



Llywodraeth Cymru
Welsh Government

WRITTEN STATEMENT BY THE WELSH GOVERNMENT

TITLE **Amendment to land transaction tax multiple-dwellings relief**

DATE **20 January 2026**

BY **Mark Drakeford MS, Cabinet Secretary for Finance and Welsh Language**

Land Transaction Tax (Modification of Relief for Acquisitions Involving Multiple Dwellings) (Wales) Regulations 2026 have been laid before the Senedd today.

[Explanatory Memorandum to The Land Transaction Tax \(Modification of Relief for Acquisitions Involving Multiple Dwellings\) \(Wales\) Regulations 2026](#)

[Rheoliadau Treth Trafodiadau Tir \(Addasu Rhyddhad ar gyfer Caffaeliadau sy'n Ymwneud ag Anheddau Lluosog\) \(Cymru\) 2026 / The Land Transaction Tax \(Modification of Relief for Acquisitions Involving Multiple Dwellings\) \(Wales\) Regulations 2026](#)

Subject to Senedd approval, the regulations will amend the land transaction tax (LTT) multiple-dwellings relief (MDR) minimum tax rule rate.

This applies to LTT paid on the purchase of dwellings in multiple-dwelling transactions. It most often applies in mixed-use transactions but can also apply to transactions which involve residential property only. Mixed-use transactions are those in which combinations of residential and non-residential property are purchased together.

The rule stipulates the liability on the purchase of the dwellings must be at least 1% of the value of those dwellings.

The MDR minimum tax rule provides fairness in transactions in which tax liability could otherwise be extremely low on the purchase of some residential property, in comparison to liability on single-dwelling transactions.

The rate of 1% was set when the rule was introduced into stamp duty land tax in 2011 and has not changed since. The rule became part of LTT in 2018. An increase

to 3% will improve fairness while maintaining appropriately different tax treatments for multiple-dwelling transactions.

In a written statement on 14 October 2025, I announced my intention to make this change to the minimum tax rule rate, and to introduce a new MDR equalisation rule, to create per-dwelling parity between multiple-dwelling and single-dwelling transactions liable to the higher residential rates.

The new proposed equalisation rule was intended to address the current situation whereby, when MDR is claimed on multiple-dwelling transactions subject to the LTT higher residential rates, the per-dwelling tax liability is lower than it would be for single-dwelling transactions for the same dwellings. It would have ensured the per-dwelling liability in multiple-dwelling transactions with MDR would be at least equal to that of the equivalent single-dwelling transactions which are not able to benefit from MDR.

The draft regulations do not include the new equalisation rule. Amending the legislation for this relatively narrow purpose has presented significant technical challenges and carries the risk of introducing new complexity to LTT.

Work on the policy and the rule, and on considering the legislative changes required, will continue, but the new equalisation rule will be for a future administration to consider, as will the wider question of whether MDR should be retained, further improved or abolished.