

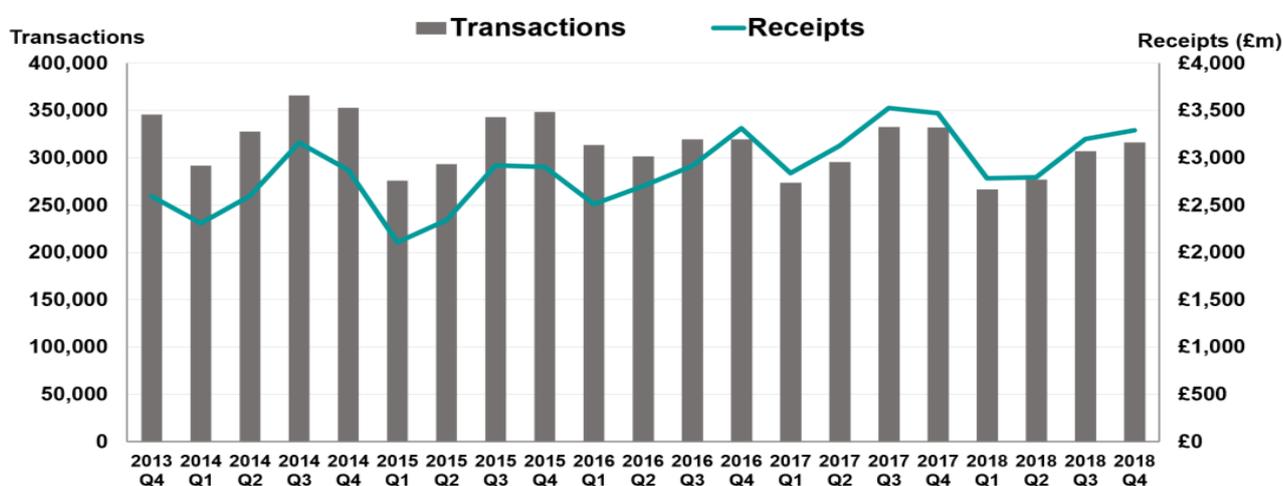


About this release

This publication provides quarterly statistics on receipts and transactions for Stamp Duty Land Tax (SDLT) where the transaction value is £40,000 or above. This includes the whole of the UK up to April 2015; England, Wales and Northern Ireland from April 2015 up to April 2018; and England and Northern Ireland from April 2018 onwards. Data are split by property type, liability threshold and price band, including transactions paying the higher rates of SDLT for additional dwellings (HRAD), and those claiming the first time buyers' relief. For key definitions, guidance and references see the published tables and the Methodology and Quality Report.

Key Summary

Chart 1: SDLT transactions and receipts, 2013Q4 - 2018Q4



Note: All figures in this publication have been rounded: transactions to the nearest 100 and receipts to nearest £1 million. Figures referenced in the commentary may not match those in the tables and charts due to rounding.



Transactions increased by 3% to 316,200 between Q3 and Q4 2018, but they were 5% lower than Q4 2017. This is partially due to the devolution of SDLT to Wales in April 2018.



Q4 2018 receipts were £3,291m, 3% higher than in Q3 2018, but 5% lower than Q4 2017. Residential receipts remained broadly the same between Q3 and Q4 2018; non-residential receipts increased by £102m.



60,700 transactions claimed first time buyers' relief in Q4 2018, making a total of 241,300 claims since the relief's introduction. The estimated total amount relieved is £570m.

Stamp Duty Land Tax (SDLT)

SDLT is paid on property or land purchases in England and Northern Ireland. The SDLT due depends on the purchase price, with rates and thresholds differing depending on the property type or if it is an additional dwelling. Some transactions qualify for reliefs such as first time buyers' relief.

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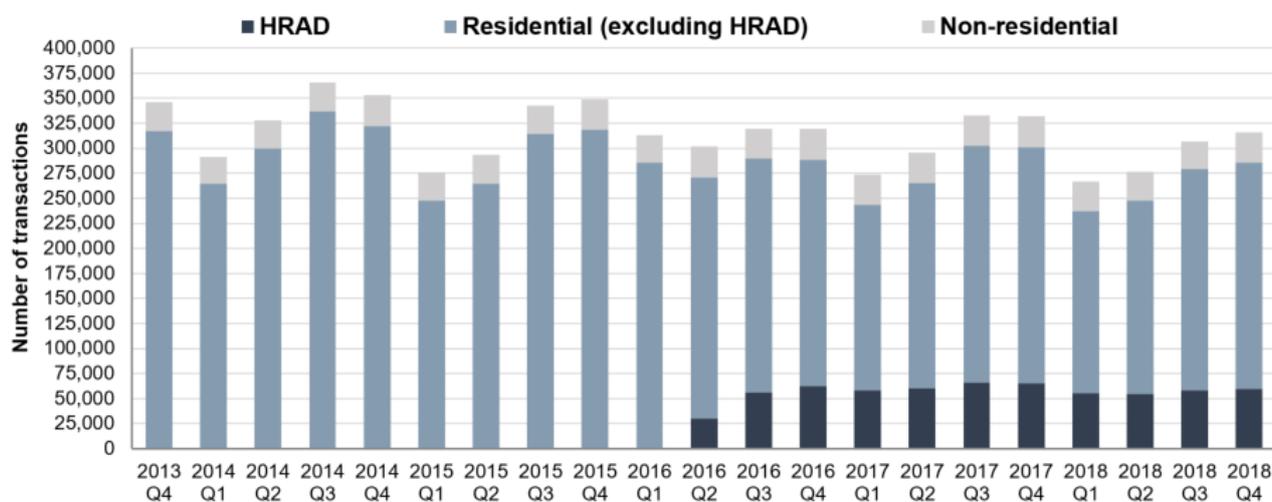
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Quarterly transactions

Chart 2: Quarterly transactions by type, 2013Q4 - 2018Q4



*Transactions rounded to the nearest 100; figures may not sum due to rounding.

Standard rate transactions

Refers to liable residential transactions that are not purchased as additional dwellings or purchased by non-individuals.

Liable & Non-liable

The split between the liable and non-liable transactions is dependent on the level of the SDLT threshold. The current SDLT threshold is £125,000 for residential properties and £150,000 for non-residential properties.

SDLT rates and thresholds can be found in reference R2.

Price bands

Transactions under £250,000 do not include transactions valued at less than £40,000 as these transactions do not require returns and are therefore not captured in HMRC's Stamp Duty Land Tax database. Further information can be found in the Methodology and Quality Report.

→ Transactions increased by 3% from 307,100 in Q3 2018 to 316,200 in Q4 2018, but were 5% lower than Q4 2017. Data are not directly comparable with previous year due to the devolution of SDLT to Wales in April 2018. Further information can be found on page 7.

→ Residential transactions increased by 2% to 286,000 this quarter, but were 5% lower than Q4 2017.

→ Liable residential transactions were 38,600 lower than in Q4 2017, with most of this fall being seen in the under £250k band. This partly reflects devolution of SDLT to Wales. Non-liable transactions have increased by around 23,700 since last year, largely due to the introduction of first time buyers' (FTB) relief.

→ Total non-residential transactions grew by 9% this quarter but were 4% lower than transactions in Q4 2017.

Residential transactions

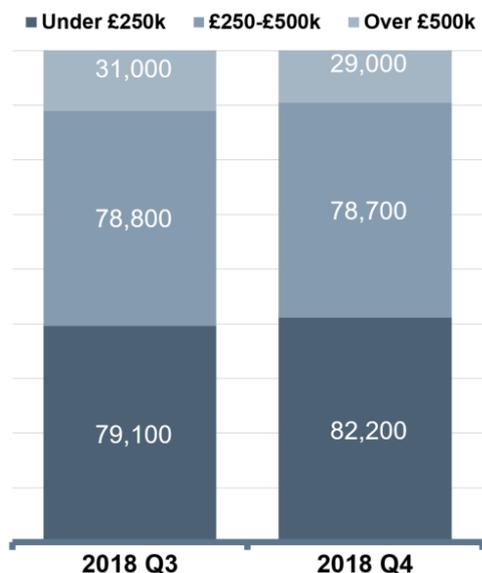
Residential property refers to buildings used or suitable for use as a dwelling, or in the process of being constructed for use as a dwelling. It also includes the gardens and ground of dwellings.

90% of all SDLT transactions were for residential properties. Between Q3 and Q4 2018 residential transactions increased by 2% (6,500) to 286,000, but were 5% (14,900) lower than transactions in Q4 2017.

Liable residential transactions

Since Q1 2018, only two thirds of residential transactions were liable for SDLT; the lowest proportion it has been since Q1 2014. This reflects recent changes in SDLT rates; liable transactions increased in Q3 2016 due to the new rates of duty on additional residential dwellings (HRAD), but decreased in Q4 2017 due to FTBR increasing the liable threshold for first time buyers to £300,000.

Chart 2A: Liable standard rate residential transactions by type, quarterly change



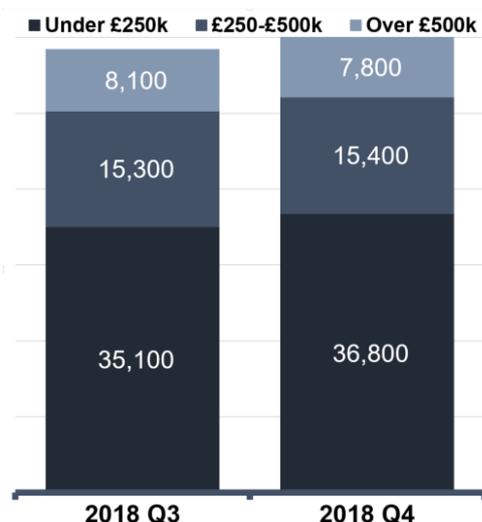
*Transactions rounded to the nearest 100; figures may not sum due to rounding.

- Liable residential transactions (189,800) have remained broadly the same between Q3 and Q4 2018. Compared to Q4 2017, liable transactions have fallen by 17% (38,600).
- 43% of liable residential transactions were valued at under £250k; transactions in this band increased by 4% (3,000) to 82,200.
- Transactions valued between £250k-£500k have stayed flat. Transactions over £500k decreased by 6% (2,000) to 29,000.

Higher rates of SDLT transactions

Additional dwellings purchased by individuals and residential property purchased by non-individuals are required to pay the standard rate of SDLT plus 3%. It applies for example to purchases of second homes and buy-to-let properties. These rates, formally known as higher rates for additional dwellings (HRAD or 'higher rates') were introduced in April 2016. Further information can be found in reference R1.

Chart 2B: HRAD transactions by type, quarterly change



*Transactions rounded to the nearest 100; figures may not sum due to rounding.

- Between Q3 and Q4 2018 HRAD transactions increased by 3% to 60,000. Compared to Q4 2017, it has fallen by 8% (5,300).
- For the last 4 quarters, HRAD transactions have made up about 33% of all liable transactions and have generally increased as a proportion of residential transactions.
- 61% of HRAD transactions were under £250k; transactions in this band increased by 5%. Transactions valued at £250-£500k have stayed flat.

Non-liable residential transactions

Transactions are classed as not liable for SDLT because they are below the SDLT liability threshold, or because they have claimed relief.

Residential non-liable transactions increased by 6% (5,600) from the previous quarter to 96,200. This was driven by an increase in FTBR relief claims.

43% of residential non-liable transactions were under the SDLT threshold. Below threshold transactions increased by 7% between Q3 and Q4 2018 to 40,900; generally these transactions have been decreasing as house prices have increased, and especially since the introduction of higher rates on additional dwellings (previously additional dwellings between £40,000 and £125,000 were non-liable).

Non-liable transactions types:

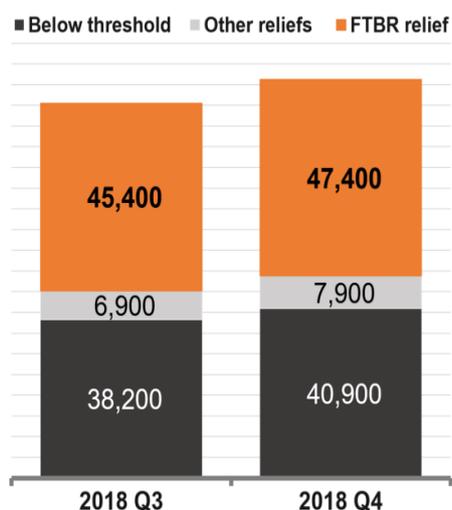
Below threshold:

These are standard rate transactions where the value does not exceed the minimum SDLT threshold i.e. under £125,000 for residential property or £150,000 for non-residential property.

Claimed relief:

These are transactions that are exempt from or pay a lower amount of SDLT due to certain reliefs.

Chart 2C: Non-liable residential transactions by type, quarterly change



*Transactions rounded to the nearest 100; figures may not sum due to rounding.

- Non-liable transactions that claimed relief increased by 6% to 55,300 between Q3 and Q4 2018, and are at their highest quarterly level since Q4 2009. This is mainly due to an increase in first time buyers' relief claims.
- 47,400 non-liable residential transactions claimed first time buyers' relief in Q4 2018; an increase of 4% (2,000) since Q3 2018.
- Other relief claims increased by 13% (1,000) from the 6,900 to 7,900. See R1 for information on 'other reliefs'.

First time buyers' relief (FTBR)

FTBR was introduced in November 2017 and applies to purchases of dwellings for £500k or less, provided the purchaser has never owned a property and intends to occupy the property as their only or main residence. Under the relief, transactions valued at £300k or less are not liable. Transactions valued at more than £300k but less than £500k are liable to pay 5% SDLT on the portion over £300k.

- The estimated total amount of FTBR relief was £144m, a 1% increase on Q3 2018.
- 60,700 (21%) residential transactions claimed FTBR in Q4 2018, an increase of 3% on Q3 2018. 78% (47,400) of these transactions were non-liable and paid no SDLT.
- Non-liable FTBR transactions increased by 4% (2,000), whereas liable FTBR transactions decreased by 2% (300).

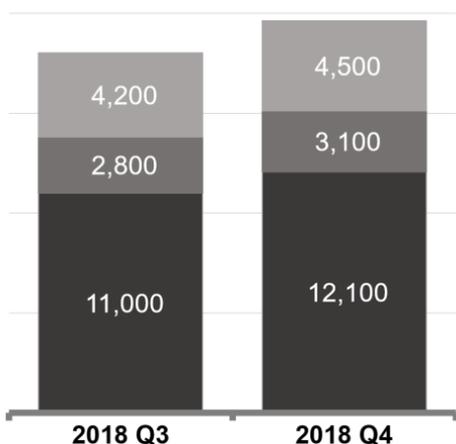
Non-residential transactions

Non-residential property includes commercial property, agricultural land, forests, any other land or property which is not residential, 6 or more residential properties bought in a single transaction, and mixed use transactions.

Non-residential transactions grew by 9% to 30,200 between Q3 and Q4 2018, but decreased by 4% when compared to Q4 2017. This was mostly due to a rise in liable non-residential transactions under £250k.

Chart 2D: Liable non-residential transactions by type, quarterly change

■ Under £250k ■ £250-£500k ■ Over £500k



→ 65% of non-residential transactions were liable for SDLT.

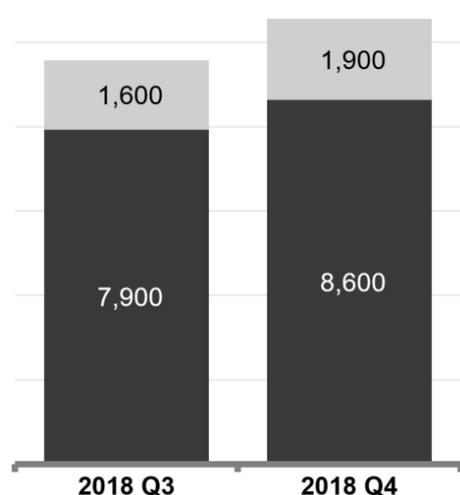
→ **Liable non-residential** transactions increased by 9% (1,600) to 19,600 from the previous quarter.

→ Transactions under £250k rose by 10% (1,100) to 12,100; transactions between £250k to £500k rose by 9% (300) to 3,100; transactions valued at £500k and over increased by 6% (300) to 4,500.

*Transactions rounded to the nearest 100; figures may not sum due to rounding.

Chart 2E: Non-liable non-residential transactions by type, quarterly change

■ Below threshold ■ Claimed relief



→ **Non-liable non-residential** transactions rose by 10% (1,000) to 10,500 between Q3 and Q4 2018.

→ 82% of non-residential non-liable transactions were below the SDLT threshold. Below threshold transactions increased by 9% (700) to 8,600 between Q3 and Q4 2018.

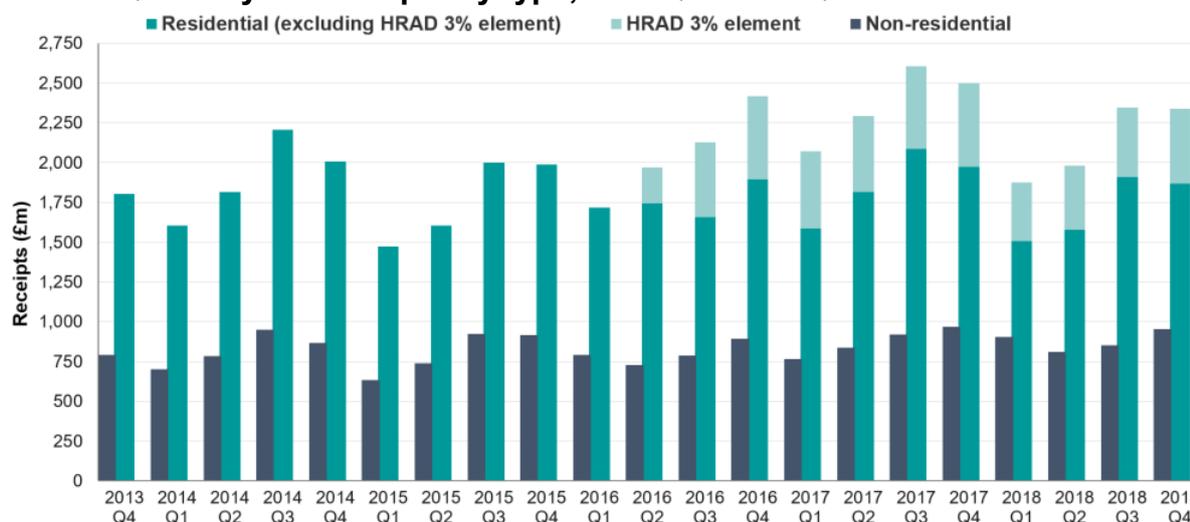
→ Non-residential transactions claiming relief was increased by 17% (300) to 1,900 between Q3 and Q4 2018, and increased by 15% compared to Q4 2017.

*Transactions rounded to the nearest 100; figures may not sum due to rounding.

More detailed liable residential and non-residential price splits can be found in tables 2 and 5.

Quarterly receipts

Chart 3: Quarterly net receipts by type, 2013Q4 - 2018Q4



*Receipts are rounded to the nearest £ million.

HRAD 3% element

Higher rates of SDLT will apply to purchases of additional dwellings and purchases of residential property by persons other than an individual. This is an additional 3% on top of the standard residential SDLT rates, starting at 3% for transactions with a value of £40,000 or more.

Note on HRAD 3% element receipts

These estimates are based on analysis of returns recorded on the SDLT database; SDLT paid for this 3% element is not declared separately on the SDLT return.

Refunds revision

The way refunds are presented has been changed since the last quarter and data from Q2 2017 onwards have been revised. Please refer to footnotes in tables 1 or 3 for further information.

- Quarterly receipts increased by 3% (£94m) to £3,291m between Q3 and Q4 2018.
- Residential receipts were broadly similar between Q3 and Q4 2018.
- HRAD receipts increased slightly to £1,045m between Q3 and Q4 2018.
- Non-residential receipts increased by 12% (£102m) to £952m between Q3 and Q4 2018.

Residential receipts

Residential receipts formed approximately 71% of total quarterly receipts in Q4 2018;

Residential receipts decreased by 0.3% (£8m) to £2,339m between Q3 and Q4 2018, and fell by 6% when compared to Q4 2017. Year-on-year comparisons are distorted by introduction of FTB relief in November 2017.

Standard residential receipts (residential receipts excluding HRAD receipts) decreased by 2% (£25m) to £1,294m between Q3 and Q4 2018, and fell by 7% (£96m) compared to Q4 2017.

Note on receipts: Receipts in this bulletin are net of any refunds paid in the same quarter by HMRC. Information on the receipts methodology can be found in the Methodology and Quality Report.

HRAD receipts and refunds

45% (£1,045m) of residential receipts were from HRAD transactions, of which £470m are estimated to be from the additional 3% rate.

Total HRAD receipts increased by 2% this quarter, but fell by 6% when compared to Q4 2017. This is partly due to higher number of refunds in Q4 2018 compared to the same period last year.

Repayments of the higher rates are available to an individual who has sold their previous main residence within 3 years of paying the higher SDLT rates. In Q4 2018, 6,500 additional dwellings refunds totalling £85m were paid. Refunds since Q1 2018 have been higher than previous due to HMRC's allocation of increased resources to the processing of repayment claims.

Non-residential receipts

Q4 2018 non-residential receipts increased by 12% (£102m) to £952m when compared to Q3 2018, but decreased by 2% (£17m) when compared to Q4 2017.

Note on Welsh devolution

SDLT was devolved to Wales in April 2018, so this publication no longer includes Welsh transactions that were completed from Q2 2018 onwards. However, a small number of Welsh transactions were filed after April 2018, thus they are reflected in transactions and receipts in the post-devolution period. The Welsh Revenue Authority publishes its own statistics on its new Land Transactions Tax which has replaced SDLT.

Receipts by property type can be found in table 1; HRAD receipts and refunds can be found in table 3
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