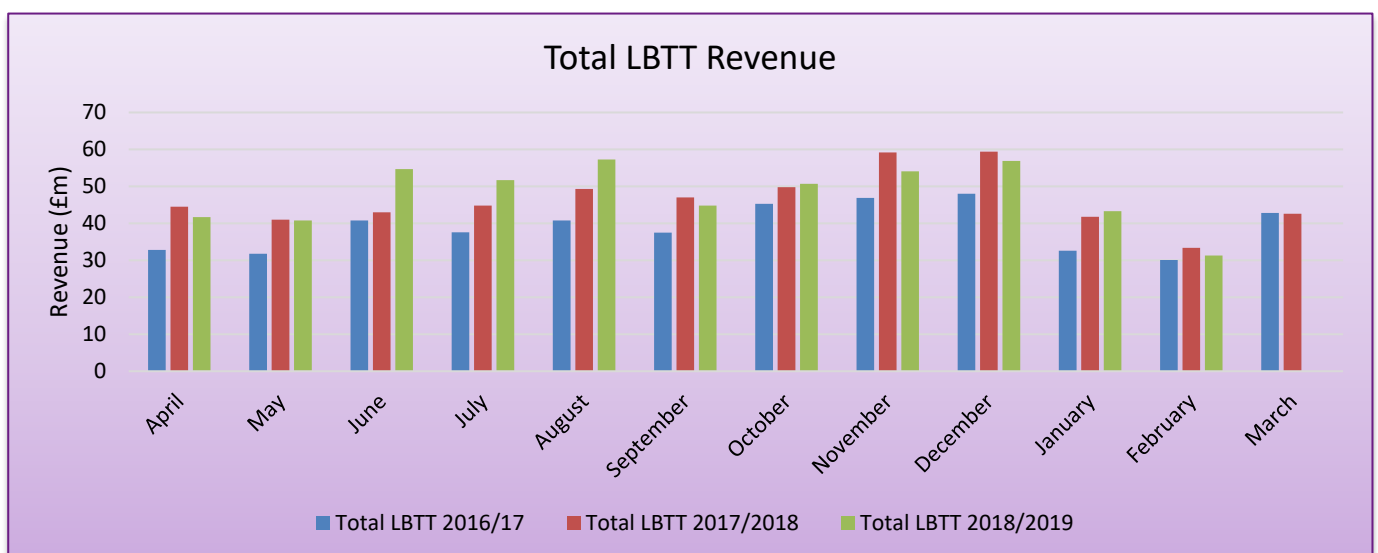


Scottish Property Federation Monthly LBTT Update – February 2019

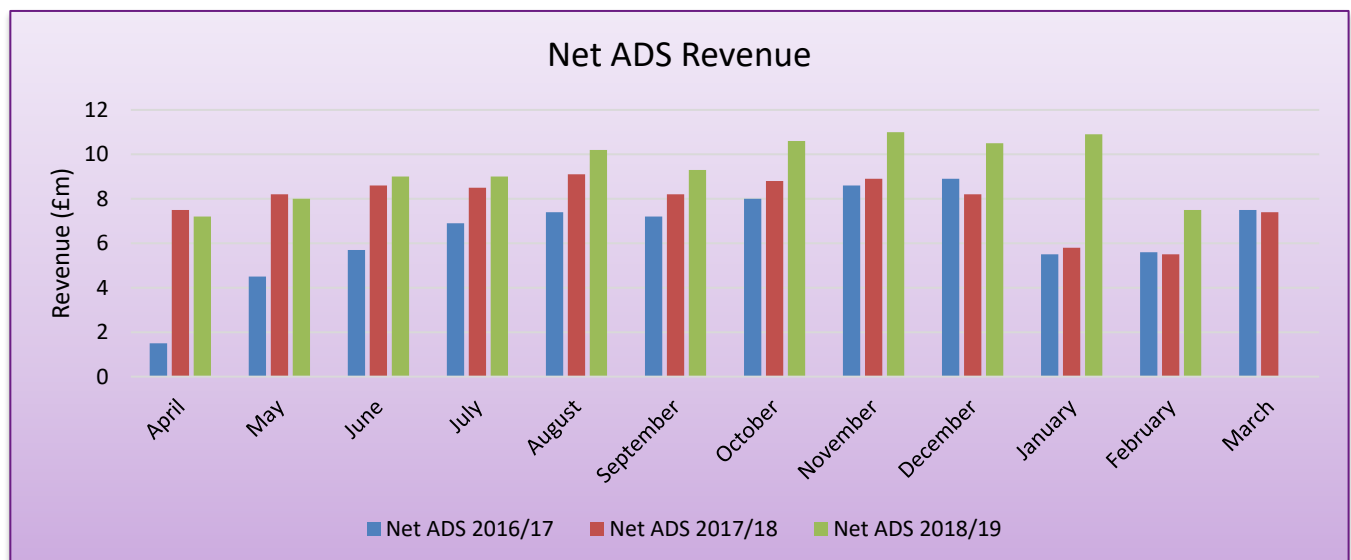
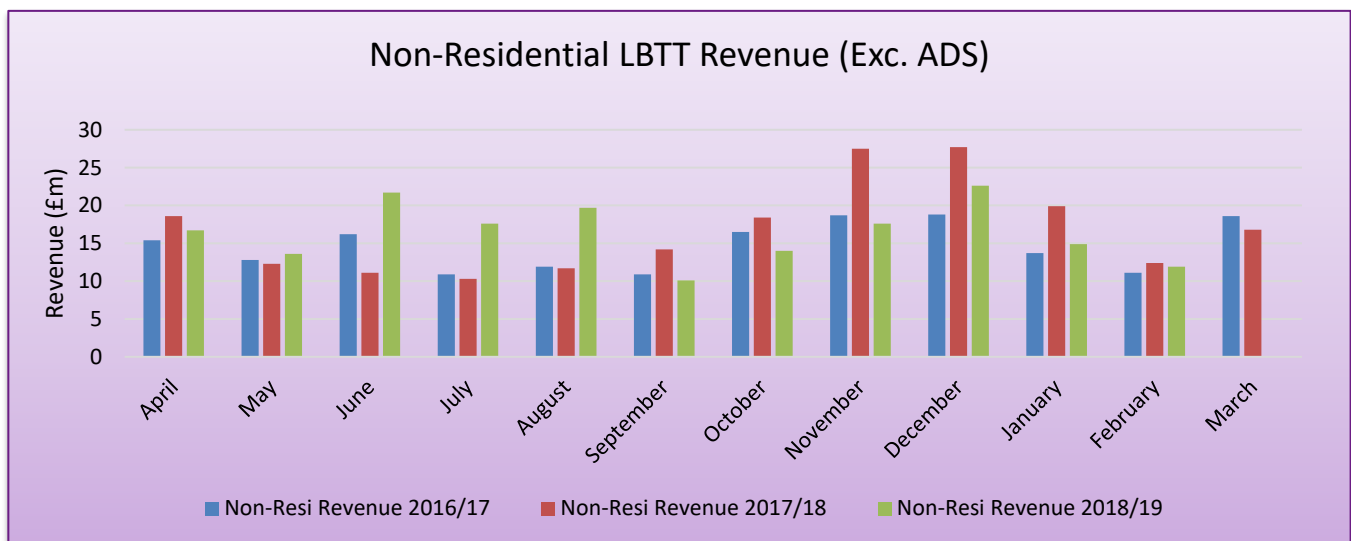
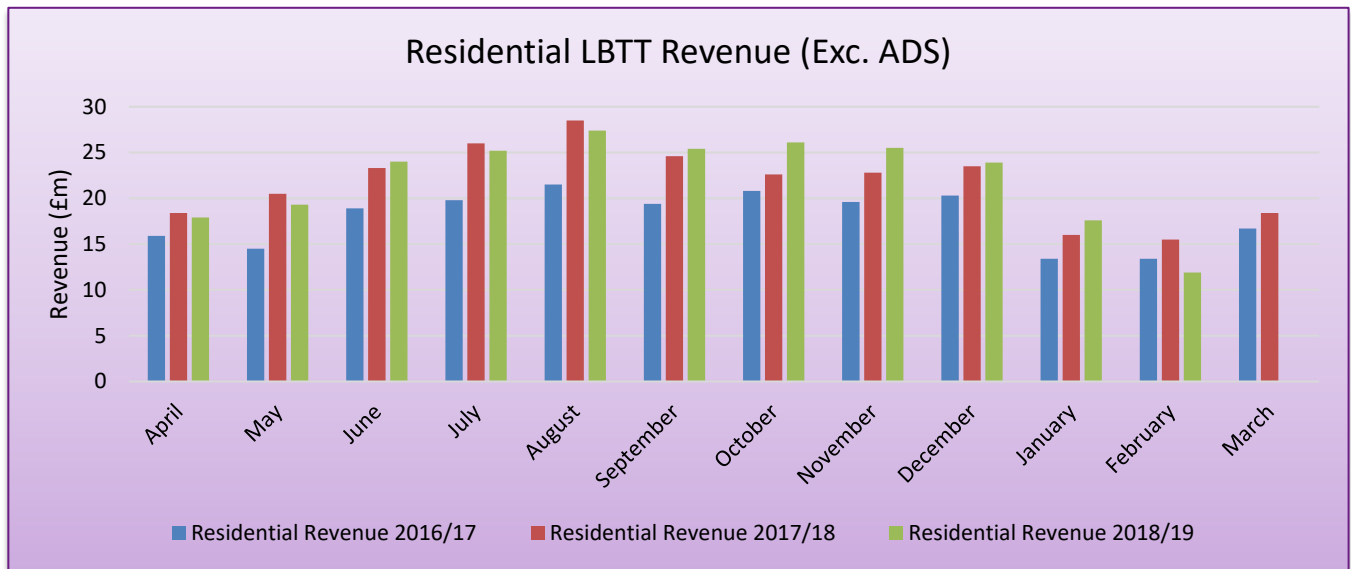
Total LBTT, Residential LBTT, Non-Residential LBTT and Net ADS Revenues

	Residential LBTT (Excl. ADS)	Non-Residential LBTT (Excl. ADS)	ADS	Total LBTT
Feb-19	£11.9m	£11.9m	£7.5m	£31.3m
MoM - Feb-19 vs Jan-19	↓£5.7m	↓£3.0m	↓£3.4m	↓£12.0m
YoY - Feb-19 vs Feb-18	↓£3.6m	↓£0.5m	↑£2.0m	↓£2.1m
18/19 Revenue (to Feb-19)	£244.2m	£180.3m	£103.2m	£527.2m
18/19 Revenue (Apr-18 to Feb-19) vs 17/18 Revenue (Apr-17 to Feb-18)	↑£2.5m	↓£3.8m	↑£15.9m	↑£14.1m

- Land and Buildings Transaction Tax (LBTT) revenue stood at £31.3m in February 2019, down £12.0m (28%) on January's total and £2.1m (6%) on the same month in 2018.
- Non-residential LBTT revenue decreased by £3m (20%) on January's total to £11.9m and also fell by £3.6m (18%) compared to February 2018.
- Residential LBTT revenues fell by £5.7m (32%) to £11.9m in February 2019, when compared to the month before. Against the same month in 2018, revenues were down by £3.6m.
- ADS continues to make a significant contribution to total LBTT revenue, with £15.9m more collected this tax year compared to the same period in 2017/18. However, repayments are eroding revenues from previous months - since the charge was introduced in 2016, 20% of the total ADS liability has been repaid to taxpayers.
- The 2018/19 tax year to date has seen revenues rise compared to the same period in 2017/18 to £527.2, up by £14.1m (3%). Much of this rise is attributable to ADS, with residential and non-residential LBTT revenues changing only slightly compared to last year.



Monthly Residential LBTT, Non-Residential LBTT and Net ADS Revenues



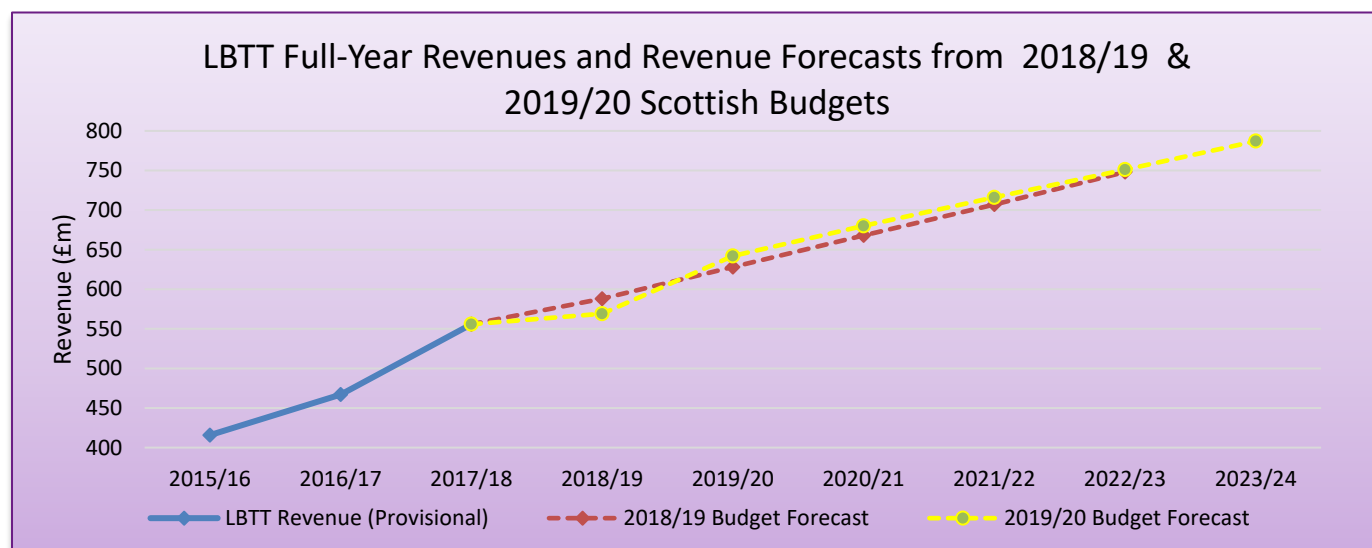
Changes to LBTT Revenue Forecasts

The most recent Scottish Budget (published December 2018) revised the revenue forecasts for LBTT in 2018/19. This revision was to reflect current property market conditions in Scotland and changes to ADS and Non-Residential LBTT rates, which came into effect in January 2019.

The Scottish Fiscal Commission, which produces the forecasts to the Scottish Government, has predicted that from 2019/20 total LBTT revenue will increase by more than previously expected. However, the forecasts for the current tax year (2018/19) have been revised down from £588m to £569m (down 3%). This is due to a weaker tax take from residential sales than originally forecast. As things stand, the Scottish Government will find it challenging to meet even this reduced forecast.

Previous Forecast (2018/19 Budget)	2017/18 Actual Revenue ¹	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast
Total LBTT	£555.8m	£588m	£628m	£668m	£707m	£748m
Residential LBTT	£260.2m	£305m	£336m	£366m	£395m	£426m
Non-Residential LBTT	£200.9m	£190m	£194m	£200m	£206m	£212m
ADS	£94.7m	£93m	£98m	£102m	£106m	£110m

New Forecast (2019/20 Budget)	2017/18 Actual Revenue ²	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast
Total LBTT	£555.8m	£569m	£643m	£680m	£716m	£751m
Residential LBTT	£260.2m	£267m	£296m	£324m	£349m	£373m
Non-Residential LBTT	£200.9m	£208m	£226m	£233m	£240m	£247m
ADS	£94.7m	£94m	£122m	£123m	£127m	£130m



Difference Between Monthly Average of 2018/19 Scottish Government Forecast (Updated in December 2018) and Actual Monthly Revenue

