

## Scottish Property Federation Monthly LBTT Update – August 2017

	Residential LBTT	Commercial LBTT	Total LBTT	Residential LBTT Ex. ADS	ADS (Included in Residential LBTT Total)
<b>Revenue in August</b>	<b>£40.3m</b>	<b>£12.5m</b>	<b>£52.8m</b>	<i>£28.5m</i>	<i>£12.1m</i>
<b>Aug 2017 vs Jul 2017</b>	<b>↑£3.1m</b>	<b>↑£2.1m</b>	<b>↑£5.2m</b>	<b>↑£2.3m</b>	<b>↑£1.0m</b>
<b>Aug 2017 vs Aug 2016</b>	<b>↑£11.2m</b>	<b>↑£0.5m</b>	<b>↑£11.6m</b>	<b>↑£7.0m</b>	<b>↑£4.3m</b>
<b>Revenue 2017/18 (YtD)</b>	<b>£167.9m</b>	<b>£65.4m</b>	<b>£233.3m</b>	<i>£116.9m</i>	<i>£52.0m</i>

### Summary

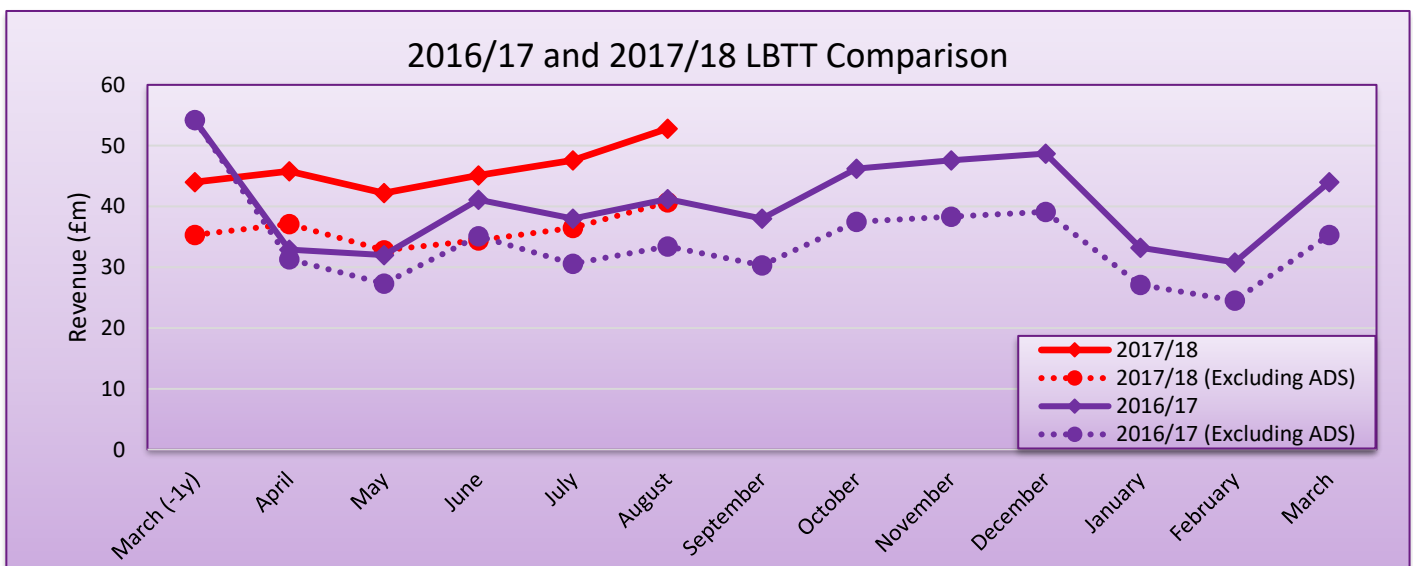
August 2017 saw LBTT revenues rise £5.2m (11%) on July to £52.8m, with a jump of £11.6m on the same month in 2016. This year to date has seen total LBTT revenues of £233.3m, this is significantly higher than what was generated in the same period during 2016/17 and 2015/16, which saw LBTT revenues of £185.2m and £148.9m respectively.

Over the last four months there has been a significant rise in LBTT revenue generated from sales of residential properties above £325k. This has helped the Scottish Government generate the second highest monthly revenue from LBTT since the tax came into effect (£1.4m behind May 2016).

Revenue generated from the residential element of the tax was the highest ever recorded (£52.8m), aided by a record £12.1m paid through the Additional Dwellings Supplement (ADS), some £4.3m more than in August in 2016.

LBTT revenue from commercial property sales rose for the first time in 5 months in August, standing at £12.5m (up from £10.4m in July). Despite this slight rise in revenue, 2017/18 remains a poor year for commercial sales in terms of the total value of sales in Scotland. Commercial LBTT revenue in 2017/18 currently stands at £65.4m, compared to £67.7m in the same period last year and £71m in 2015/16.

Figure 1 – Source: Revenue Scotland



## Breakdown of LBTT Revenue (2016/17 & 2017/18)

Figure 2 – Source: Revenue Scotland

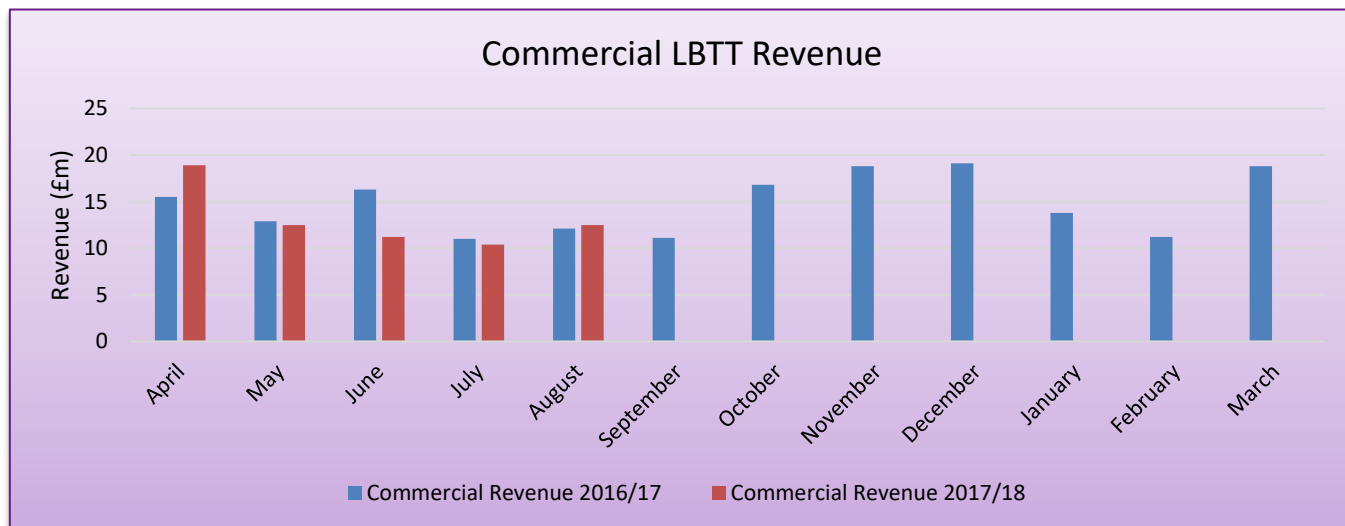


Figure 3 – Source: Revenue Scotland. Residential LBTT including the Additional Dwellings Supplement (ADS)

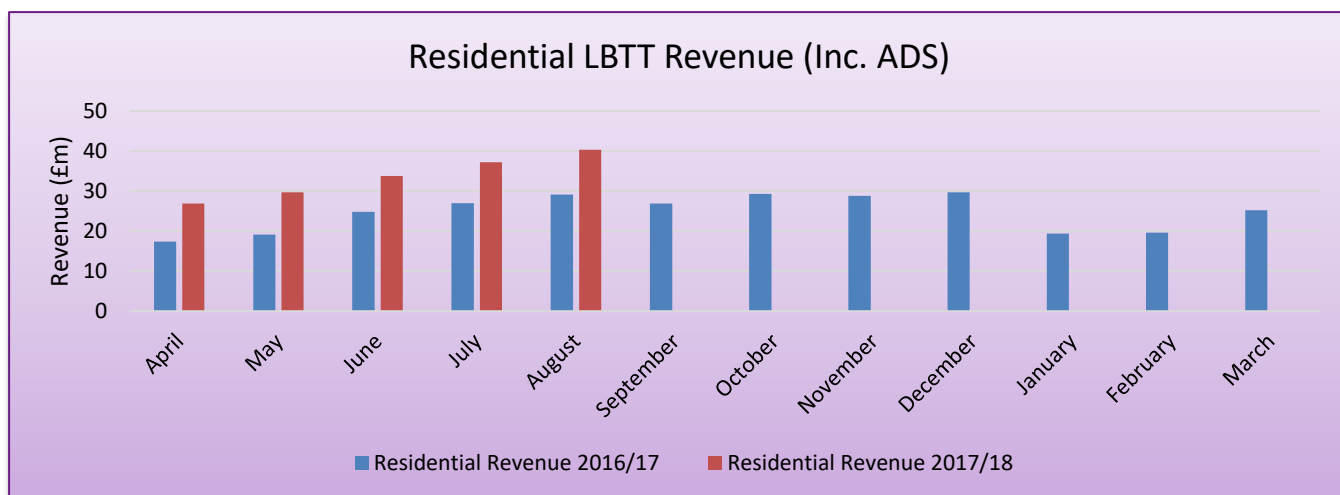
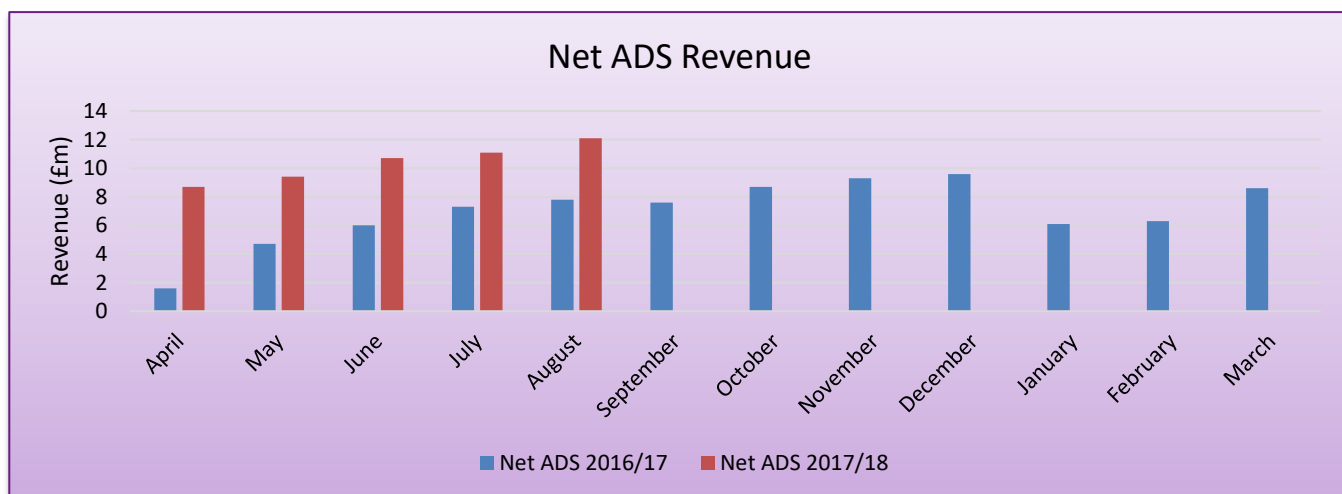


Figure 4 – Source: Revenue Scotland.



## Actual LBTT Revenue Versus Scottish Government Forecast

The Scottish Government forecasted in its 2017/18 budget that LBTT would raise £507m (after reducing its initial expectations from £538m); this averages out to £42.3m per month (not seasonally adjusted). After repayments of ADS in August, May's LBTT revenue has slipped £0.1m below target, however, as it stands the government is currently exceeding its own expectations by £22m. As much of LBTT revenue is residentially generated, we expect returns to be lower at the end of 2017/18 due to housing market cycles. In addition, since coming into effect in April 2016, 16% of ADS paid has been reclaimed. Over time, as ADS is repaid, the monthly totals for LBTT revenue in 2017/18 will reduce.

Figure 5 – Source: Revenue Scotland & Scottish Government

