Landlord Guide

When a Property Purchase Needs Specialist SDLT, LTT or LBTT Advice

Recognising when the standard calculation is not enough, understanding the evidence required and completing with confidence.

020 7129 1432
www.bhptax.law

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A practical guide for homebuyers, investors, landlords, developers and anyone considering an SDLT, LTT or LBTT repayment claim.

A GUIDE TO RECOGNITION, NOT SELF-ASSESSMENT

This guide is designed to help you recognise when a property purchase or repayment claim needs specialist SDLT, LTT or LBTT analysis. It is not a substitute for advice on your own facts.

Why should you read this guide?

Every property purchase eventually leads to one practical question:

"Will I pay SDLT, LTT or LBTT - and what is that figure based on?"

For a straightforward purchase of one home, the standard HMRC calculator and conveyancing process may provide the answer. A purchase stops being straightforward when the result depends on who is buying, what they already own, how the property is used, what is being transferred, whether debt or other value is involved, and whether a relief, surcharge or refund rule applies.

The challenge is not to become an SDLT, LTT or LBTT expert. It is to recognise when the price in the contract is only one part of the calculation - before exchange or completion leaves fewer choices.

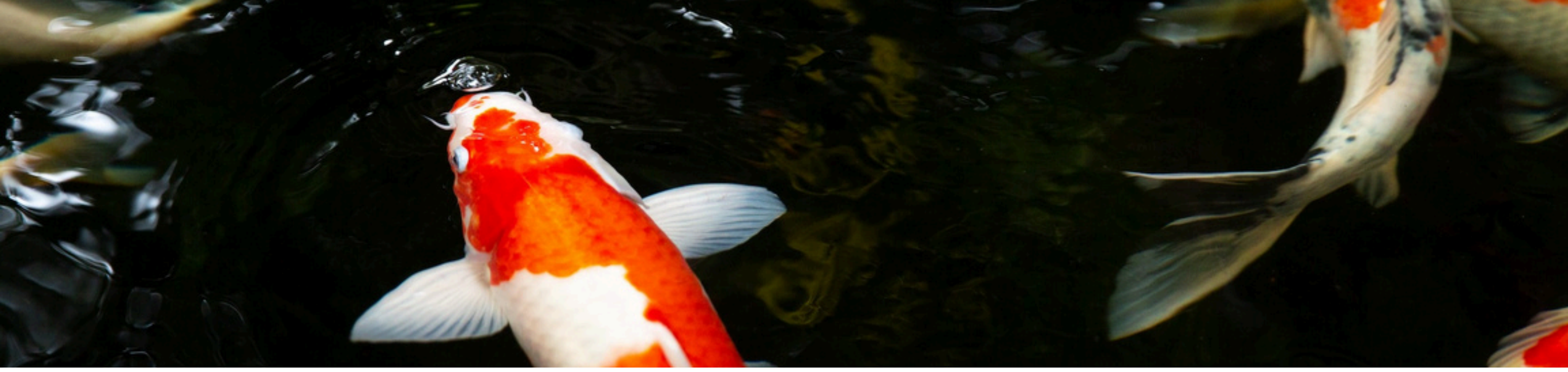
Early specialist input helps you

- Budget for the purchase using a reasoned figure rather than an unexplained calculator result.
- Test a proposed relief, exemption or lower rate before relying on it in your funding plans.
- Identify the documents and evidence needed to support the position taken.
- Understand how ownership, mortgage debt, residence and property use affect the answer.
- Coordinate the tax analysis with your property lawyer before the transaction is committed.
- Avoid speculative post-completion claims that may expose you to tax, interest and penalties.

PURPOSE OF THIS GUIDE

This guide does not suggest that every purchase needs separate tax advice. It shows the facts that should prompt a focused review and the written answer you can expect.

Your property lawyer continues to lead the purchase. Bell Howley Perrotton provides the defined specialist tax input where it is needed.



Your SDLT, LTT or LBTT bill depends on more than the price

SDLT, LTT and LBTT are separate self-assessed tax. Your solicitor or conveyancer will usually file the return and pay the tax on your behalf, but the figure depends on information and conclusions about your transaction. A calculator can apply the rates; it cannot decide the legal and factual inputs.

Three practical points

- The calculator comes last. The first questions are what is being acquired, who is acquiring it, what counts as chargeable consideration and which rates or reliefs apply.

- Your full ownership picture matters. Interests held jointly, inherited, overseas or through a trust may be relevant, as may the position of a spouse, civil partner or co-purchaser.

- Timing matters. The SDLT, LTT or LBTT answer may affect affordability, the legal route, the evidence required and whether a future refund is possible, so ask before exchange where you can.

WHAT YOUR CONVEYANCER NEEDS FROM YOU

Every residential property or share you own or benefit from, including inherited, jointly owned and overseas interests.

- Details of your spouse or civil partner, anyone buying with you and any permanent separation.
- Whether the buyer is an individual, company, partnership or trust, together with the relevant residence history.
- The full extent and use of the property, including land, annexes, parking, commercial areas and its condition.
- Any mortgage debt, gift, transfer of equity, connected transaction, lease, option or non-cash payment.
- When and how any former main home has been or will be sold.

A CLEAR DIVISON OF WORK

Your property lawyer deals with the contract, title, lender, completion and filing. A specialist tax adviser answers the defined SDLT, LTT or LBTT question. The two roles should work together.

The conversations that should prompt you to seek specialist SDLT, LTT or LBTT advice

A calculator applies the inputs entered. It does not select SDLT, LTT or LBTT or decide classification, linked transactions, consideration, higher rates or reliefs.

"The calculator says the tax is £X."	SDLT and LBTT have different first-time buyer reliefs. Wales has no separate first-time buyer LTT relief. Every purchaser must meet the conditions. Previous ownership or an interest acquired elsewhere may matter, and the SDLT relief is not available where the consideration exceeds £500,000.

"I only own a small share, an inherited property or a home abroad."	The higher-rate rules can take account of part ownership and residential property anywhere in the world. The position of a spouse, civil partner or co-purchaser may also affect the transaction. SDLT and LTT apply different rules to LBTT and caution is required.

"I will sell my current home after I buy."	Higher rates may be payable on completion. Replacement and refund tests, disposal periods and claim procedures differ between SDLT, LTT and LBTT.

"It is a gift or a transfer between spouses or family members, so there is no tax."	A genuine gift with no chargeable consideration may be exempt, but debt, other value and the legal route can create a charge. Divorce, estate and trust exemptions are separately drafted for each of SDLT, LTT or LBTT.

"The property needs major works, so I can reclaim SDLT."	Repairs and disrepair do not by themselves make a property non-residential. The legal bar is high, and HMRC has warned buyers about agents promoting invalid repayment claims. Wales and Scotland apply their own legislation and guidance. Evidence and the position at the effective date matter.

"The company is buying it."	Companies usually fall within the higher-rate regime. An SDLT 17% single rate may apply to certain acquisitions over £500,000 in England and Northern Ireland unless a relief is available, and separate property-tax issues may arise.Wales applies LTT higher residential rates; Scotland applies LBTT and potentially 8% ADS.

REFERRAL TRIGGER

If the SDLT, LTT or LBTT answer could change the affordability, purchaser, structure, timing, documents or evidence for the transaction, obtain specialist advice before exchange, completion or a repayment claim.

When a standard calculation is not enough

Not every purchase is complex. The following facts are strong indicators that a short scoping conversation would be worthwhile:

Area	Examples that should trigger a pause
Purchaser and ownership	Several buyers; spouses or civil partners; previous, inherited or overseas property; a company, partnership, trust or non-UK purchaser.
The property	Residential and commercial use; land, grazing, parking, annexes or outbuildings; serious disrepair; off-plan or construction; a block or portfolio.
The transaction and consideration	A transfer of equity; mortgage debt; a gift; linked or connected transactions; a lease, option, shared ownership or staircasing; non-cash value.
Rates, reliefs and refunds	SDLT or LBTT First-time buyer relief; replacing a main residence; the SDLT 5% higher rates and 2% non-UK surcharge; LTT higher residential rates; LBTT 8% ADS company rates; exemptions or repayment claims.
Timing and evidence	Exchange, completion or substantial performance; sale of a former home; valuation, survey, photographs, title history and documents needed to support the return.

Three current points in practice

Multiple dwellings: SDLT Multiple Dwellings Relief was abolished for most transactions completing or substantially performed on or after 1 June 2024. Transitional contracts are limited, while six or more dwellings bought in one transaction are generally charged at non-residential rates. LTT and LBTT retain separate reliefs; the Welsh minimum tax increased from 1% to 3% on 13 February 2026.

Property condition: The Court of Appeal decision in Mudan confirms that the threshold for a building to be unsuitable for use as a dwelling is very high. Extensive repairs, asbestos, pests or disconnected services are not decisive by themselves. LTT and LBTT use their own legislation and guidance, so the SDLT decision is not automatically binding in Wales or Scotland.

Repayment claims: HMRC has warned homebuyers about renovation-based SDLT refund claims. WRA and Revenue Scotland administer separate LTT and LBTT claim routes and deadlines. The buyer remains responsible for an inaccurate return or claim.

CURRENT RATES SNAPSHOT

SDLT: standard residential nil-rate band £125,000; eligible first-time buyers 0% to £300,000 on purchases up to £500,000; additional rates +5 points.

LTT: main residential nil-rate band £225,000; no separate first-time buyer relief; separate higher rates.

LBTT: nil-rate band £145,000; first-time buyer band £175,000; ADS 8%. SDLT's 2% non-UK surcharge and 17% corporate rate have no direct LTT or LBTT equivalent.

The advice your legal team can use before completion

The right output depends on the question. We agree the scope at the outset so you pay for the analysis the transaction actually needs.

Pre-implementation scoping

Where the issue is narrow, an initial review can identify the facts and documents required, test whether specialist written advice is proportionate and flag any point that should be resolved before exchange or completion.

Specialist SDLT, LTT or LBTT, LTT or LBTT Advice Note

For a defined property transaction, our written Advice Note may include:

- An executive summary written for you and your property lawyer.
- The relevant legal and beneficial ownership, purchaser status and transaction history.
- Analysis of residential, non-residential or mixed classification.
- The chargeable consideration, including mortgage debt, liabilities and non-cash value.
- The applicable standard, higher, corporate and non-UK resident rates.
- Relevant reliefs, exemptions and anti-avoidance provisions within the agreed scope.
- The calculation, assumptions, evidence gaps and practical filing points.
- Deadlines for filing, amendment, repayment or a future refund claim.

THE OUTCOME

You receive a reasoned written conclusion that can be used to budget, instruct your conveyancer and complete the transaction. It records the facts, assumptions and limitations behind the position taken.

AFTER COMPLETION AND REFUND CLAIMS

A legitimate review starts with the filed return, contract, title, finance, survey and ownership history - not a promised repayment. A return is SDLT returns are generally due within 14 days; LTT and the usualLBTT returns within 30 days. Amendment and refund conditions differ. SDLT usually allows a 12-month amendment window is 12 months from the filing date. For a higher-rates refund on; LBTT replacement cases from 1 April 2024 can allow 36 months to dispose of athe previous main residence, the former home usually must be sold within 3 years and the claim made by the later of 12 months after sale or 12 months after the filing date. Other routes and time limits are fact-specific.

Working with Bell Howley Perrotton

Our role is not to replace your relationship with your property lawyer. It is to support it. We work within a clearly agreed scope and share the practical conclusions needed for the transaction.

How instruction works

Step	Stage	What happens
1	Scope the question	Send us a short summary of the purchaser, property, price, ownership history and the point that needs to be resolved.
2	Confirm the engagement	We complete conflicts and onboarding, identify the client, agree the scope and confirm the fee and anticipated timetable before work begins.
3	Gather the evidence	We identify the contract, title, lease, survey, valuations, finance, ownership records and other documents needed for the agreed analysis.
4	Analyse the position	We test classification, consideration, rates, reliefs, exemptions, evidence and deadlines within the agreed scope.
5	Report and coordinate	You receive the written conclusion and practical next steps, which can be shared and discussed with your property lawyer where appropriate.

Why property buyers involve us

- You receive a written tax conclusion rather than an unexplained calculator output.
- The SDLT,LTT or LBTT question is considered before it becomes a last-minute funding issue.
- Your property lawyer receives the practical information needed for the return and completion.
- The facts, assumptions, evidence and limitations behind the answer are recorded.
- The scope, fee and anticipated timetable are confirmed before substantive work begins.
- Any post-completion review starts with the evidence and merits, not a percentage-based promise of a refund.

START WITH YOUR PURCHASE

If after you read this guide you think that your transaction may be a non-standard purchase or your solicitor has recommended that you take separate tax advice, send us a short outline of the property, the price and the questions to be resolved. We will confirm the appropriate scope, fee and timetable before substantive work begins.

Who we are

Amanda Perrotton - Partner

Amanda is a solicitor with almost 30 years' experience, a full member of STEP (TEP) and a member of the Stamp Taxes Practitioners Group. She regularly advises clients and professional advisers where tax, property, trusts, family wealth and professional risk intersect, and is known for making difficult technical issues practical and understandable.

Simon Howley - Managing Partner and Chartered Tax Adviser

Simon is a Chartered Tax Adviser specialising in property and private-client tax matters. His work includes SDLT, LTT and LBTT, company and partnership structures, incorporations, reliefs, exemptions and HMRC enquiries. His approach is direct, forensic and focused on giving clients and professional advisers a route they can use.

OUR APPROACH

We define the question, test the facts and evidence, explain the conclusion in plain English and work alongside your property lawyer so that the advice can be used.

Speak to us about a purchase

Amanda Perrotton

amanda@bhptax.law

07795 930 659

www.bhptax.law

SDLT, LTT and LBTT: the key differences

The property location decides the tax: SDLT in England and Northern Ireland, LTT in Wales and LBTT in Scotland. They have different rates, reliefs, forms, deadlines and tax authorities. A UK-wide calculator cannot safely answer a purchase until the location and facts are known.

Current rate snapshot

- **SDLT:** 0% to £125,000 at standard residential rates. Eligible first-time buyers pay 0% to £300,000 and 5% on the balance up to a £500,000 purchase price. Additional-dwelling rates add five percentage points; a 2% non-UK resident surcharge and, in defined company cases over £500,000, a 17% rate can apply.

- **LTT:** 0% to £225,000 at main residential rates. Wales has no separate first-time buyer relief. Higher residential purchases use a separate Welsh rate table; there is no SDLT-style non-resident surcharge or 17% single corporate rate.

- **LBTT:** 0% to £145,000 at standard residential rates. First-time buyer relief extends that band to £175,000, saving up to £600. The Additional Dwelling Supplement is 8%; there is no SDLT-style non-resident surcharge or 17% single corporate rate.

Inherited shares and replacing a home

SDLT and LTT can ignore a jointly inherited share of 50% or less for three years in defined higher-rate tests. Scotland has no general equivalent: from 1 April 2024 LBTT normally looks at whether your share is worth at least £40,000, with a narrow exclusion for an inheritance received between contract and completion. Refund conditions for replacing a main home must also be checked separately in each regime.

Multiple dwellings

SDLT Multiple Dwellings Relief was abolished for most transactions from 1 June 2024. Wales retained LTT relief, but its minimum tax increased from 1% to 3% of the dwelling consideration on 13 February 2026, subject to transitional rules. Scotland retains LBTT Multiple Dwellings Relief and a minimum prescribed amount. Six-or-more and mixed-use rules still require a full territorial analysis.

Condition and repayment claims

Mudan and another v HMRC [2025] EWCA Civ 799 is binding for SDLT and confirms that a building can need extensive repairs yet remain a dwelling. It is not automatically binding for LTT or LBTT, although similar issues arise under their separate legislation and guidance. Keep the survey, photographs and evidence of the condition at completion.

SDLT returns are generally due within 14 days; LTT and LBTT returns within 30 days. Amendment and refund rules differ. For LBTT purchases from 1 April 2024, a qualifying previous main home can generally be sold within 36 months for an ADS repayment. Do not use an SDLT deadline for a Welsh or Scottish claim.

Technical references

SDLT: Finance Act 2003 sections 55, 57B, 76 and 116; Schedules 4A, 4ZA, 6ZA and 9A; HMRC SDLTM00070, SDLTM00385, SDLTM09505, SDLTM09795 and SDLTM29805.

LTT: Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 sections 24 to 27 and 44, Schedules 5 and 13; WSI 2026/40; WRA rates, higher-rates and MDR guidance.

LBTT: Land and Buildings Transaction Tax (Scotland) Act 2013 sections 24 and 29, Schedules 2A, 4A and 5 Part 4; Revenue Scotland LBTT3048, LBTT4004, LBTT4010, ADS and MDR guidance.

Law, published guidance and reported decisions checked to 18 August 2026.

Technical sources and important note

- Finance Act 2003 sections 55, 57B, 76 and 116; Schedules 4A, 4ZA, 6ZA and 9A; former Schedule 6B and the Finance (No. 2) Act 2024 abolition provisions.
- HMRC SDLTM00070, SDLTM00385, SDLTM09505, SDLTM09795, SDLTM29805 and SDLTM50100; HMRC residential rates, corporate bodies and repayment guidance.
- Mudan and another v HMRC [2025] EWCA Civ 799, upholding [2024] UKUT 307 (TCC).
- Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 sections 24–27 and 44, Schedules 5 and 13; WSI 2026/40; WRA rates, higher-rates, MDR, leases and returns guidance.
- Land and Buildings Transaction Tax (Scotland) Act 2013 sections 24 and 29, Schedules 2A, 4A and 5 Part 4; Revenue Scotland LBTT3048, LBTT4004, LBTT4010, ADS, MDR and leases guidance.
- SRA Code of Conduct and SRA guidance for tax advisers in scope of the money-laundering regulations; HMRC MTAR10800 where an adviser interacts with HMRC.

This guide provides general information only and is not legal or tax advice. It reflects law, rates, published guidance and reported decisions checked on 18 August 2026. Every transaction depends on its facts, documents, territory and implementation; SDLT authorities do not automatically determine LTT or LBTT.