



Statistical Release

Land Transaction Tax (LTT) Statistics, May 2018 (monthly estimates)

What statistics are included in this release?

This release outlines provisional estimates for May 2018, and revised estimates for April 2018. They provide a snapshot summary of LTT notifiable transactions received by the close of 13 June 2018.

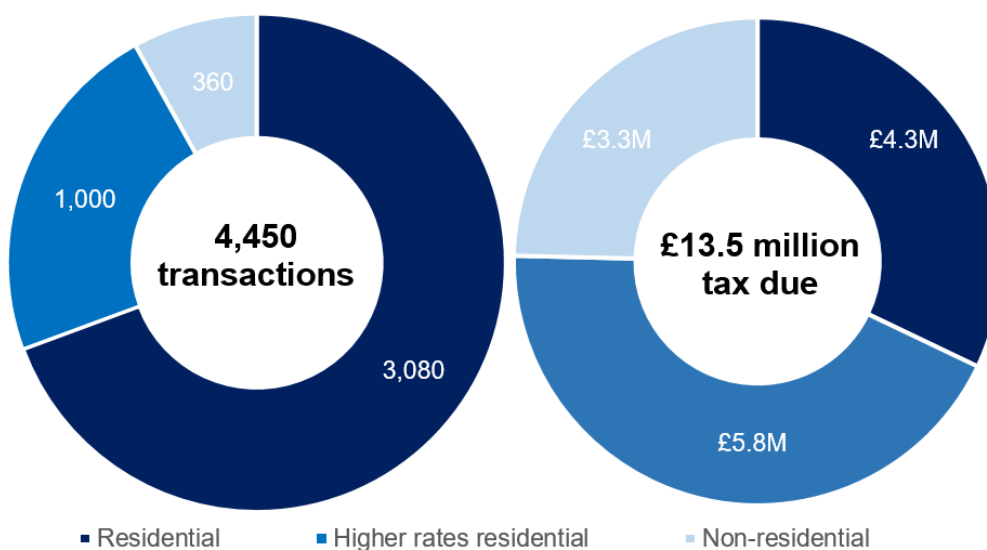
Key statistics from this release

For notifiable LTT transactions with an effective date of May 2018:

- 4,450 reported notifiable LTT transactions, with a total of £13.5 million tax due;
- 3,080 residential LTT transactions at the main rate, with 1,000 residential LTT transactions at the higher rate, covering a total of £10.1 million tax due when combined; and
- 360 non-residential LTT transactions resulting in £3.3 million tax due.

At the close of 13 June, there were 1,577 organisations that had registered for online LTT submissions, with a total of 4,023 registered online users.

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



19 June 2018

WRA 03/2018

What's in this release?

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

It includes summary statistics on the returns received for May 2018 and updates the LTT statistics published on 17 May 2018.

[The previous release in this series can be found here.](#) The next update is due to be published on 26 July 2018.

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

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

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

For the most recent month (May 2018 in this release):

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

In this release, we also revise the estimates previously published for April 2018. These estimates may be revised further in the future, as errors may be identified in returns as a result of checks made in the WRA, or by agents in the course of their business.

How is this release structured?

This release includes four tables which will be published monthly.

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

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

Table 2: Number of transactions by type of transaction

Table 3: Number of residential transactions and tax due on those properties, by residential tax band (split into parts a-b for presentation in this release)

Table 4: Number of non-residential transactions and tax due on those properties, by non-residential tax band (split into parts a-b for presentation in this release)

How will this data be published in the future?

On 26 July, we will publish our first quarterly statistical release. This will revise estimates for April and May 2018 data and provide our first estimates for June 2018. The report will include additional analysis, including some additional data on reliefs.

Future monthly data will then be released as 'data only' releases, with no supporting commentary, which we are currently developing for presentation on StatsWales. Our aim is to publish these approximately 15 – 20 days after the end of the month, typically on the third Friday of the month. Tax returns are more commonly submitted on Friday or the following Monday, therefore by publishing on a Friday we will be able to include the tax returns received up to the end of the third Monday of that month. We have taken this decision on reviewing the extent of revisions to the April data in this release, where using a date in the second week of the month for the last release led to revisions of the order of 10 per cent. We felt this compromised the usability of the first cut of the statistics, but we will keep this under review as the use of the tax system develops. For this release, data were taken from a live system at the close of 13 June 2016, which is later than the equivalent date for the previous release, and the latest possible whilst allowing for the necessary publication processes to be observed.

Our quarterly (and annual) statistics release will present revised data for months one and two of that quarter, in addition to the first estimates for month three of that quarter. To allow sufficient time to develop the additional content, we will publish these a week later than the monthly estimates, around 20 – 25 days after the end of the month, on the Thursday. This will have the added benefit of improving the quality of the estimates further for month three of the quarter.

This approach is designed to support the publication of statistics alongside the development our data management and systems for statistical production. If you wish to comment on our plans for publications, please do so using the contact details on the front page.

Data tables included in this release

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

Effective date (month)	Transactions (number)			Total number of transactions (c)
	Main rate residential	Higher rates residential	Non-residential (b)	
May 18 (p)	3,080	1,000	360	4,450
April 18 (r)	2,870	1,000	480	4,350

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

On 13 June, there were 4,450 reported notifiable transactions for May, already an increase of 2 per cent on April with further notifications likely to be received. The majority (approximately two-thirds) of those were main rate residential transactions.

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

Effective date (month)	Tax due (£ in millions)					
	Residential property subject to main rate	Residential property subject to higher rate		Total higher rate	Non-residential (b)	Total tax due (c)
		Revenue from main rate	Additional revenue from higher rate			
May 18 (p)	4.3	1.2	4.6	5.8	3.3	13.5
April 18 (r)	3.9	1.1	4.6	5.7	6.0	15.6

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

The amount of LTT due is calculated based on the reported notifiable transactions that had been submitted. By the close of 13 June, just over £13.5 million was due for LTT transactions that related to May 2018.

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

Effective date (month)	Property value taxed (£ millions)			Total property value taxed (c)
	Residential	Higher rates residential property	Non-residential (b)	
May 18 (p)	524	154	119	797
April 18 (r)	483	152	216	851

- (a) Values in this table have been rounded to the nearest £1 million.
(b) The category 'non-residential properties' includes properties that are not wholly residential (i.e. those which have both residential and commercial elements).
(c) The total presented has been calculated based on the unrounded values.

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

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

In the previous release, tables 2- 4 below focussed mainly on conveyance and transfer of ownership transactions whilst we assessed the feasibility of including data on leases. Over the last month we have given consideration to this, and tables 3a-4b now include the value of lease transactions.

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

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

Effective date (month)	Conveyance/ Transfer of ownership (b)	Granting a new lease	Reassignment of a lease	Total Number
	Number	Number	Number	
May 18 (p)	4,090	150	210	4,450
April 18 (r)	3,940	210	210	4,350

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

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

Conveyance or transfer of ownership accounted for the majority of reported notifiable transactions in May 2018 (92 per cent of all reported notifiable transactions in May). The valuation of the properties associated with those conveyances and transfer of ownership was £759m.

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

Effective date (month)	Transactions by residential tax band (number)						Total (b)
	Up to and including £180,000	£180,001 - £250,000	£250,001 - 400,000	£400,001 - £750,000	£750,001 - £1.5m	Over £1.5m	
May 18 (p)	2,790	660	510	120	10	0	4,090
April 18 (r)	2,670	650	440	100	*	0	3,870

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

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

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

There were 4,090 reported notifiable residential transactions, approximately two-thirds of those were within the first tax band (with a purchase price of less than £180,000). This accounts for 84 per cent of LTT transactions when combined with the second band.

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

Effective date (month)	Tax due by residential tax band (£ millions)						Total (b)
	Up to and including £180,000	£180,001 - £250,000	£250,001 - 400,000	£400,001 - £750,001 - £750,000	£1.5m	Over £1.5m	
May 18 (p)	2.4	1.6	3.5	2.3	0.3	0.0	10.2
April 18 (r)	2.4	1.5	3.3	2.1	*	0.0	9.6

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

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

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

For May, a total of £10.2 million is due from the 4,090-reported notifiable LTT residential transactions.

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

Effective date (month)	Transactions by non-residential tax band (number)				Total (b)
	Up to and including £150,000	£150,001 - £250,000	£250,001 - £1m	More than £1m	
May 18 (p)	230	40	70	20	360
April 18 (r)	310	60	80	30	480

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

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

For May 2018, there were 360 reported notifiable non-residential transactions, just under two thirds of which were less than £150,000.

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

Effective date (month)	Tax due by non-residential tax bands (£ in millions)				Total (b)
	Up to and including £150,000	£150,001 - £250,000	£250,001 - £1m	More than £1m	
May 18 (p)	*	~	0.8	2.1	3.3
April 18 (r)	*	~	1.0	3.6	6.0

(a) Values in this table have been rounded to the nearest £0.1 million. Please note that this table includes the tax due on non-residential lease transactions, including elements derived from the rental values of the properties.

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

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

* Represents a value that has been suppressed as the tax due for a small number of transactions contributes to the majority of the cell value (dominance).

£3.3 million tax was calculated for these non-residential properties for May 2018, with just over 60 per cent falling in the highest valuation tax band.

Key quality section

Value

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

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

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

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

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

Trustworthiness

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

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

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

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

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

Assessing the quality of this data

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

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

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

During the preparation of this release we haven't addressed any further issues since the previous release. However, we are working with WRA operational staff to identify further issues during data collection and processing. We have introduced new quality controls which provide immediate analysis of tax returns which flag up potential areas of concern. Where a tax return is amended by the WRA operational team, the organisation filing the return is contacted to confirm the amendment.

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

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

Example 1

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

Example 2:

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

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

A transaction can be either: residential; or non-residential (which includes cases where a property is not wholly residential). In addition to this, a higher rate can also be applied to residential properties depending on a few factors. [Further information can be found here.](#)

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

Why have we done this?

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

Feedback and enquiries

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

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

Media and Press Email: news@wra.gov.wales

Other users: Email: data@wra.gov.wales

Phone: 03000 254 723

Next update

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

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