

Winners and Losers of the Wales Land Transaction Tax

New research from Compare My Move shows that the introduction of the Land Transaction Tax in Wales will save the average homebuyer £560. Land Transaction Tax replaces Stamp Duty in Wales from 1st April 2018, and Compare My Move used their newly updated Cost of Moving House Calculator to highlight the changes for homebuyers.

This release includes a breakdown of savings across all areas of Wales.

Key findings at a glance:

- The average homebuyer in Wales will be **£560 better off** because of the changes.
- Homebuyers will **only be worse off** by the changes in Wales if they are purchasing a house worth **more than £402,000**.
- **Powys** has the **biggest saving**, with the average homebuyer **saving £1,095** because of the changes. This is **followed by Ceredigion and the Isle of Anglesey**, where the average homebuyer will **save £1,088 and £1,064** respectively.
- Areas where average prices are below the Stamp Duty threshold see **no change**.
- Second home owners will also **pay less** with the higher rate if the property is **below £402,000**.
- A **£1,000,000 property** will accrue **£61,200 in Land Transaction Tax**, compared to **£43,750 in Stamp Duty**.

The Compare My Move Cost of Moving House Calculator has been updated with the new rates for Wales.

View the calculator here:

<https://www.comparemymove.com/house-removals/cost-of-moving-house-calculator>

Who Wins and Who Loses?

The average homebuyer in Wales will save £560 when the Land Transaction Tax replaces UK Stamp Duty Land Tax on April 1st.

With the current average house price in Wales at £153,034, the average homebuyer would have paid £560 in Stamp Duty before the change. Under the new Land Transaction Tax (LTT) rules, the average homebuyer would pay no rate on this purchase.

New research by Compare My Move shows that the average homebuyer in every area of Wales benefit from the changes. The exception is of course areas such as Rhondda Cynon Taf and Merthyr Tydfil where the average house price is below the Stamp Duty threshold.

Compare My Move Press Release

For Immediate Release

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Date: 27/03/2018

Home buyers will be worse off by the changes in Wales if they are purchasing a house worth more than £402,000. It is from this point that the costs intersect, and Land Transaction Tax becomes more expensive than Stamp Duty. From this point the gap widens, with a £1,000,000 property costing £61,200 in Land Transaction Tax, compared to £43,750 in Stamp Duty. The biggest losers from the change will therefore will be those purchasing multi-million pound houses.

Which Areas Benefit Most From the Change?

The price bands and percentages differ between the Land Transaction Tax and Stamp Duty, but the biggest winners stem from the changes in the low end threshold. The fact that the 0% rate threshold has been raised to £180,000 means that areas with average house prices close to this amount are naturally the winners from this change.

In Powys for example, homebuyers purchasing a property for the average house price of £179,789 will pay no Land Transaction Tax, whereas in March would have paid £1,095 in Stamp Duty. Likewise, in Ceredigion and the Isle of Anglesey, the average homebuyer saves £1,088 and £1,064 respectively.

It's worth noting that more expensive areas benefit less, for example the average homebuyer in Monmouthshire will have to fork out £2,277 in Land Transaction Tax, which is only a saving of £124 in comparison to Stamp Duty.

What About Second Home Owners?

Second home owners and those looking to buy to let will face the higher rates for both Stamp Duty and Land Transaction Tax. Land Transaction Tax' higher rate mirrors Stamp Duty, in that it adds an extra 3% to every bracket.

Because of this, second home owners are actually better off buying in Wales for certain priced homes. For properties less than £402,000, second home owners in Wales will pay less than the equivalent Stamp Duty. It's worth noting that for properties much more expensive than this, Land Transaction Tax is substantially more than Stamp Duty.

Compare My Move Comment

“According to our research, the Land Transaction Tax looks set to benefit the average house buyer across the whole of Wales. In fact, the average homebuyer in only 3 of the 22 counties of Wales will pay Land Transaction



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Tax. Using the same average house prices, average homebuyers in 18 counties of Wales would pay Stamp Duty.

“When homebuyers in areas such as Powys look to save as much as £1,095, the changes can be seen as a great thing for prospective homeowners.

“When it comes to moving house, savings like these really do make a difference. We’ve updated our free Cost of Moving House Calculator to take into account the Land Transaction Tax in Wales, so that homebuyers are fully informed about the range of costs they face.

“When it comes to moving house, get informed, get comparing, and get saving.”

About the Cost of Moving House Calculator

The Cost of Moving House Calculator is a new tool released by Compare My Move which aims to clearly show users the costs of moving house. Compare My Move developed the tool to ensure homeowners and first-time buyers have absolute clarity on costs when moving home, whether buying, selling, or both.

The tool has been updated to take into account the Land Transaction Tax changes, and also includes a range of fees such as house removal costs, surveying fees, estate agent costs, conveyancing fees and other fixed costs.

Find it here:

<https://www.comparemymove.com/house-removals/cost-of-moving-house-calculator>

About Compare My Move

Compare My Move is a Removal Company comparison website for home and office movers across the UK and internationally. Movers fill in a quick, easy form, and get a shortlist of up to 6 local removal companies, and can save up to 70% on their removal costs.

Removal company partners are fully verified by Compare My Move and reviewed by customers. The verification process ensures partners have Goods in Transit Insurance, Public Liability Insurance, and a website with clear terms and conditions. Compare My Move was launched in 2012 by Marc Bengier and Dave Sayce, who have more than 30 years’ experience in house removals. Each year, Compare My Move helps more than 50,000 residents move house.

Find Assets below: More available on request



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A Breakdown By Area

Find below a breakdown by Wales area, demonstrating what the average homeowner in each area will save from the changes in duty. This assumes the main residential tax rate (residential property, freehold, not buying to let or second home owner). The table shows the average house price by area, the subsequent cost in both Stamp Duty and Land Transaction Tax, with a column showing the difference (savings).

Area	Average House Price*	Stamp Duty**	Land Transaction Tax***	Amount Saved****
Blaenau Gwent	£83,078	£0	£0	£0
Bridgend	£148,951	£479	£0	£479
Caerphilly	£128,127	£62	£0	£62
Cardiff	£200,082	£1,501	£702	£799
Carmarthenshire	£140,271	£305	£0	£305
Ceredigion	£179,419	£1,088	£0	£1,088
Conwy	£158,474	£669	£0	£669
Denbighshire	£145,712	£414	£0	£414
Flintshire	£167,673	£853	£0	£853
Gwynedd	£148,891	£477	£0	£477
Isle of Anglesey	£178,247	£1,064	£0	£1,064
Merthyr Tydfil	£96,947	£0	£0	£0
Monmouthshire	£245,080	£2,401	£2,277	£124
Neath Port Talbot	£111,418	£0	£0	£0
Newport	£165,013	£800	£0	£800
Pembrokeshire	£166,374	£827	£0	£827
Powys	£179,789	£1,095	£0	£1,095
Rhondda Cynon Taf	£103,588	£0	£0	£0
Swansea	£142,592	£351	£0	£351
Torfaen	£129,710	£94	£0	£94
Vale of Glamorgan	£217,955	£1,859	£1,328	£531
Wrexham	£153,384	£567	£0	£567
Wales	£153,034	£560	£0	£560

*Average house prices taken from Office for National Statistics House Price Index January 2018 (Released March 2018)

**Stamp Duty due before April 2018 from house price, calculated using Compare My Move Cost of Moving Calculator.

***Land Transaction Tax due from house price, calculated using Compare My Move Cost of Moving Calculator

**** Difference in cost (amount saved)

Land Transaction Tax by Area

The amount saved by the average home buyer in each area of Wales with the new Land Transaction Tax, in comparison to Stamp Duty. Average savings are the difference between Stamp Duty and Land Transaction Tax on average house prices in each area, taken from the Office for National Statistic House Price Index January 2018. Rates calculated using the Compare My Move Cost of Moving Calculator.



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Stamp Duty and Land Transaction Tax Rates

Portion of House Price	Stamp Duty Rate	Portion of House Price	Land Transaction Tax Rate
Up to £125,000	0%	Up to £180,000	0%
£125,001 to £250,000	2%	£180,001 to £250,000	3.5%
£250,001 to £925,000	5%	£250,001 to £400,000	5%
£925,001 to £1.5 million	10%	£400,001 to £750,000	7.5%
£1.5 million +	12%	£750,001 to £1.5 million	10%
		£1.5 million +	12%

