



# Quarterly Stamp Duty Statistics



## Methodology and Quality Report

Last updated: April 2018

This methodology and quality report relates to the Quarterly Stamp Duty Statistics Publication. The Quarterly Stamp Duty Publication presents quarterly data on Stamp Duty Land Tax transactions and receipts.

The purpose of this document is to provide users of the statistics with information about the quality of the outputs, measured against difference dimensions of statistical quality, as set out by the Code of Practice for Official Statistics.

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Key definitions are included in the commentary within the main bulletin. For policy background information please refer to reference R1 in the main publication.

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## Section 1: Background to the statistics

### Coverage:

Scope of the statistics in the publication.

### 1.1 Coverage

#### Time period and geographic regions

The Quarterly Stamp Taxes Publication series provides quarterly statistics on receipts and transactions for Stamp Duty Land Tax (SDLT) valued at £40,000 and above from 2005-06 to present. The publication includes receipts and transactions for all UK constituent countries up to April 2015. Thereafter the publication only covers England, Wales and Northern Ireland as from April 1 2015 Land and Buildings Transaction Tax (LBTT) replaced SDLT for transactions in Scotland. This means transactions in Scotland fall outside the geographic remit of SDLT and are no longer included in the publication.

#### Data splits provided in the publication

Data are broken down by property type i.e. residential (including additional dwellings from Q2 2016, and transactions claiming first time buyers' relief from the Q1 2018 edition) and non-residential (which includes mixed-use property transactions). Further splits include liability threshold (liable or non-labile) and price band.

#### Future coverage information

From April 2018, Land Transaction Tax (LTT) has replaced UK Stamp Duty Land Tax (SDLT) in Wales. Transactions in Wales will now fall outside the geographic remit of SDLT and therefore no longer included in this publication from July 2018 onwards.

#### Other stamp taxes

Statistics on other stamp taxes including Stamp Duty and Stamp Duty Reserve Tax (SDRT) are provided in the Annual Stamp Taxes Publication.

### Data sources:

Information on the data source the statistics are based on.

### 1.2 Data sources

#### SDLT administrative data

The statistics are based on information provided on self-assessed returns, which are collected by HMRC for the assessment and collection of SDLT. The information collected on each return is partially dependent on the nature of the transaction and the type of land or property being transacted. Further information on SDLT returns can be found here: <https://www.gov.uk/topic/business-tax/stamp-taxes>

The majority of returns are submitted through the HMRC Stamp Taxes Online Service (either directly via the website or via authorised third-party software) by the solicitor, agent or conveyancer employed by the purchaser. A small percentage of returns (approximately 3%) are completed on paper, which can be submitted directly by the purchaser. Most paper returns are electronically scanned in; returns that are rejected are keyed in by HMRC operational staff. For both electronic and paper returns, there is basic data validation on entry which defines the range of acceptable entries for many of the fields. Certain fields critical to the assessment of the tax due are mandatory, and a return cannot be submitted unless they are completed. The [Business Rules for SDLT Returns](#) provide more detail on these validation checks.

When sufficient information is provided to HMRC about a property transaction a certificate is issued. The SDLT forms must be submitted whether or not the transaction is liable. Current rules require the return to be filed, and the tax due paid, within 30 days of the completion of a transaction. The data in this publication are based on a count of SDLT certificates issued for residential and non-residential transactions where the transaction value is £40,000 or above. Data are based upon the issue date of this certificate rather than the date a transaction was completed (sometimes referred to as the effective date.). SDLT certificates are required to register with HM Land Registry/ Registers of Scotland/ Land Registry of Northern Ireland.

## Section 1: Background to the statistics

### Receipts & transactions methodology

Information on how data are processed, treated and quality assured to produce the statistics in the publication.

Not all property transactions are captured in the HMRC administrative data. As well as transactions where the chargeable consideration is less than £40,000, other instances where no notification is required include transfers in connection with divorce and some grants of leases of less than 7 years. All transactions in Scotland from April 2015, and in Wales from April 2018, are also excluded.

HMRC publishes a guidance manual for tax professionals and operates a telephone helpline to assist with queries relating to the tax and its payment. See the HMRC guidance on [Stamp duty and other tax on property](#).

### 1.3 Receipts & transactions methodology

Data is extracted weekly from HMRC's live database which stores the returns data, and stored in the Corporate Data Warehouse mainframe. New returns are added to the existing database, and records from returns which have been updated (due to voided transactions, errors, refunds or customer-generated updates) are amended. Automated data validation is performed at this point, removing duplicate records. Duplicates can occur when a transaction has accidentally been submitted twice (online). Instances where there are multiple entries per transaction (such as details for more than one purchaser) are filtered to make a single record per transaction.

HMRC statisticians access this extracted data using SAS. Snapshots of the 'live' database are taken on a monthly basis for producing internal management information, and at this point statisticians perform basic data validation:

- checking for outliers (large or implausible values in the enclosed tax or consideration fields);
- checking record counts and total tax against previous months and expected values including fiscal forecasts;
- where SDLT policy changes have been made, checking that expected outcomes are present (such as the presence of first time buyer relief claims)
- Where there are known common errors or inconsistencies in recording, the data is amended based on calculations using other fields

Any records identified as suspicious will either be amended where the error is obvious (e.g. decimal point errors) or removed where they present a risk to the accuracy of the published statistics. Records are also removed where their inclusion presents a risk of taxpayer disclosure.

The final snapshot of the live database is taken in the second week after the end of the quarter. The date of this snapshot is maintained in order to provide consistency and is selected to provide users with the best balance between accurate and timely estimates. The snapshot joins fields which are relevant to the statistical outputs from the various tables associated with the returns, and is stored in secure folders with restricted access.

Standard queries are then run to produce aggregated data, which is then arranged into output tables for publication. These tables undergo several rounds of quality assurance and scrutiny, including a QA checklist, to ensure the outputs are accurate and consistent, before being published on a quarterly basis.

## Section 1: Background to the statistics

### Experimental first time buyers' relief statistics methodology:

Information on how the first buyers' relief statistics are produced and the criteria for experimental statistics.

### 1.4 Experimental first time buyers' relief Statistics methodology

#### What are Experimental Statistics?

Experimental Statistics are statistics that are in the testing phase and not yet fully developed, which may be due to the following reasons:

- They are being produced part way through a well-defined development programme, whether these statistics are new or changed versions of existing statistics.
- The statistics are new but still subject to testing in terms of their volatility and ability to meet customer needs.
- The statistics do not yet meet the rigorous quality standards of National Statistics.
- A rich variety of new measures is available from a new set of statistics, with components that have considerable immediate value to users; these users are aware of the statistics' theoretical quality and can use them before we have completed all operational testing – the testing is designed to fully validate the measures to the standard expected of National Statistics.

Further information on Experimental Statistics can be found on the UK Statistics Authority's website:

<https://www.statisticsauthority.gov.uk/gsspolicy/guidance-on-experimental-statistics/>

#### Experimental first time buyers' relief statistics

Experimental statistics on the first time buyers' relief (FTBR) have been provided for the first time in this publication. The following experimental statistics on the first time buyers' relief have been provided for SDLT transactions valued between £125,000 and £500,000 for England, Wales and Northern Ireland:

- The total number of transactions claiming FTBR, broken down by price band and region
- The total amount of relief claimed from FTBR
- The average amount of FTBR claimed by region
- Transactions claiming FTBR as a proportion of total residential transactions

As the relief is still relatively new there are some unexpected entries, for example where a relief code is entered on the form for a property with a value outside the eligible range for the relief. As such transactions are not eligible for the relief, and appear to be paying the appropriate amount of SDLT for standard rate transactions, they are not counted as FTBR transactions. Statistics on this relief therefore are subject to future revision, however we believe that transaction counts, if revised, would change by no more than 10%. The need for further validation and testing has led to their classification as experimental.

The statistics on transactions claiming the first time buyers' relief reflect a subset of all First Time Buyer transactions. First Time Buyer transactions that fall outside the scope of the relief are not included i.e. transactions under £125,000 are below the minimum SDLT threshold and not required to pay SDLT are not included, and transactions over £500,000 are also excluded as they are not eligible to claim the relief. These statistics cannot therefore be used to determine the overall number of first time buyers, or first time buyer transactions, within a given period.

## Section 1: Background to the statistics

### Presentation of data & revisions:

Information on how data are presented, rounding conventions and when data are revised.

### Publication Calendar:

Information on when and how often the publication is published.

## 1.5 Presentation of data & revisions

### Rounding

Transactions are rounded to the nearest hundred and receipts are rounded to the nearest £million. Totals and sub-totals are rounded separately and so may not equal the sums of their rounded parts. Percentages are calculated from unrounded data.

### Seasonal Adjustment

The number of property transactions in the UK is highly seasonal, with more activity in the summer months and less in the winter. This series is not seasonally adjusted in the quarterly publication. For a seasonally-adjusted monthly series please see our Monthly Property Transactions publication: <https://www.gov.uk/government/statistics/monthly-property-transactions-completed-in-the-uk-with-value-40000-or-above>.

### Revisions and Timing of Publication:

All figures in the tables for the current financial year are routinely marked as provisional, and are subject to significant revision in subsequent publications. Transactions are recorded by the date that their SDLT certificate was issued and are presented on that basis in this publication. However, purchasers have 30 days from the date of completion to submit their land transaction return before incurring a penalty. To produce the quarterly property transaction figures in time for publication each quarter, a 'snapshot' of the live database is taken in the second week after the end of the quarter, so at the time of first release, estimates for the most recent quarter are based on incomplete data.

Estimates for earlier time periods may also change between publications as late returns are received, and corrections are made to the SDLT database.

Finalised, 'clean' figures for each financial year are published in the Annual Stamp Taxes Statistics, in the September following the end of the financial year. The following quarterly publication released in October will then contain the final figures.

Corrections to the published statistics will be made if errors are found, or if figures change as a result of improvements to methodology or changes to definitions. All corrected figures will be identified by the symbol "R", and an explanation will be given of the reason for and size of the revision. Corrections which would have a significant impact on the utility of the statistics will be corrected as soon as possible, by reissuing the publication. Minor errors will also be corrected, but for efficient use of resource these corrections may be timed to coincide with the next release of the quarterly publication.

## 1.6 Publication Calendar

Publications will be released on or near the last working day of each quarter, but it is brought forward whenever the day preceding the last working day is a non-working day (e.g. publications are never published on a Monday, Saturday or Sunday).

The full publication calendar can be found on the 'scheduled updates' page of the HMRC website:

<https://www.gov.uk/government/organisations/hm-revenue-customs/about/statistics>

It is also published on the Publication Hub for UK National Statistics:

<https://www.gov.uk/government/statistics/announcements>

## Section 1: Background to the statistics

### Pre-release:

Information on HMRC's pre-release policy and the pre-release access list.

### 1.7 Pre-release access

#### HMRC Pre-release statement:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/275579/statement.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/275579/statement.pdf)

#### Pre-release access list:

<https://www.gov.uk/government/statistics/hmrc-statistics-pre-release-access-list>

### Previous versions:

Information on where previous versions of this publication can be found .

### 1.8 Previous versions

Prior to March 2016 this publication was known as 'SDLT Liable and Non-Liable Property Transactions', and prior to July 2015 the publication was known as 'Liable and Non-Liable Property Transactions', which can be found here:

<https://www.gov.uk/government/statistics/numbers-of-uk-property-transactions-by-liable-and-non-liable>

## Section 2: Assessment of quality

### Relevance:

The degree to which the statistical product meets user needs in both coverage and content.

### 2.1. Relevance

The statistics primarily provide information on SDLT transactions on a quarterly basis from 2007/08 onwards. The number of transactions is broken by property type, liability threshold and price band. Net receipts are broken down by property type, and include receipts from higher rates on additional dwellings (HRAD) from Q2 2016.

These outputs can be used to examine housing market trends, for academic analysis and policy evaluations, and are particularly useful in providing insight on the impact of the 2007-2008 financial crash on SDLT transactions and receipts, and the impact of successive changes to the rates charged.

The publication is primarily used by analysts, commentators and other government departments to examine UK trends in the housing market. They are also used to examine the impact of policy decisions and economic conditions on tax receipts.

### Accuracy & reliability:

The proximity between an estimate and the unknown true value.

### 2.2. Accuracy & reliability

The statistics are based on administrative data used by HMRC to run its business (collecting tax). They are therefore accurate and timely. The main quality issues are around completeness of information as much of the data is based on returns.

Transactions are only recorded where a tax return has been received so it will miss those situations where a return is not completed or required (e.g. tax avoidance and evasion activity). It also records no transactions where the consideration (i.e. the price) is less than £40,000, as no tax is due. Other instances where no notification is required include transfers in connection with divorce and some grants of leases of less than 7 years. All transactions in Scotland from April 2015, and in Wales from April 2018, are also excluded.

The returns can take some time to be sent to HMRC and processed, however purchasers (or their agents) are required to file and return within 30 days of the completion of the transaction. By the time of publication almost 100% of returns will have been received.

There are likely to be some inaccuracies in the data due to reporting or keying errors, such as misclassification between residential and non-residential or misreporting of the transaction value. The latter can cause particularly large errors if left uncorrected. However, the dataset is cleansed and filtered through both automated data feeds and manual checking prior to use. Monthly management information is produced by the team, and at this point it is checked (as detailed in section 1.3) and if any errors such as missing transaction codes are identified, they are followed up with operational and IT teams, and action is taken to correct or adjust data. More comprehensive validation is undertaken on an annual basis, primarily relating to geographic breakdowns and inconsistent records (e.g. where stated tax does not match that expected for a property price and transaction type).

## Section 2: Assessment of quality

### Timeliness & punctuality:

Timeliness refers to the time gap between publication and the reference period. Punctuality refers to the gap between planned and actual publication dates.

### Accessibility & clarity:

Accessibility is the ease with which users are able to access the data, also reflecting the format in which the data are available and the availability of supporting information. Clarity refers to the quality and sufficiency of the metadata, illustrations and accompanying advice.

### Coherence & comparability:

Coherence is the degree to which data that are derived from different sources or methods, but refer to the same topic, are similar.

Comparability is the degree to which data can be compared over time and domain.

### 2.3. Timeliness & punctuality

The release timetable is designed to provide users with the best balance of timeliness and accuracy. Release dates are announced in advance on the HMRC website.

This is a quarterly publication. The statistics show data from the previous quarter and are generally published on or near the last working day of the month after the end of the quarter being reported on (unless that day is a Monday). The delay in publication is to allow time for most Land Transaction Returns to be submitted and for data cleansing.

### 2.4. Accessibility & clarity

The publication is available in both Excel and PDF formats and includes contact details (both email and telephone) for sending queries and feedback to the production team.

The statistics are taken directly from the source data that is collected for administrative purposes with little manipulation between source and publication. Our publications directly reflect the tax system definitions and therefore the administrative data are an accurate and relevant data source.

The contents of the tables and the level of detail required reflects the needs of our users. We provide and link to supporting information about the tax, and define key terms where used in order to assist users in interpreting the statistics.

We provide relevant policy information, particularly concerning major changes to SDLT. A history of rates is provided in the Guidance and reference R1 in the main publication.

### 2.5. Coherence & comparability

The SDLT receipts tables are consistent with other HMRC outputs on departmental performance, such as the annual report and the Trust Statement. Total receipts suggested by the SDLT returns are adjusted to match HMRC receipts as reported in the monthly [HMRC Receipts and National Insurance Contributions for the UK](#). There is often a few percentage points difference in the two sources, which is largely caused by the timing of payments (where purchases are completed late in the month, they may pay HMRC in the following month.)

SDLT returns data is derived from a single source, and is the same source used in the Annual Stamp Taxes Statistics and Monthly Property Transactions publications. The monthly publication uses a different date for reporting (the effective date) and therefore transaction counts for any given time period will not match exactly.

In terms of comparability, the major change to SDLT data occurred in 2013 when returns were digitised. This resulted in significant improvements to timeliness and accuracy. Any apparent inconsistencies with prior data were checked and verified.

## Section 2: Assessment of quality

### Trade-off between output quality components:

Trade-offs are the extent to which different aspects of quality are balanced against each other.

### Assessment of user needs and perceptions:

The processes for finding out about users and uses, and their views on the statistical products.

### Confidentiality, Transparency & Security:

The procedures and policy used to ensure sound confidentiality, security and transparent practices.

Changes over time are verified by checking trends in different breakdowns such as transaction numbers, revenues, regions, local authority, parliamentary constituency etc. Policy announcements relating to SDLT and other taxes affecting property are monitored and the data is continuously checked for coherence with these policies.

## 2.6. Trade-off between output quality components

The statistics are produced and released according to a preannounced timetable :

<https://www.gov.uk/government/organisations/hm-revenue-customs/about/statistics>

The timetable for publication is designed to provide users with the best balance of timeliness and accuracy. At the time of production of the publication, some records may still be incomplete, and compliance checks by HMRC may result in the subsequent alteration of returns.

First time buyers' relief information has been included with the publication, whilst the data is still subject to validation and checking. This has enabled users to access information about this new relief in a timely manner.

## 2.7. Assessment of user needs and perceptions

The producers work closely with key customers and stakeholders in HMRC, HM Treasury and the Office of Budget Responsibility to keep track of changes and developments in the tax policy, and continuously review the coverage and content of our publications to ensure that they meet the needs of those users.

Broader consultations are conducted when appropriate, for example when significantly changing the provision or coverage of the published data, or revising the methodology used. These will generally involve contacting known users of the published statistics to ask specific questions or request feedback. These questions would also be published on the website adjacent/linked to the publication in order to capture users with whom we have had no previous contact.

The results of user consultations would then be published on the website. The latest consultation took place in 2015 and the results can be found alongside the most recent publications.

Contact details are available at the bottom of each publication for users to get in touch if they have a query. We also added some footnotes to explain changes in data and trends, as well as key definitions throughout the commentary.

## 2.8. Confidentiality, Transparency & Security

The data is held in a secure server. Access to this data is only granted to those who require it for business purposes only.

### Confidentiality and Access

All persons that have pre-release access to the published data (aside from the production team) are listed on the HMRC website:

<https://www.gov.uk/government/statistics/hmrc-statistics-pre-release-access-list>

## Section 2: Assessment of quality

### **Performance, Cost & Respondent Burden:**

The effectiveness,  
efficiency and  
economy of the  
statistical output.

### **2.9. Performance, Cost & Respondent Burden**

All published tables use HMRC administrative data so there are no explicit costs of production. Much of the data would be produced regardless of publication for internal monitoring and policy development purposes.