

Welsh Government Consultation on Making changes to the Welsh Tax Acts

Response from Propertymark

September 2025

Background

1. Propertymark is the UK's leading professional body for estate and letting agents, property inventory service providers, commercial agents, auctioneers and valuers, comprising over 19,000 members representing over 12,800 branches. We are member-led with a Board which is made up of practicing agents and we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry-leading training programme and mandatory Continuing Professional Development.¹

Overview

2. The Welsh Government are consulting on appropriate mechanisms for amending the Welsh Tax Acts. The Welsh Tax Acts cover:
 - Land Transaction Tax (LTT).
 - Landfill disposals Tax (LDT).
 - The rules and powers for the Welsh Revenue Authority (the WRA) to collect the Welsh taxes.
3. For this consultation, we have concentrated our response on LTT as this taxation has a direct impact on the housing sector.

Questions

Q1. Are you aware of examples from other legislatures that could provide helpful examples for a devolved administration (allowing for constitutional and legal differences)? Please explain why these arrangements may be right for Wales.

4. Propertymark welcomes the Welsh Government's consideration of international and other devolved legislature examples in shaping the Land Transaction Tax (LTT), provided any measures are tailored to Wales's housing market and legal framework. Well-designed property transaction taxes can be effective in raising revenue for public services, promoting housing affordability, and encouraging market fairness, while giving devolved administrations flexibility to respond to local housing needs.
5. We support approaches that encourage property transactions across all price bands, particularly:

¹ <https://www.propertymark.co.uk/>

- **First-time buyer reliefs**, helping new buyers enter the market and stimulating lower- and mid-market activity. This should include creating a First Time Buyer Decision Tool – via the Welsh Government website for first time buyers where they can calculate indicative costs from professional services, calculate potential tax they will pay and submit personal information that guides them to financial support schemes for which first time buyers may be eligible.
 - **Measures for last-time buyers**, enabling older people to downsize, free up larger properties for families in short supply, and provide more choice, while reducing barriers for those who wish to move.
 - **Measures that stimulate the market** and encourage home buying and selling and investment in the Private Rented Sector to boost overall housing supply.
6. While Scotland's Land and Buildings Transaction Tax (LBTT) includes progressive rates and first-time buyer reliefs, we have concerns over higher rates on more expensive properties and the Additional Dwelling Supplement (ADS). The ADS, which adds a 8% surcharge for second homes or buy-to-let purchases, has been associated with reduced market activity, slower sales in higher-value segments, and lower investment by landlords, negatively impacting liquidity in both residential and buy-to-let markets.² The Additional Dwelling Supplement (ADS) has resulted in only 5.7% of homes bought in Scotland for investment purposes, which is the lowest in 15 years resulting in nearly a 50% decline since 2021³.
7. Propertymark thinks that examples from Canadian provinces, such as British Columbia and Ontario, and Australian states like New South Wales, to be more favourable for Wales. These systems demonstrate several advantages that could be adopted:
- **Progressive rates that stimulate market activity:** Examples from British Columbia and Ontario show that rates increase with property value but remain moderate at higher bands, avoiding the sharp disincentives seen in Scotland. We think that this has helped maintain liquidity across the market in Canada.
 - **Targeted reliefs for first-time buyers:** Propertymark also thinks both Canadian and Australian systems provide exemptions or rebates for first-time buyers, which encourages homeownership and entry into the market without overly penalising other buyers.
 - **Support for last-time buyers:** We welcome measures in these jurisdictions also facilitating downsizing, which frees up larger homes for families and gives older people the opportunity to downsize should they wish without the significant barrier of Stamp Duty or LTT. Propertymark recommends that the Welsh Government adopts a similar approach enabling Wales to address housing supply pressures.
 - **Clear, practical administration:** We would also like to highlight online systems and straightforward calculation methods in Canada and New South Wales, which may reduce administrative burdens and make compliance easier for buyers, sellers, and agents.

² <https://revenue.scot/taxes/land-buildings-transaction-tax/additional-dwelling-supplement-ads>

³ [Why buy-to-let collapsed in Scotland – and England could be close behind - iHowz](#)

- **Balanced approach to landlord investment:** Unlike Scotland’s ADS, these systems avoid excessive surcharges on buy-to-let investors, maintaining rental sector investment while supporting market stability. We strongly recommend that the Welsh Government considers these approaches and reduces the LTT surcharge on additional properties to ensure supply levels are stimulated.
8. Overall, Propertymark encourages the Welsh Government to adopt lessons that promote accessibility, simplicity, and predictability, while avoiding excessive surcharges or complex rules that could slow transactions. A well-calibrated LTT, informed by these examples, can support a healthy, active, and stable property market across Wales, stimulate home buying and selling, encourage responsible landlord investment, and generate revenue for housing and local services.

Q2. Do you consider that the current secondary legislation powers should remain available to the Welsh Ministers in the respective Welsh Tax Acts? Please explain your answer.

9. Propertymark agrees and supports Welsh Ministers keeping the powers to make secondary legislation in the Welsh Tax Acts. These powers allow the Welsh Government to quickly adjust details of taxes like Land Transaction Tax. For example, thresholds, reliefs, or exemptions without needing a full new law. This flexibility is important to respond to changes in the housing market, support first-time and last-time buyers, and maintain market stability. However, Propertymark would emphasise that any changes should be made in consultation with the housing sector, including property agents, landlords, and other property professionals. This ensures that updates are practical, clear, and do not unintentionally disrupt property transactions or investment.

Q3. Do you consider that all secondary legislation powers available to the Welsh Ministers should be removed from the respective Welsh Tax Acts? Please explain your answer.

10. Propertymark disagrees and does not consider that all secondary legislation powers should be removed from the Welsh Tax Acts. Removing these powers would significantly reduce the ability of Welsh Ministers to respond quickly to changes in the housing market or to address technical issues in the administration of taxes such as Land Transaction Tax (LTT). Secondary legislation powers allow for:
- **Timely adjustments to thresholds, reliefs, and exemptions**, which can support first-time and last-time buyers and encourage healthy market activity.
 - **Practical updates to administrative rules and guidance**, making it easier for buyers, sellers, and agents to comply with the tax system.
 - **Rapid responses to unintended consequences or market changes**, helping to prevent distortions that could negatively affect the housing market or rental sector.
11. We also think that these powers allow Welsh Ministers to implement ‘made in Wales’s solutions to the Welsh housing sector, which differs from England with different characteristics. However, we once again stress that while these powers should be retained, it

is essential that any changes are made following meaningful consultation with the housing sector, including property agents, landlords, and other property professionals. This ensures that tax rules remain practical, clear, and do not inadvertently disrupt property transactions or investment. We also think that the Welsh Government should improve communication between the housing sector and should introduce 'stress tests' so that the Welsh Government can demonstrate that their taxation policy will not adversely impact the housing market in Wales.

Q4. Do you consider that some secondary legislation powers available to the Welsh Ministers should be removed from the respective Welsh Tax Acts? If so, please specify and explain why.

12. We are only responding to this consultation in relation to Land Taxation Tax which impacts the housing sector. We do not have specific expertise on other taxation methods in Wales such as Landfill Disposal Tax, and we are not in a position to comment further on its suitability.

Q5. What process do you consider should be used in future to make changes to the Welsh Tax Acts
a. an annual finance bill for Wales,
b. an annual (or less frequent) tax bill for Wales,
c. a new version of the Welsh Tax Acts etc. (Power to Modify) Act 2022,
d. once the Welsh Tax Acts etc. (Power to Modify) Act 2022 has reached its sunset point to rely on the current regulation making powers and primary legislation as and when necessary,
or e. a different approach (please set out what).

13. Propertymark recommends option A of an annual finance bill for Wales. This option would offer a similar approach to HM Treasury, as it provides a structured and predictable mechanism for making changes to Welsh taxes each year. Propertymark also thinks that any future process for making changes to Welsh taxes, such as Land Transaction Tax (LTT), should prioritise stakeholder consultation and market impact assessments. We recommend a formal stakeholder forum including representative bodies such as Propertymark. This forum should be consulted before any policy change including rate adjustments, reliefs or surcharges and could be used to provide evidence and monitoring of the proposed impacts in policy. This would provide greater scrutiny on Welsh Government taxation policy decisions, would allow expert membership bodies to act as a 'critical friend' to the Welsh Government and allow a more research based approach to best practice and policy monitoring.

Q6. Depending on your answer to question 5, do you consider that a process is necessary to bring changes into effect before the finance/tax bill comes into force? If so, do you consider a provisional collection of taxes route, a secondary legislation route (with sunset clause – 'a section 109 Finance Act 2003 approach'), or a different route to be more appropriate for Wales?

14. Propertymark considers that a process is necessary to ensure changes to Welsh taxes, such as Land Transaction Tax (LTT), can be implemented smoothly before the annual finance bill comes into force. We suggest retaining secondary legislation powers with a sunset clause,

which allows Welsh Ministers to make timely adjustments while ensuring changes are reviewed and confirmed in the main finance bill.

15. We support an annual finance bill for Wales, following a similar approach to HM Treasury, combined with a formal consultative forum including property professionals, agents, landlords, and representative bodies such as Propertymark. This ensures that any proposed changes are transparent, evidence-based, and informed by the housing sector, reducing the risk of unintended consequences for buyers, sellers, or landlords.
16. The combination of secondary legislation with a sunset clause and an annual finance bill provides both flexibility and accountability. It allows technical updates or policy changes to be applied quickly while maintaining proper oversight and consultation, ensuring that tax changes do not disrupt the housing market or negatively impact market activity.

Q7. Do you consider that it is appropriate for the Welsh Ministers to limit the scope of any finance or tax Bills laid in the Senedd or should any changes beyond amendments to those proposed by the Welsh Ministers be possible? If you do consider that there should be restrictions in the scope of such a Bill, what do you consider is the appropriate mechanism for doing so?

17. Propertymark considers that while Welsh Ministers should maintain accountability for overall tax policy, other Members of the Senedd should also be able to influence finance or tax bills, particularly given that the 2026 elections will introduce a more proportional system, which may result in a broader range of political voices.⁴ Allowing amendments from other Members can enhance democratic scrutiny and ensure that a wider range of perspectives, including those affecting the housing and property market, are considered. However, any amendments from Senedd Members outside of the Welsh Government should also be assessed through the proposed stakeholder group we have suggested.

Q8. Do you consider that the sunset clause for the power to make regulations provided to the Welsh Ministers by the Welsh Tax Acts etc. (Power to Modify) 35 should be extended to 30 April 2031, or an alternative date, in order to provide the next government with sufficient time to develop the approach it chooses?

18. Propertymark strongly agrees. The sunset clause should be extended. Extending it provides the next government with sufficient time to review, consult, and decide on a long-term approach to Land Transaction Tax (LTT) (or any other taxation models) without causing gaps or rushed decisions.
19. We think flexibility and continuity are important to maintain confidence in the housing market, particularly for buyers, sellers, and landlords and will enable Welsh Ministers to respond to changes in the market. The extension should be long enough to allow proper stakeholder consultation, including with property professionals and representative bodies such as Propertymark, and to ensure any changes are market-sensitive and evidence-based.

⁴ <https://senedd.wales/senedd-now/senedd-blog/how-will-the-new-voting-system-work-at-the-next-senedd-election/>

20. We also think date such as 30 April 2031 is reasonable, as it aligns with the next government's term and allows continuity in regulation-making powers while providing time to develop a considered long-term approach.

Q8. Any other comments you wish to make as to how changes could and/or should be made to the Welsh Tax Acts.

21. Overall, Propertymark is supportive of Welsh Ministers maintaining current powers to vary Welsh taxes. However, there are two fundamental points that need to be observed. Firstly, the Welsh Government, as a matter of urgency must improve consultation with relevant stakeholders. We have suggested a stakeholder forum. We would be very happy to continue our relationship with the Welsh Government in supporting them in taxation policy in relation to Land Transaction Tax (LTT.) Secondly, greater efforts must be made to evidence and stress test taxation policy to ensure that it will not have a negative impact on the housing sector. A consultative stakeholder forum could also support this work.

Section 7 – The Welsh Language

22. Section 7 asks consultation responds to consider the impact the proposals will have on the Welsh language to ensure the language is not impacted unfavourably. We are confident that the Welsh Government will ensure that provision will be put in place to ensure this does not occur and we do not have any further comments in this regard.