

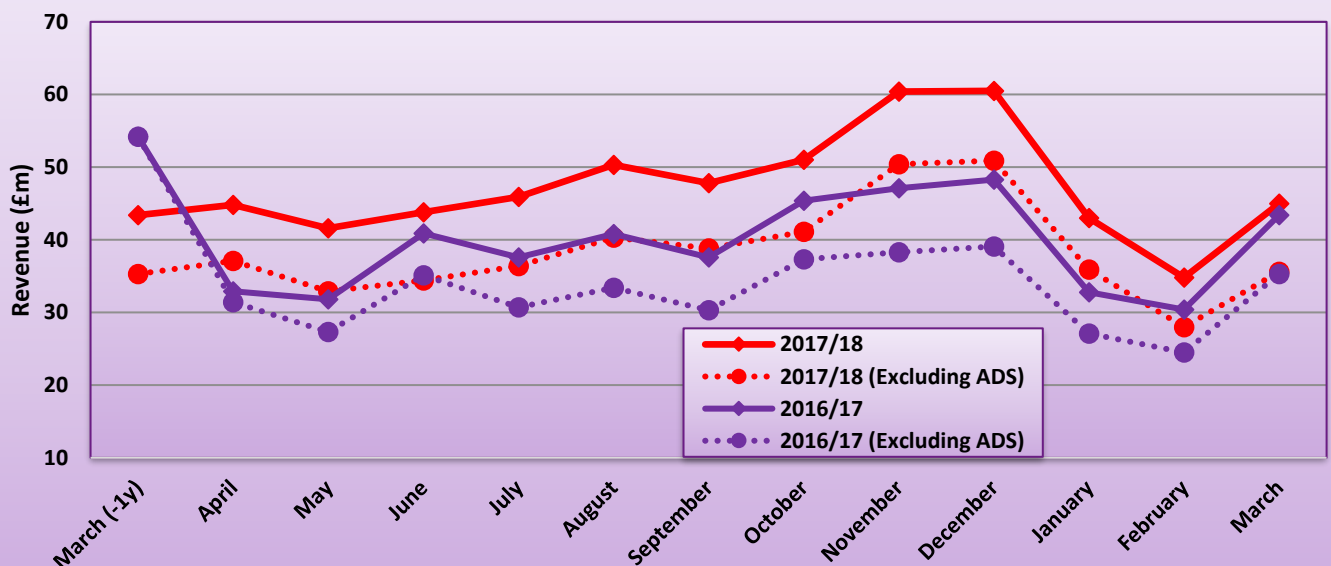
Scottish Property Federation Monthly LBTT Update – March 2018

	Residential LBTT	Commercial LBTT	ADS	Total LBTT
Revenue in Mar	£18.5m	£17.2m	£9.4m	£45m
Mar 2018 vs Feb 2018	↑£2.9m	↑£4.8m	↑£2.7m	↑£10.2m
Mar 2018 vs Mar 2017	↑£1.8m	↓£1.4m	↑£1.4m	↑£1.7m
Total Revenue 2017/18	£260.4m	£201.1m	£107.3m	£568.9m

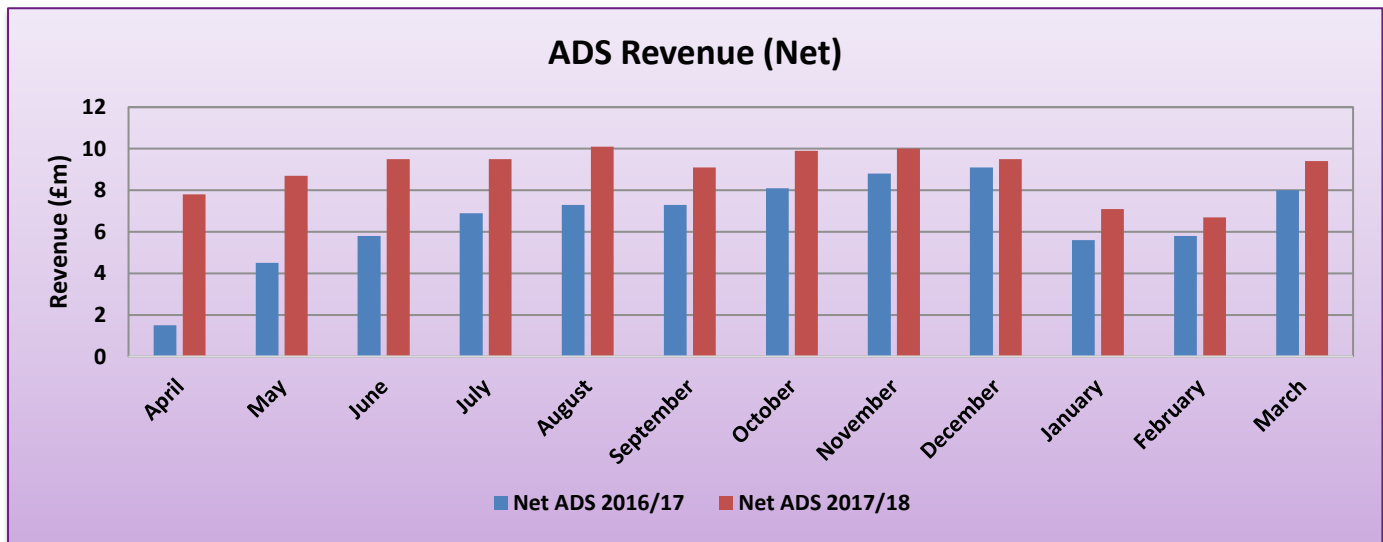
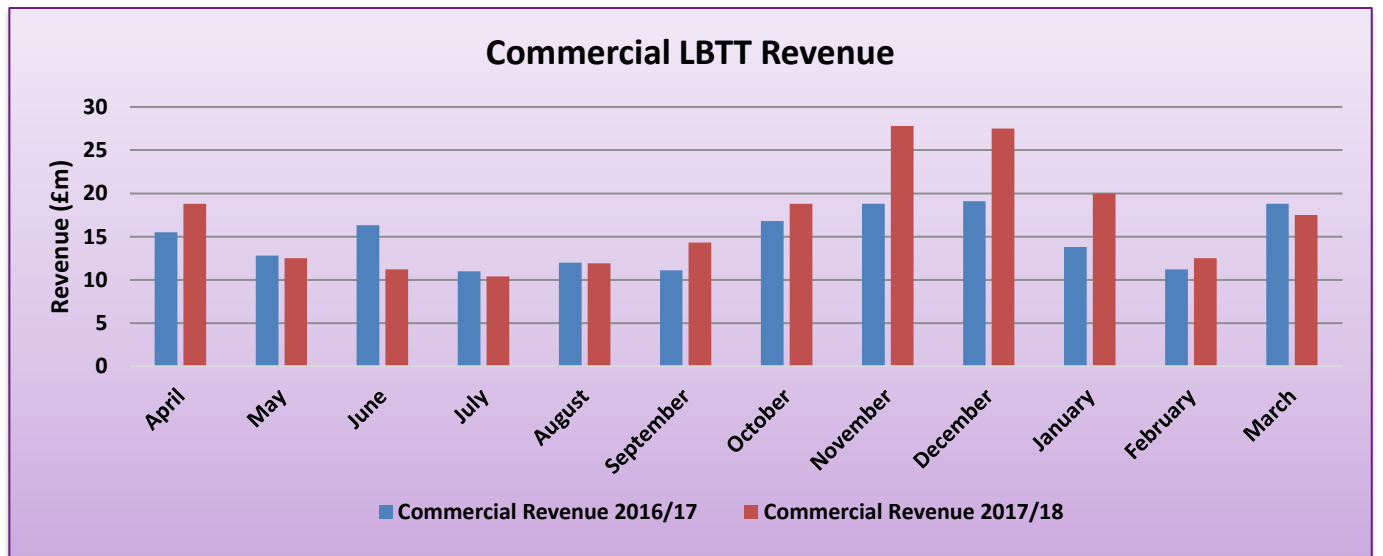
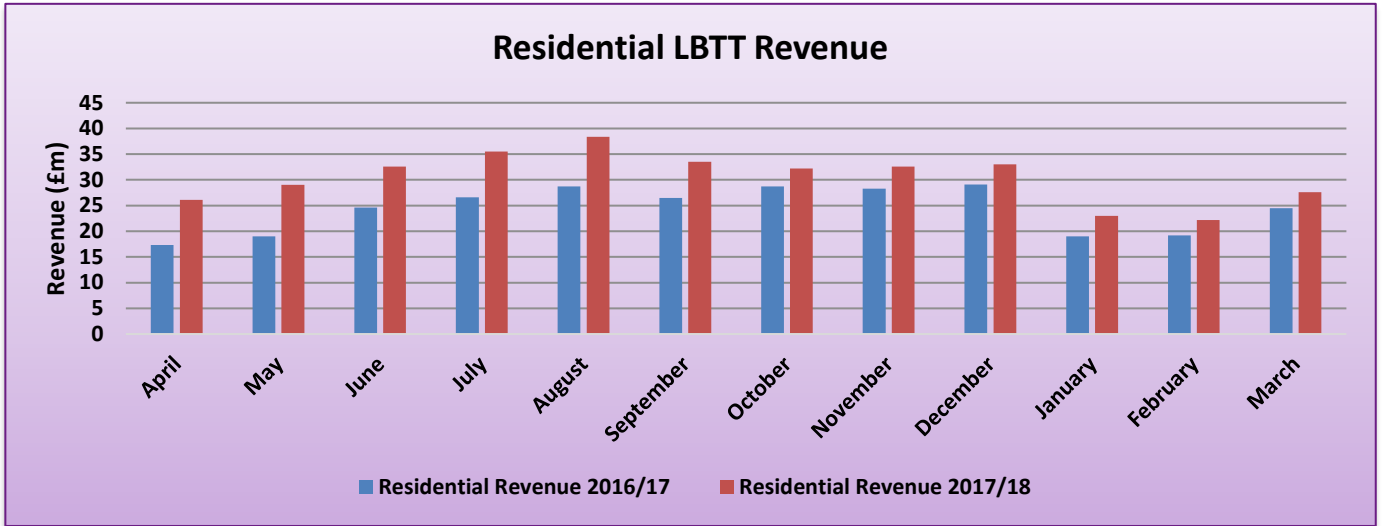
LBTT Revenue - March 2018

- LBTT revenue in March 2018 rose by £10.2m (29%) on February to £45m. Year-on-year, there was a £1.7m (4%) increase in LBTT revenue.
- Revenues from all 3 sections of LBTT (residential, commercial and ADS) increased in March 2018 as property markets picked up after a subdued start to the year.
- Commercial revenue was the only section of LBTT that fell when compared to March 2017, with revenues down by £1.4m (8%) to £17.2m.
- Revenues were up year-on-year for residential LBTT and ADS by £1.8m (11%) and £1.4m (18%) respectively.

2016/17 and 2017/18 Monthly LBTT Revenue Comparison



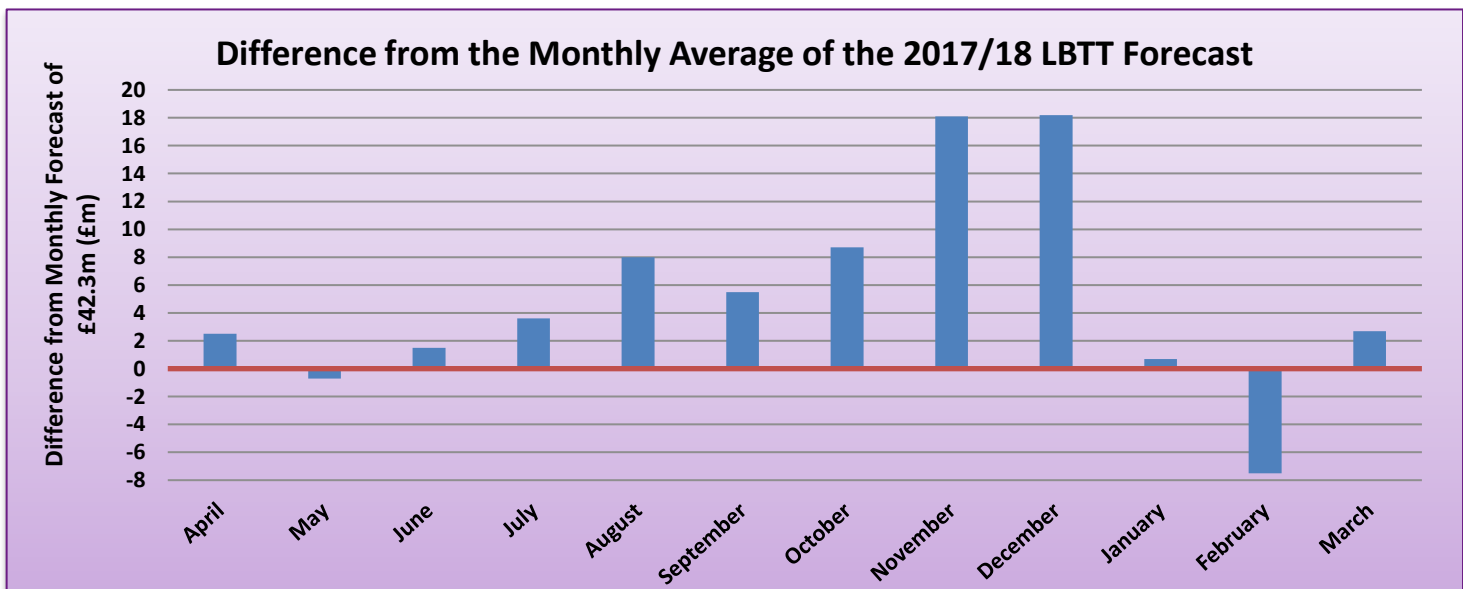
Monthly Residential, Commercial and ADS Revenues



2017/18 Annual LBTT Revenue

	Residential	Commercial	ADS	Total
Scottish Government 2017/18 Revenue Forecast	£211m	£224m	£72m	£507m
Revenue - Full Year	£260.4m	£201.1m	£107.3m	£568.9m
Revenue - Full Year (% of Forecasted Total)	123.4%	89.8%	149%	112.2%

- LBTT generated £568.9m between April 2017 and March 2018 -12% more than the government's forecasted revenue of £507m (as set out in the 2017/18 draft Scottish Budget).
- Annual LBTT revenue in 2017/18 was significantly higher than in 2016/17. Revenue in 2016/17 stood at £468.6m, which was £69m short of the Scottish Governments expectations and £100m less than in 2017/18.
- LBTT revenue from residential sales was the biggest factor behind the increase in LBTT revenue. Tax take from home sales totalled £260.4m, some 23% more than the forecast of £211m.
- Revenue from ADS also significantly exceeded government expectations with provisional revenues of £107.3m, nearly 50% above expectations.
 - It should be noted that ADS revenue figures are likely to change as the charge can be claimed back in certain circumstances. In the 24 months that ADS has been in existence around 19% (£43.3m) of the initial liability of £229.3m has been repaid to taxpayers.
- LBTT revenue from commercial transactions ended 10% below Scottish Government estimates – reflecting the current fragility in the commercial market and wider economy. The Scottish Government fell £22.9m short of its forecast of £224m for commercial LBTT.



Forecast for 2018/19 and Beyond

	2018-19	2019-20	2020-21	2021-22	2022-23
Total LBTT	588	628	668	707	748
Residential LBTT	305	336	366	395	426
Commercial LBTT	190	194	200	206	212
ADS	93	98	102	106	110

- The Scottish Government expects that LBTT will generate in £588m in 2018/19 – £19.1m (3.5%) more than in 2017/18.
- Residential LBTT revenue in 2017/18 was £260.4m, however, the forecast for 2018/19 expects this to rise to £305m. To achieve this, a 17.5% annual increase in tax take from the sector would be required.
- Of the overall LBTT revenue forecast for 2018/19, £190m is made up from commercial revenue. This forecast is £11m less than the sum generated in 2017/18.
- ADS payments are expected to total £93m in 2018/19. This is £14.3m less than was raised in 2017/18, which could be a result of the Scottish Government underestimating how much ADS would raise when the Draft Scottish Budget was announced in December 2017.

