



UK landlords are facing increased rates of surcharge when purchasing buy-to-let property following increases over the past three months. The rate is now particularly punitive for those buying property in Scotland.

Stamp duty was devolved to the Scottish and Welsh Governments in 2015 and 2018 respectively. Rather than stamp duty land tax (SDLT), Scottish property purchasers now incur land and buildings transaction tax (LBTT), with land transaction tax (LTT) paid in Wales.

Increased rates

The surcharge increases are as follows:

- For SDLT, the surcharge is 5% (previously 3%) for purchases from 31 October 2024 onwards.
- For LBTT, the surcharge is 8% (previously 6%) for purchases from 5 December 2024 onwards.
- For LTT, the surcharge is 5% (previously 4%) for purchases from 11 December 2024 onwards.

The top rate of duty in England, Northern Ireland and Wales is now 17% where property costs more than £1.5 million. In Scotland, it is 20% payable once a property costs over £750,000.

For a buy-to-let property costing around £450,000, this means landlords in England and Northern Ireland must now pay SDLT of £32,500. For Scotland, the figure is considerably higher at £54,350, and for Wales, a landlord will pay £36,200.

From 1 April 2025, the SDLT figure will rise further by £2,500 to £35,000 when the nil rate threshold reverts to £125,000 after a temporary increase to £250,000.

For all the latest news...

Adventurous alternatives

Two ways in which more adventurous landlords can drastically reduce the amount of stamp duty payable is by buying mixed-use property (such as a shop with a flat above it), or by buying a commercial property and obtaining planning permission to convert the property into residential use. Both suggestions work equally well in Scotland and Wales. Conversion is a complex area, however, and expert advice is recommended.

In both cases, duty will only be charged at non-residential rates, so, for that £450,000 property outlined above, the cost will be reduced to £12,000 in England and Northern Ireland, to £11,000 in Scotland and to just £10,250 in Wales.

Online calculators for the amount of duty payable on a property transaction can be found here:

- [SDLT](#)
- [LBTT](#)
- [LTT](#)

We can help

If you need further information, please call us on **01753 888 211** or email info@nhllp.com. We would be happy to help.