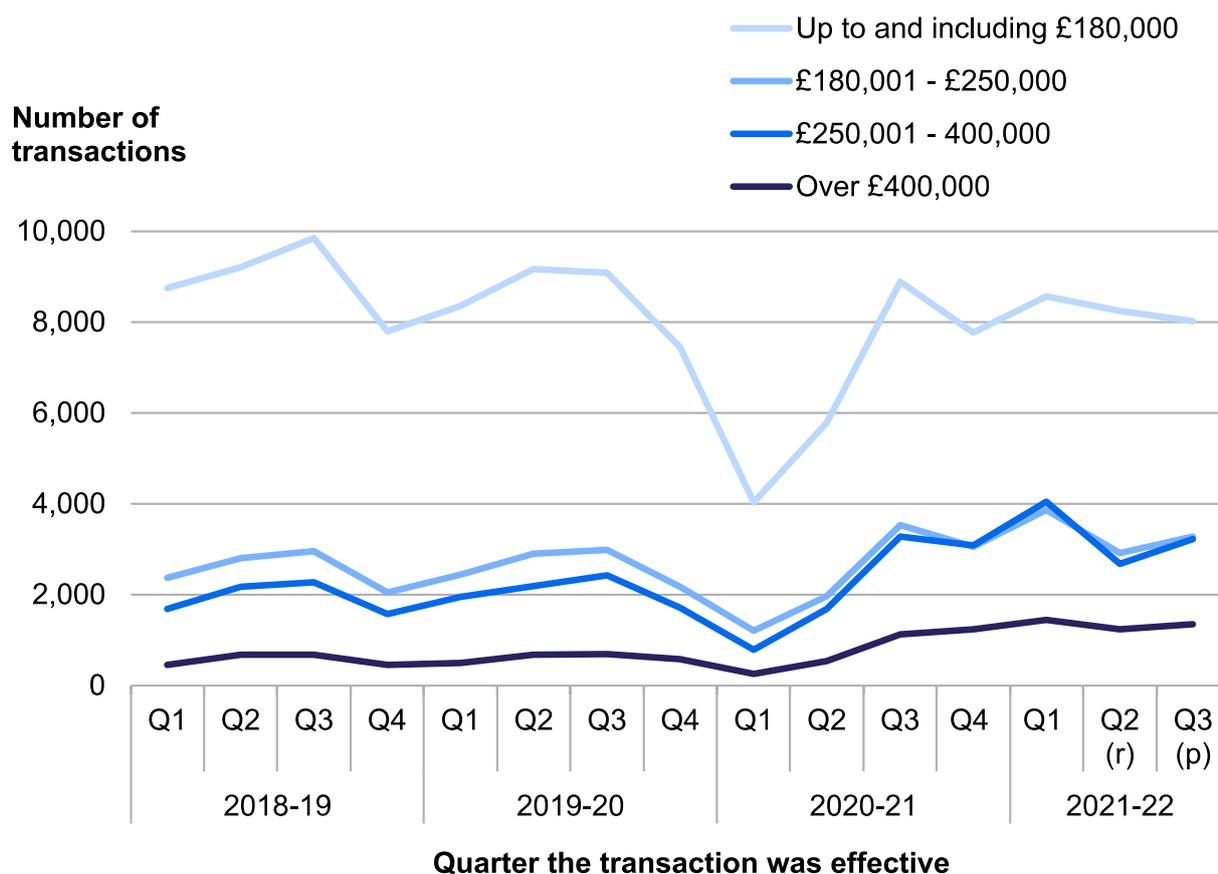
A new lease was granted in 24% of non-residential transactions (compared with 1% of residential transactions).

Similar percentages are seen in previous three-month periods and years.

[Back to top](#)

3. Residential transactions by value

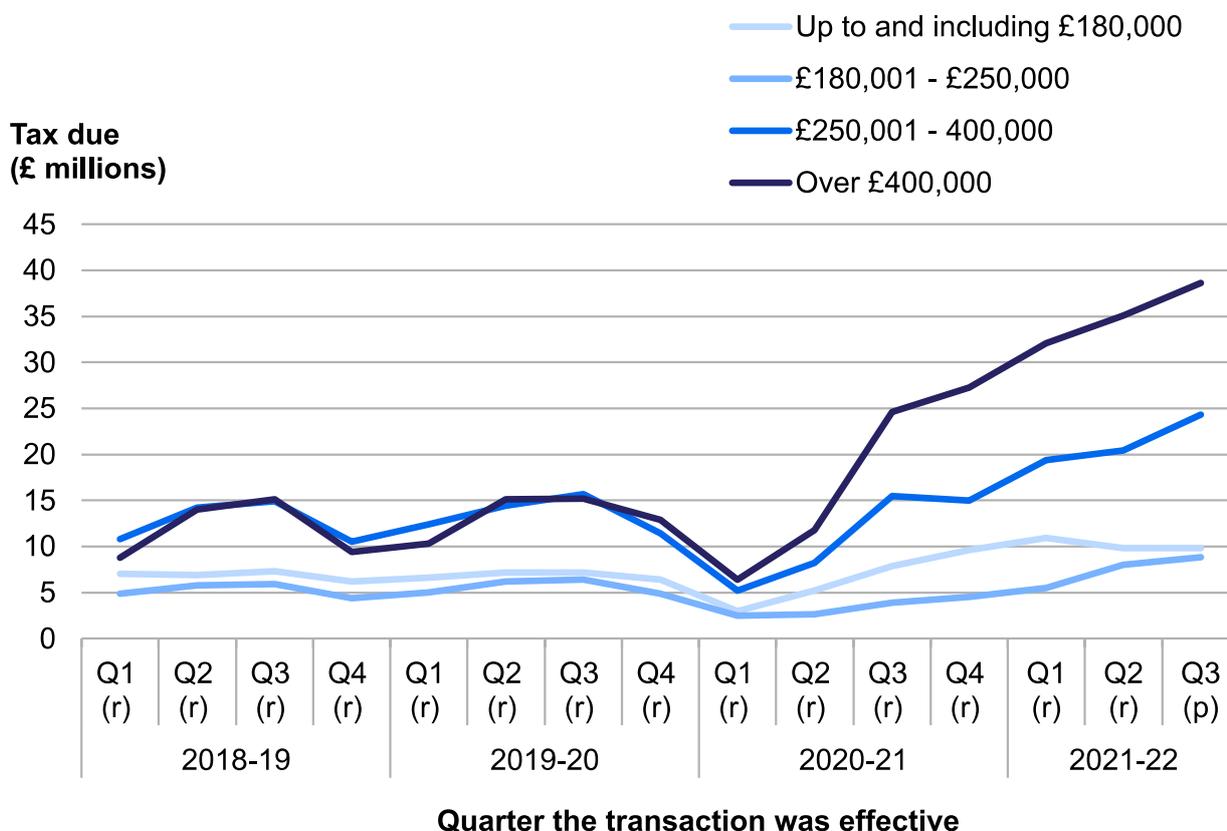
Figure 3.1 Number of residential transactions, by residential tax band and quarter the transaction was effective



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

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

Figure 3.2 Tax due on residential transactions, by residential tax band and quarter the transaction was effective ¹



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

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

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

LTT statistics by time period and residential transaction value on StatsWales

For each tax band, Figures 3.1 and 3.2 show the quarterly trends in the number of **residential transactions** and tax due. There are 6 residential tax bands. We have combined the largest 3 bands here to show results for properties purchased for more than £400,000.

Despite the impact of coronavirus (COVID-19), and the recovery referred to previously, seasonal trends can still be seen in the numbers of transactions.

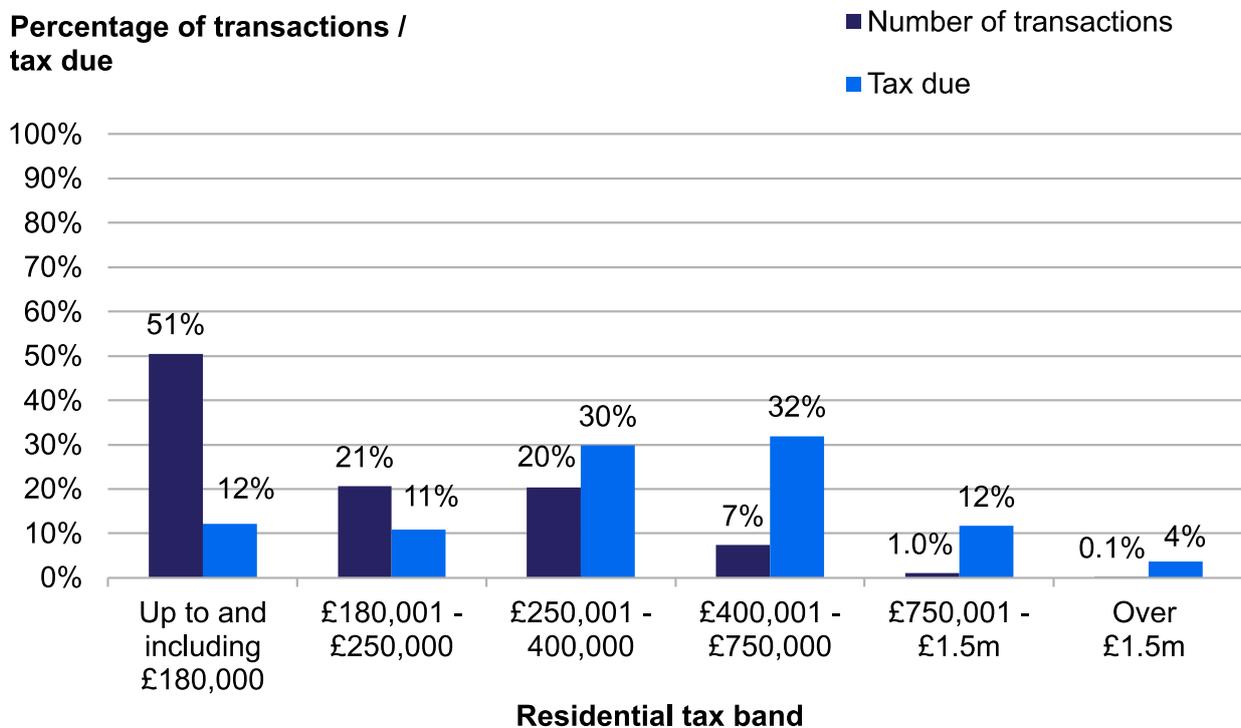
Most of the tax bands show a fall in January to March (compared with the preceding October to December). Seasonal trends in revenues are more complicated, with much of 2020-21 and 2021-22 subject to the effects of coronavirus (COVID-19) and changes to LTT rates. To understand these trends, users should refer to the section of this release '[Effects of coronavirus \(COVID-19\) and changes to LTT rates](#)'.

In April to June 2021, the numbers of transactions in each band were the highest seen to date (except properties purchased for up to and including £180,000). In July to September 2021, the number of transactions in each band then fell, before increasing in October to December 2021 for all bands except properties purchased for up to and including £180,000.

For each of the 4 bands shown in Figure 3.2, the amounts of tax due in October to December 2021 were the highest values seen to date (except properties purchased for up to £180,000). These increases in tax due are mainly driven by increases in the value of properties involved.

As expected, between April to June 2021 and July to September 2021, there was an increase in the average value of tax due per transaction between £180,000 and £250,000. Up to June 2021, the [temporary reduction in LTT rates for main rate residential transactions introduced on 27 July 2020](#) more than offset the [increase in the higher rates element of LTT introduced on 22 December 2020](#). With the temporary rate reduction period having ended on 30 June 2021, the average value of tax due in this band increased in July to September 2021.

Figure 3.3 Percentage of residential transactions and tax due on those properties, by residential tax band, October to December 2021 (p)



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

LTT statistics by time period and residential transaction value on StatsWales (includes data back to 2018-19, not presented above)

In October to December 2021, 51% 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 12% of total residential tax due, which relates to the higher rates residential component of the tax.

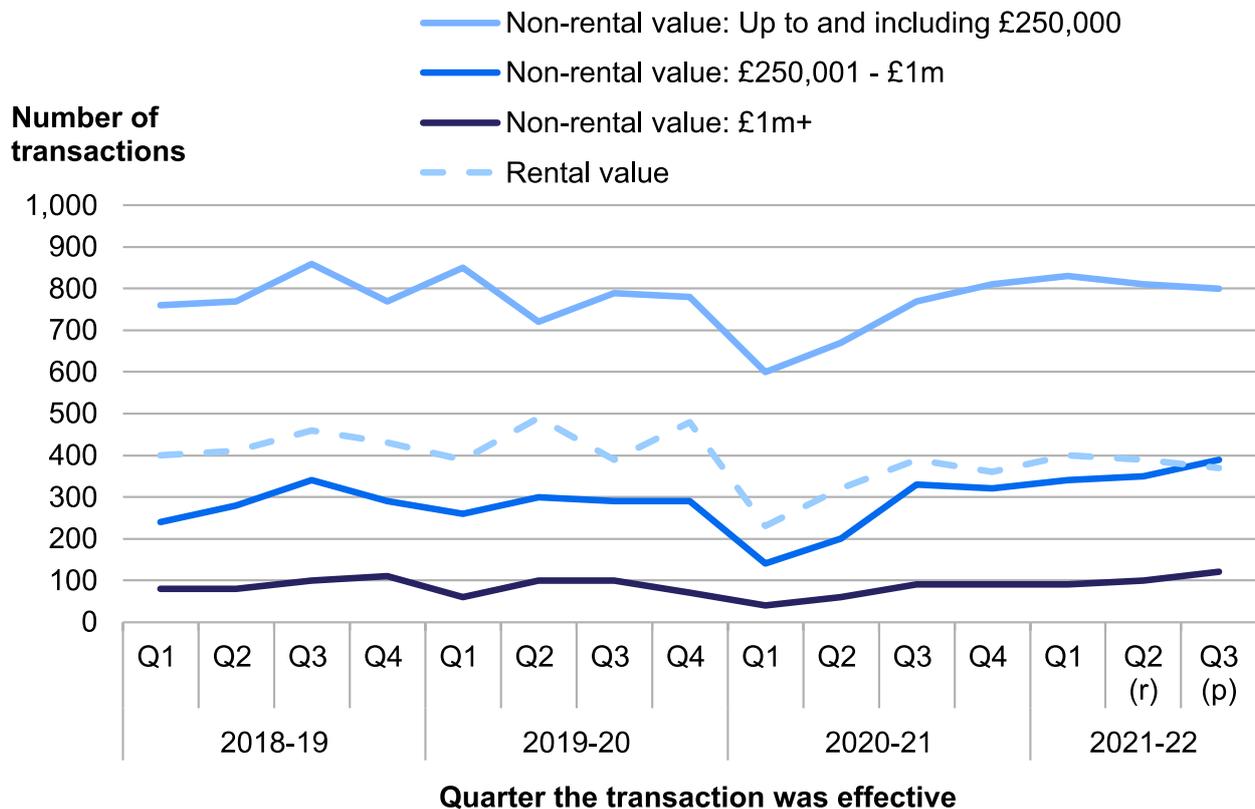
The 21% of transactions in the second tax band (purchase price £180,001 to £250,000) accounted for 11% of the tax due. Since July 2021, the quarterly percentage for tax due has returned to a more usual, higher level following the end of the **temporary rate change which took effect from 27 July 2020 to 30 June 2021**.

Combining the fourth, fifth and sixth bands (purchase price of greater than £400,000), these accounted for 9% of transactions. However, the tax due for these transactions accounted for 47% of the total residential tax due. These 2 percentages have generally risen in the past few years, reflecting an increase in the numbers of higher value transactions.

[Back to top](#)

4. Non-residential transactions by value

Figure 4.1 Number of non-residential transactions, by value and effective date



¹ Please note that a small number of newly granted leases have both a premium paid and a rental value. Therefore these transactions are included twice in Figure 4.1, under both the non-rental value and the rental value.

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

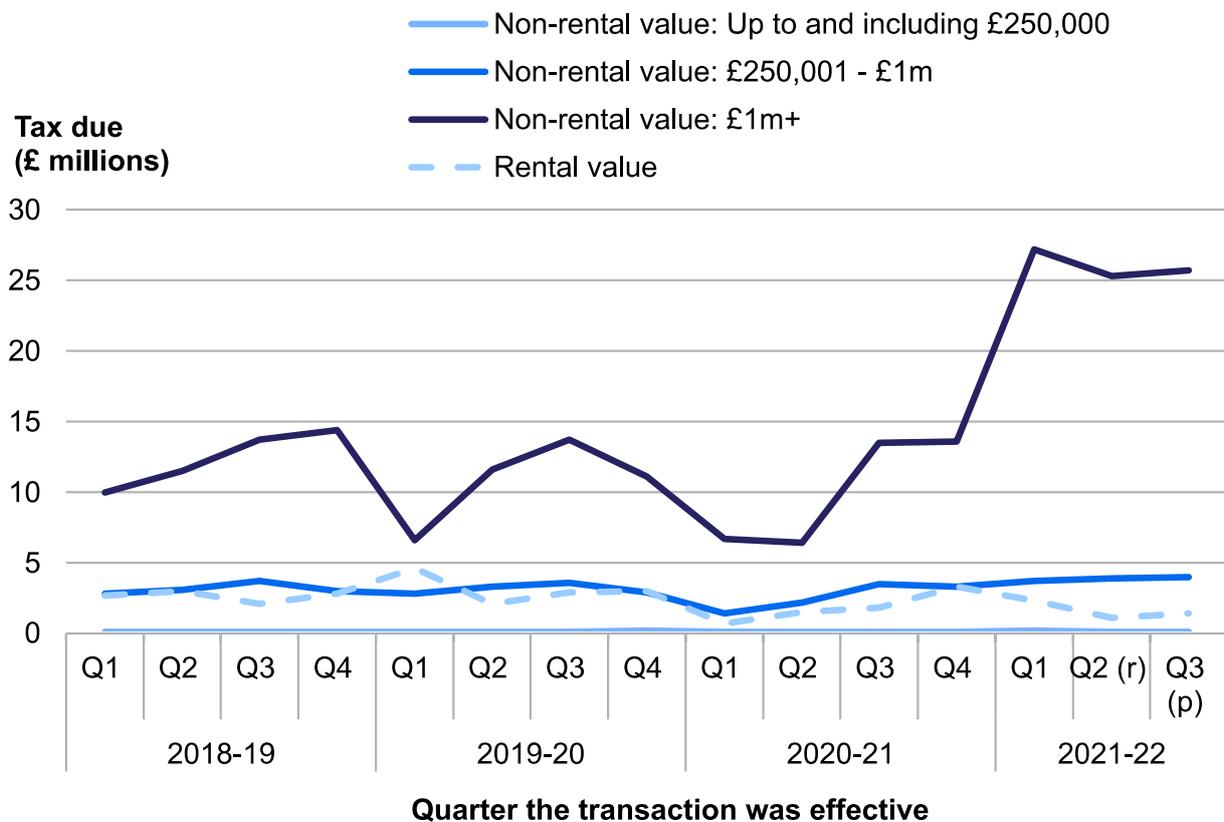
(r) The value has been revised in this publication.

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



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

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

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

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

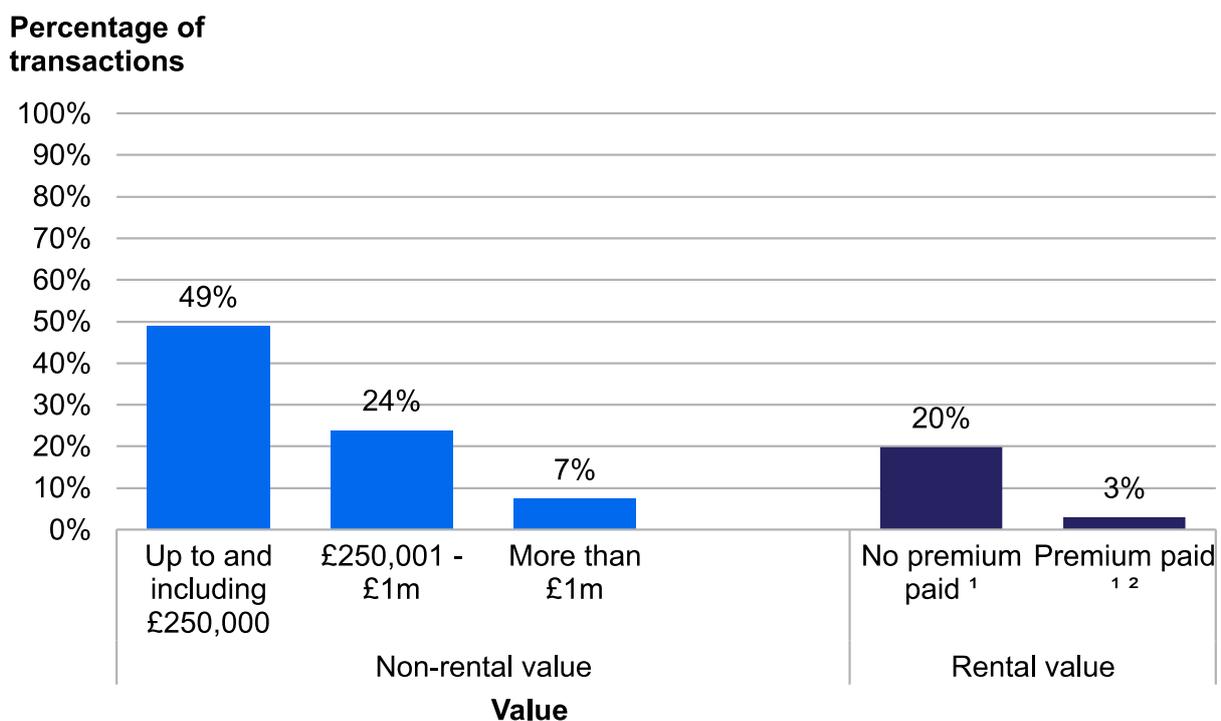
For each tax band, Figures 4.1 and 4.2 show the quarterly trends in the number of **non-residential transactions** and tax due. There are 4 tax bands for the non-rental value. We have combined the smallest 2 bands here to show results for properties with a non-rental value less than £250,000.

Figure 4.1 shows that in April to June 2020, the number of transactions in each value band fell to the lowest quarterly values seen to date, before recovering over the following months. To understand these trends, users should refer to the

section of this release ‘[Effects of coronavirus \(COVID-19\) and changes to LTT rates](#)’. Since April 2021, the quarterly tax due in the category ‘Non-rental value: £1m+’ has been particularly high. This is due to small numbers of large transactions.

In each three-month period since April 2018, around 50% to 80% of the tax due has been contributed by transactions with a non-rental value greater than £1 million. And in each three-month period, around 10% to 30% of the tax due has been contributed by the rental value of non-residential properties, although this percentage dropped to 4% in both July to September 2021 and October to December 2021 (shown in Figure 4.4).

Figure 4.3 Non-residential transactions, by value, October to December 2021 (p)

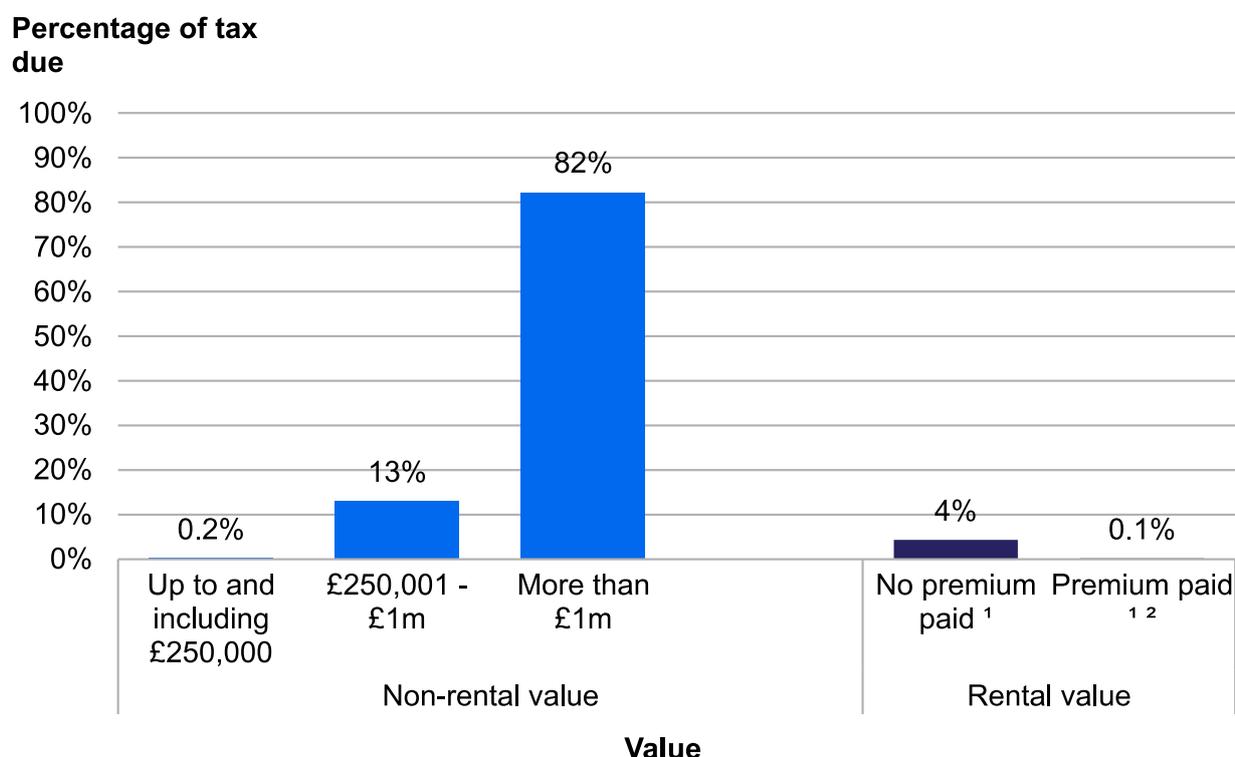


¹ The term 'premium' is more accurately described as 'consideration other than rent'. In most cases, the premium paid will be in the form of a cash value, but could take another form.

² 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).

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

Figure 4.4 Tax due on non-residential transactions, by value, October to December 2021 (p)



¹ 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.

² 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).

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

LTT statistics by time period and non-residential transaction value on StatsWales (includes data back to 2018-19, not presented above)

Figure 4.3 shows that in October to December 2021, 7% of **non-residential transactions** had a non-rental value of more than £1 million. These transactions accounted for 82% of the non-residential tax due (Figure 4.4). As previously mentioned, in October to December 2021, there was a small number of particularly large non-residential transactions which influenced this percentage.

Figure 4.3 also shows that for 23% of non-residential transactions in this period,

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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 4% of the total non-residential tax due (Figure 4.4). This is the joint lowest quarterly percentage seen to date for rental value.

[Back to top](#)

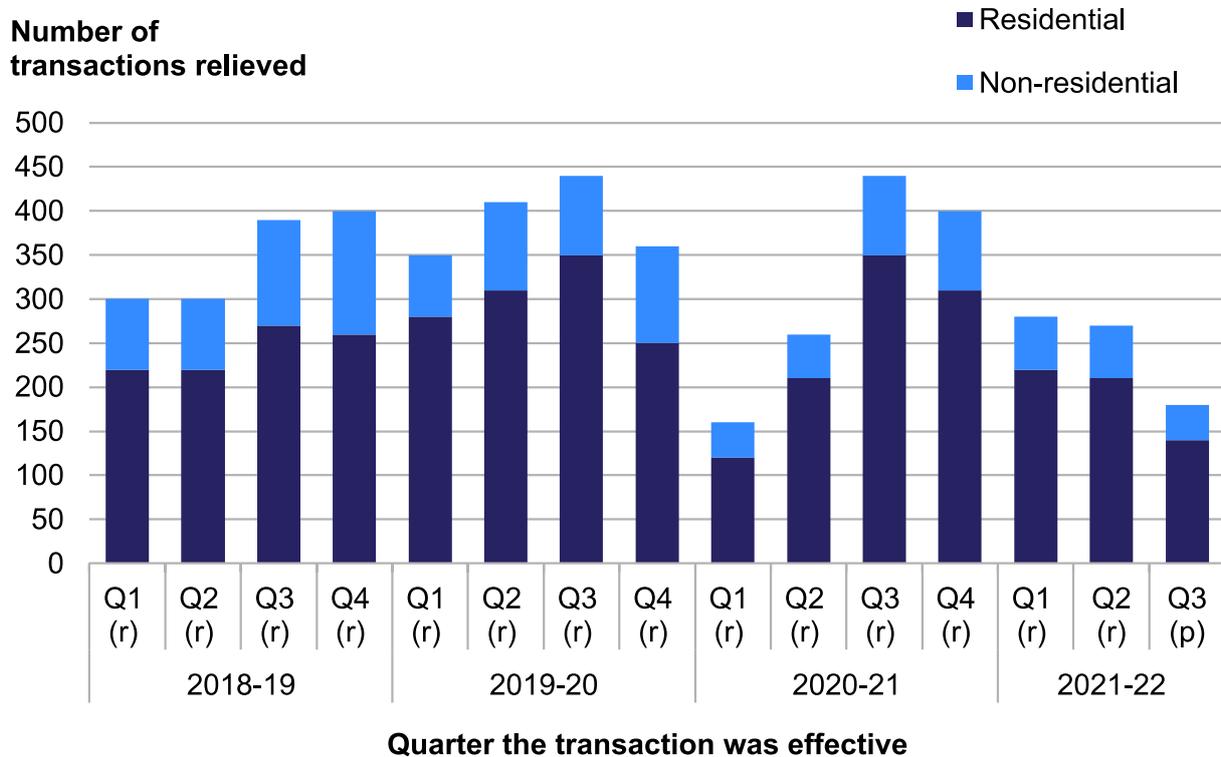
5. Reliefs

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 quarter the transaction was effective ¹



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

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

LTT statistics on reliefs by measure and transaction type on StatsWales

There were 310 transactions in October to December 2021 with reliefs applied to them that reduced the associated tax due. This is a rise on the previous three-month period.

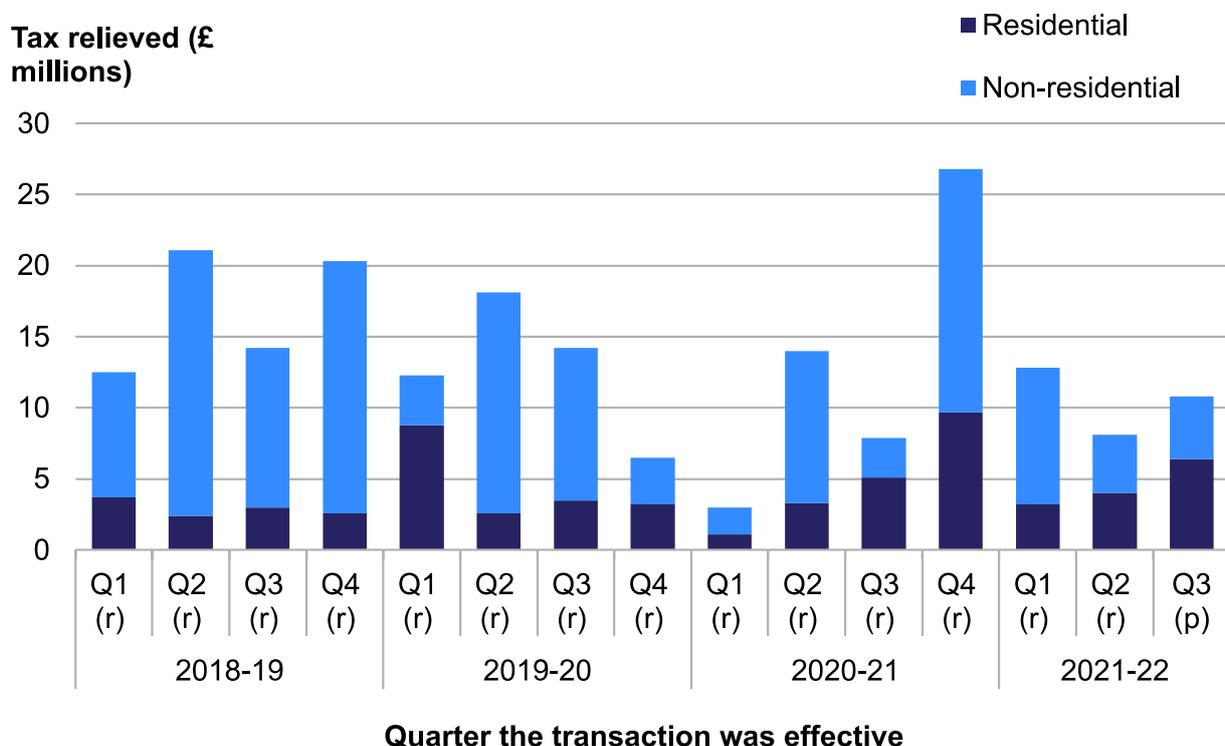
The lowest quarterly value seen to date was the 160 relieved transactions seen in April to June 2020. This is consistent with trends in transactions numbers as a whole and should be read in the context of the earlier section on the **impact of coronavirus (COVID-19) on the property market from April 2020 and the changes to LTT rates**.

On average, there are around 120 reliefs claimed in each three-month period 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**.

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



¹ Please note that this chart excludes any reliefs which may have been claimed on the additional transactions shown in Figure 1.2.

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

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

LTT statistics on reliefs by measure and transaction type on StatsWales

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For each three-month period, the numbers of reliefs claimed on residential transactions was higher than for non-residential transactions. The value of reliefs claimed in each three-month fluctuates considerably over time, along with the share of the value from residential or non-residential transactions. In most of the three-month periods, non-residential transactions contributed over half of the total value of reliefs claimed.

However, several large residential transactions in April to June 2019, October to December 2020 and October to December 2021 contributed to residential reliefs being considerably larger than non-residential reliefs in these periods. In January to March 2021, while the value of residential reliefs claimed was the largest seen to date, the value of non-residential reliefs was larger still.

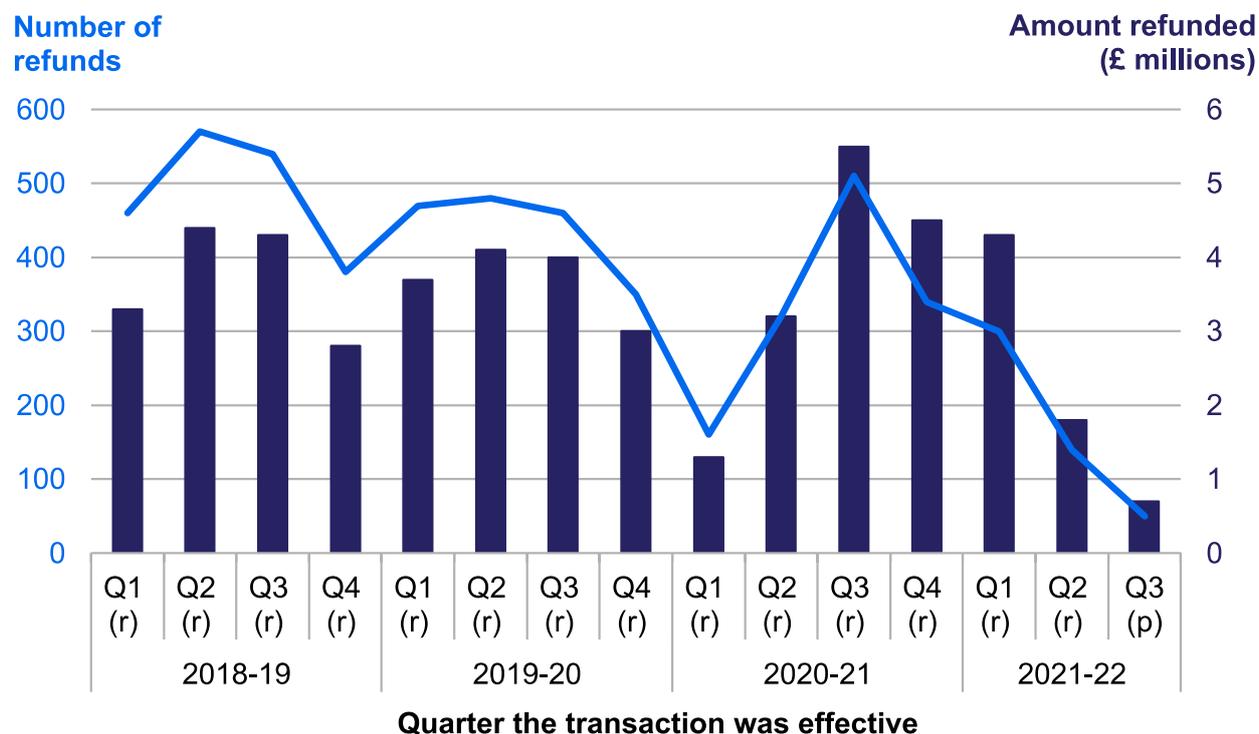
Further data on reliefs is available on StatsWales at the link above, including quarterly data by type of relief.

[Back to top](#)

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 17 January 2022.

Figure 6.1 Number and value of refunds of higher rates residential issued, by effective date



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

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

LTT statistics on higher rate refunds by original transaction date on StatsWales

(not shown in Figure 6.1) Cumulatively, 5,540 higher rate refunds were claimed for transactions effective since April 2018, with £50.8 million refunded to taxpayers.

Taxpayers have up to 3 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 October to December 2021 is lower than for earlier periods. This is because compared with earlier periods, not enough 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

Another useful way of presenting data on higher rates refunds is to use the date when the refund was approved by the WRA. A dataset using these dates and the effective date of the original transaction can be found on the StatsWales website at the link below.

[LTT statistics on higher rate refunds by original transaction date and refund approved date on StatsWales](#)

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 3 years to make the claim). But we do currently know that around 70% of those who do claim answer this question in the positive.

[Back to top](#)

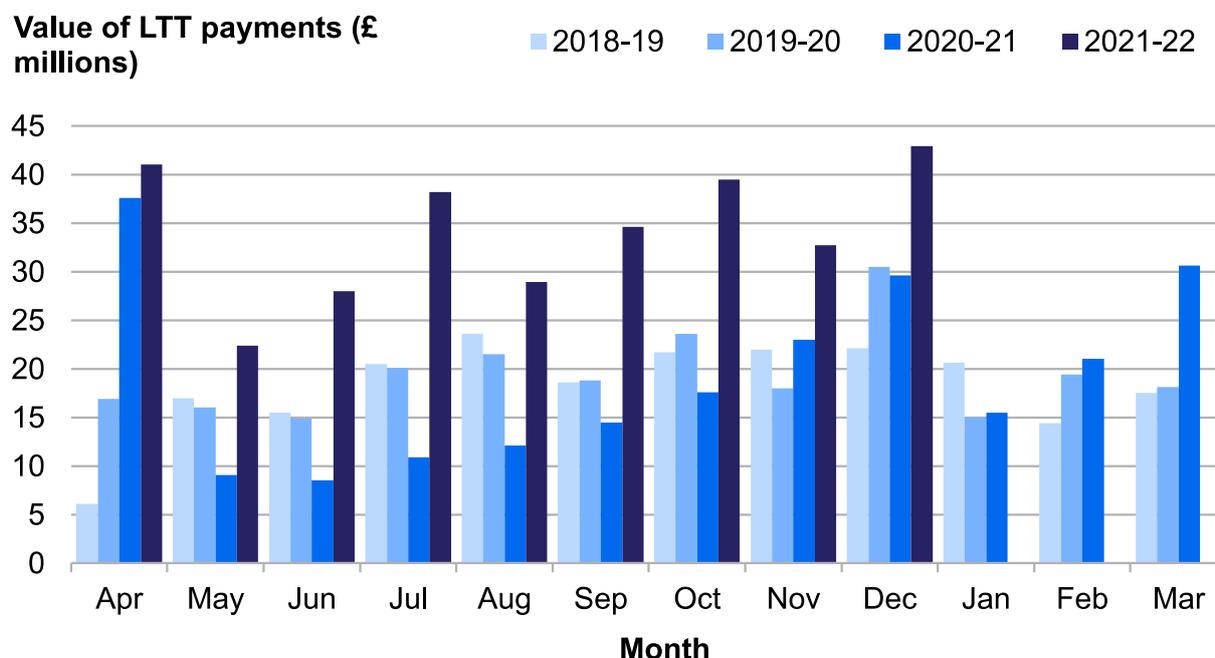
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7. Tax paid

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



¹ Please note that the bar for April 2020 includes the £28.2 million paid for the Transport for Wales transaction of the core valley lines.

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

In October to December 2021, the WRA received £115.1 million in LTT payments. This is highest quarterly value seen to date and is considerably higher than the £72.1 million received in October to December 2019. As described in section 1 of this release ('About these statistics'), it is more appropriate to make comparisons of the current period against October to December 2019 than the same period in 2020. This is due to the effects of coronavirus (COVID-19) restrictions and tax rate changes on housing market activity in 2020-21.

These values are different to those reported in Figure 2.3 as they relate to the

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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
- it will not include a small amount of unpaid LTT, which we are managing through our debt management processes

The highest monthly receipts seen to date were in December 2021 (£42.9 million). Usually, monthly trends in payments made are partly influenced by tax due reported at the end of the previous month. However, it is more likely that tax due reported in December is paid in December. This is because of Christmas holidays and low levels of transactions reported and tax being paid at the end of December.

[Back to top](#)

Annex A: Analysis of revisions

We analyse here 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 3 estimates for October 2021. We published the first estimate on 19 November 2021, published the second estimate on 23 December 2021 and the third estimate on 27 January 2022.

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

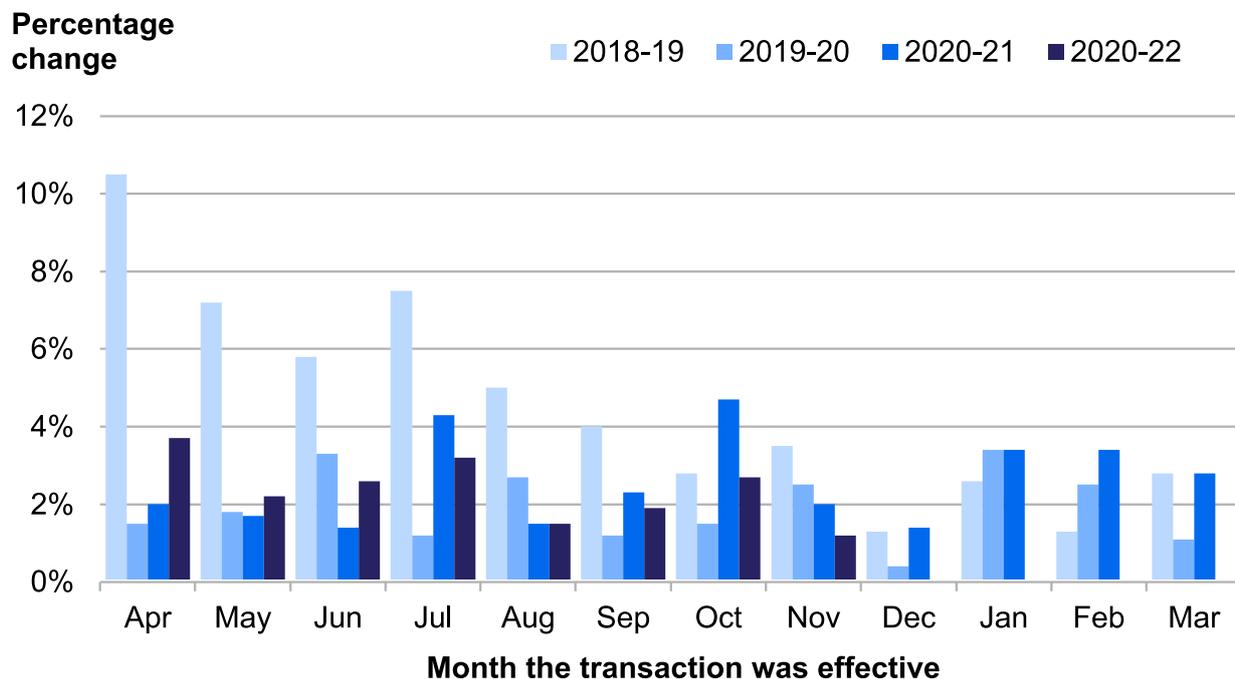
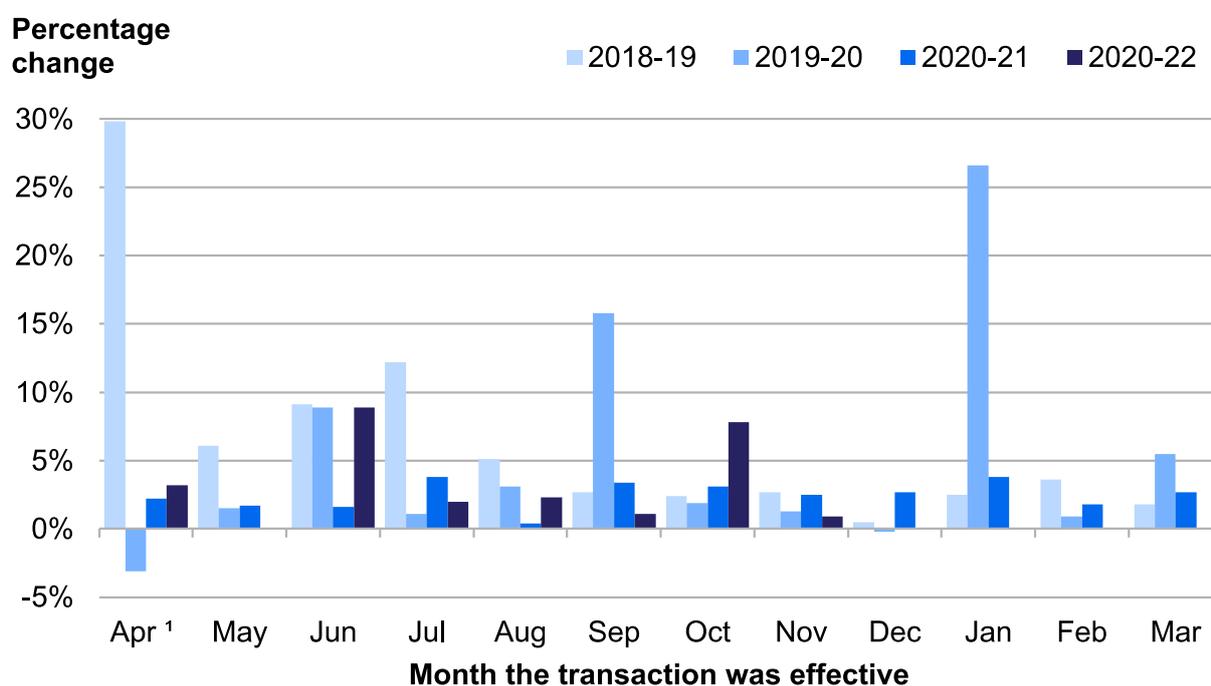


Figure A2 Tax due: Percentage change between the first and second estimates, by month the transaction was effective



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 ([Open Document Spreadsheet](#))

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%)
- June 2021 (tax due was revised upwards by 9%)
- October 2021 (tax due was revised upwards by 8%)

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 onwards has been significantly influenced by coronavirus (COVID-19) effects and LTT rate changes. 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.

[Back to top](#)

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.

[Back to top](#)

Feedback and contact details

We would be grateful for your feedback on these statistics, to help us improve them. Please contact us using the details below.

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Awdurdod Cyllid Cymru
Welsh Revenue Authority

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