

Explanatory Memorandum to the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 (Amendments to Schedule 5) Regulations 2026

This Explanatory Memorandum has been prepared by the Welsh Treasury and is laid before Senedd Cymru in conjunction with the above subordinate legislation and in accordance with Standing Order 27.1.

Cabinet Secretary's Declaration

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 (Amendments to Schedule 5) Regulations 2026. I am satisfied that the benefits justify the likely costs.

Mark Drakeford MS
Cabinet Secretary for Finance and Welsh Language
20 January 2026

PART 1 – EXPLANATORY MEMORANDUM

1. Description

- 1.1 The Welsh Government is proposing legislative amendments to the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 (“LTTA 2017”). The Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 (Amendments to Schedule 5) Regulations 2026 (the “Regulations”) provide a new refund rule for transactions that are subject to the higher residential rates of land transaction tax (“HRRLLTT”).
- 1.2 The new HRRLLTT refund will apply where a person (the taxpayer) buys a dwelling costing £400,000 or less which is liable to HRRLLTT, and then leases it to a Welsh local authority (“LA”), within 18 months of that purchase, and the lease meets the other conditions in the Regulations (the conditions have been designed to ensure that leases granted to LAs under the Leasing Scheme Wales (“LSW”) qualify for the refund). The refund is, however, only a partial refund. Where the conditions in the Regulations are met, the transaction is treated as if it were not subject to the HRRLLTT, but rather subject to the main residential rates of LTT, and the taxpayer is then entitled to claim a refund, that will generally be equal to the difference.
- 1.3 LSW is a Welsh Government scheme which is contributing towards the delivery of affordable homes. The aim of the new HRRLLTT refund is to incentivise increased sign-up to LSW and support the provision of housing to Welsh LAs for use as affordable rental accommodation. This will help tackle the impact of homelessness and the use of temporary accommodation (“TA”).

2. Matters of special interest to the Legislation, Justice and Constitution Committee

- 2.1 None.

3. Legislative Background

- 3.1 Schedule 5 to the LTAA 2017 sets out the rules identifying when the purchase of a dwelling is subject to the HRRLLTT rates, including exceptions to the requirement to pay higher residential rates.
- 3.2 Section 24(11) and Section 78 of the LTAA 2017 provides the Welsh Ministers with a power to amend Schedule 5.
- 3.3 In most situations, a person who already owns a dwelling and buys a new dwelling will (subject to certain criteria) be required to pay the HRRLLTT on that transaction. A taxpayer is required to pay the HRRLLTT if:
 - the dwelling costs £40,000 or more;

- The buyer already owns one or more other interests in dwellings, where each individual dwelling is worth £40,000 or more; and
- the interest they buy is not subject to a lease which has more than 21 years left.

3.4 Companies must pay the HRRLLTT for any residential property they buy if:

- the dwelling costs £40,000 or more; and
- the interest they buy is not subject to a lease which has more than 21 years left.

3.5 As an example, where a property is purchased for £200,000 and the buyer already owns another dwelling, then the LTT payable would be £10,700 based on the higher residential rates¹. For comparison, the LTT that would be payable if the main residential rates were to apply to a property costing £200,000 would be nil.

Detailed calculation - property is purchased for £200,000 and the buyer already owns another dwelling			
Purchase price bands (£)	Percentage rate (%)	Amount (£)	Tax due (£)
Up to 180,000	5	180,000	9,000.00
Above 180,000 and up to 250,000	8.5	20,000	1,700.00
Above 250,000 and up to 400,000	10	0	0.00
Above 400,000 and up to 750,000	12.5	0	0.00
Above 750,000 and up to 1,500,000	15	0	0.00
Above 1,500,000	17	0	0.00
Total tax due:			£10,700.00

3.6 The Regulations provide a new refund opportunity for transactions subject to HRRLLTT. A taxpayer will be able to claim the new HRRLLTT refund if the following conditions are met:

- a. The dwelling is bought after the new rules come into force but before 31 March 2031.

¹ [Land Transaction Tax rates and bands | GOV.WALES](#)

- b. The consideration given for any dwelling leased to the LA does not amount to more than £400,000.
- c. The taxpayer, within 18 months of the date of the purchase of the dwelling (that will be leased to the LA), grants a lease of the dwelling to a LA.
- d. The lease is granted for a minimum period of 5 years but no more than 20 years, and the rent under the lease is no greater than the local housing allowance applicable to the dwelling leased to the LA.
- e. Within 12 months of the lease being granted to a LA, the taxpayer makes a claim to the Welsh Revenue Authority (“WRA”) for the refund of the higher residential rates element.

3.7 The Regulations include a sunset clause of around 5 years (fixed end date of 31 March 2031) limiting the period in which the dwelling must be purchased for the refund to be available. The final repayment claim must therefore be made by 31 March 2032. It will be for a future government to consider whether it wishes to renew the refund opportunity in the lead up to the sunset clause end date.

3.8 The Regulations also include a condition that requires the taxpayer to repay the HRRLLT refund in full if at any point in the first 5-years of the lease, the lease terminates before the 5th anniversary of it being granted (for example, by exercising the break clause).

3.9 These Regulations are subject to the Senedd approval procedure.

4. Purpose and Intended Effect of the Legislation

4.1 The aim of the Regulations is to help incentivise increased sign-up to LSW and support provision of housing by LAs for affordable rental accommodation, as part of tackling the impact of homelessness and the use of TA.

4.2 LSW is a Welsh Government initiative which directly contributes to the Program for Government commitment to “Develop a national scheme restricting rent to local housing allowance levels for families and young people who are homeless or who are at risk of homelessness”. It also contributes the delivery of 20,000 affordable homes.

4.3 As part of the long-term commitment to end homelessness, the Welsh Government is seeking to reduce reliance on TA by increasing the supply of suitable longer-term homes. Incentivising increased sign-up to LSW is therefore aimed at increasing supply of affordable homes to reduce the use of TA. This will help to reduce the significant costs to the Welsh Government and LAs of TA and the detrimental impact of homelessness on individuals and families.

4.4 Through LSW, Welsh LAs lease properties for a period of between 5 to 20 years, providing regular rental income to the owners at the relevant Local Housing Allowance (LHA) rate. The LHA is lower than the market rents. All properties are

assessed for their suitability by the LAs to ensure they meet the required standard as outlined by the scheme requirements.

Background details for LSW are set out here - [Leasing Scheme Wales | GOV.WALES](https://gov.wales/leasing-scheme-wales)

5. Consultation

5.1 The White Paper consultation on Adequate Housing, Fair Rents, and Affordability was published on 24 October 2024 and closed on 31 January 2025:

[Consultation on the White Paper on securing a path towards Adequate Housing, including Fair Rents and Affordability](#)

5.2 The White Paper set out a proposal to explore introducing, by way of amendments to LTTA 2017, a refund of the HRRLLTT where a taxpayer, liable to HRRLLTT, buys a dwelling and then leases it to a Welsh LA through LSW.

5.3 The White Paper outlined that the policy aim of the HRRLLTT refund is to help incentivise increased sign-up to LSW and support provision of housing to local authorities for use as affordable rental accommodation, as part of tackling the impact of homelessness and the use of TA.

5.4 The initial findings from the White Paper consultation, showed that of those who expressed a view, there was a small majority of respondents who were supportive of the proposed HRRLLTT refund, including several LAs.

A [summary of Responses](#) was published in July 2025.

5.5 A public consultation was not undertaken on the draft Regulations. However, officials undertook focussed technical engagement with external tax advisors to test the Regulations. This engagement was undertaken over a 2-week period, which included a meeting with the external tax advisors.

PART 2 – REGULATORY IMPACT ASSESSMENT (RIA)

6. Options

Option 1 – Do not provide a refund of the higher residential rates of land transaction tax (HRRLLTT)– No Change

- 6.1 The LTTA 2017 would not be amended.
- 6.2 **Advantages** - Simplicity and familiarity of rules retained and no reduction in amount of LTT collected.
- 6.3 **Disadvantages** - Buyers of newly acquired dwellings would be less incentivised to sign up to LSW and thereby support provision of housing to Welsh LAs for use as affordable rental accommodation.

Option 2 – Make new regulations to provide a refund of HRRLLTT

- 6.4 Amend the LTTA 2017 to provide a HRRLLTT refund.
- 6.5 **Advantages** - The HRRLLTT refund will help incentivise increased sign-up to LSW and support provision of housing to Welsh LAs for use as affordable rental accommodation, as part of tackling the impact of homelessness and the use of TA.
- 6.6 **Disadvantages** - This option may lead to increased administrative costs for the WRA as it could necessitate adjustments to existing operational processes. There may also be compliance costs for, taxpayers and external advisers who will need to familiarise themselves with the new rules, interpret legislation, understand eligibility and claim a refund.

There are also anticipated to be reductions in Welsh Government LTT revenues. However, there may also be an indirect cost reduction in the cost for the Welsh Government for provision of TA and a reduction in the detrimental impact of homelessness on individuals and families.

Options Summary

- 6.7 Option 2 is preferred.
- 6.8 No other options were considered. The introduction of a targeted HRRLLTT refund represents the most practical and effective solution. Option 2 strikes an appropriate balance between providing sufficient tax relief to incentivise individuals to lease properties to Welsh local authorities whilst also minimising the loss of tax revenue to the Welsh Government. The cost-benefit analysis (para 7) demonstrates that the benefits of increased affordable housing provision and reduced reliance on TA outweigh the anticipated reduction in LTT revenues. Alternative mechanisms, such as broader exemptions or different forms of subsidy, were discounted as they would either fail to deliver

the intended effect or introduce unnecessary complexity. As such, the two options set out are the only practicable and proportionate courses of action.

7. Costs and Benefits

Option 1 – Do not provide HRRLLT refund – No Change

7.1 **Costs** - As with any of the options, while future costs are not fully known, with Option 1, the costs framework and categories would remain unchanged.

Option 2 – Make new regulations for a HRRLLT refund

7.2 **Costs** - Cost categories are likely to be the following:

- cost to the Welsh Government;
- Welsh Revenue Authority (WRA) administrative costs;
- Local Authority costs;
- Tribunal and appeals costs; and
- Costs to taxpayers (landlords), conveyancers and other advisers.

Costs – Welsh Government

7.3 The aim of the new HRRLLT refund is to help incentivise increased sign-up to LSW. Therefore, it is difficult to forecast how many properties and the value of each property, may come forward to LSW as a direct result of the HRRLLT refund, which in turn causes difficulty when estimating the loss of tax revenue that would occur by providing the refund.

7.4 To give an indication of the costs, a number of scenarios have been tested and are set out in Annex 1. Tables 4 and 5 illustrate that if 20 to 50 dwellings per year where purchased, costing £180,000 each, and leased to LAs through LSW the total HRRLLT refund would be between £0.8m and £2.1m over a 5-year period.

7.5 Annex 1 also illustrates that over the LSW minimum 5-year lease period the benefits in cost savings from reducing TA costs compared to the loss in LTT revenue. For example, the estimated cost saving of housing two people in a LSW dwelling over the 5-year lease period rather than TA is £31,646. If the property costs £180,000 to purchase the HRRLLT refund cost would be £9,000, which is a loss of tax revenue for the Welsh Government. The overall cost saving would still be £22,646 over the 5-year lease period, after the loss of tax revenue is deducted.

7.6 This cost saving would increase if the property remained in LSW after the initial 5-year lease period with the owner extending the lease or originally granting a longer lease (up to a maximum 20 years), as there would be no additional HRRLLT refund related cost implications for the Welsh Government, whereas the savings would continue to accrue. Early indication from landlords on the pilot 'pathfinder' for LSW, whose leases are due to expire later this year, is that the majority want to sign up for a further 5-year lease rather than take back the property.

7.7 In addition, if the HRRLLT refund leads to greater participation in LSW, Welsh Government costs for the scheme may rise above what is already forecast and budgeted for. However, these additional costs could be offset by reduced expenditure on TA, potentially resulting in a cost-neutral outcome.

7.8 The social benefits of tenants having longer term security of tenure in their own home (especially for families with children) is also considered to be significant. A report by the Bevan Foundation and Shelter Cymru, *Nowhere to call home - living in temporary accommodation*², demonstrates why more permanent, affordable and suitable housing is needed to enable people to move on out of TA and into a stable, long-term home. The report concluded that too many people live in TA that is unsuitable for their needs, and that they live there far too long. Placing ever-increasing numbers of people in TA is also not sustainable for LAs. Moving people into suitable homes is key to reducing the pressure on services, as well as enabling lives to be rebuilt after the trauma of homelessness. Social homes provide long-term security, affordable, regulated rents and peace of mind for the future. Making sure that everyone in TA can access them is crucial.

7.9 Although difficult to cost, a recent report prepared for Homes England³ looked at understanding how wellbeing changes when an individual moves from TA into social housing. The analysis suggests that there are statistically significant differences in self-reported life satisfaction between residents of TA and social housing. Tenants who moved from TA to social housing reported a marked improvement in overall life satisfaction, including improved mental health and reduced stress, better access to services and support, enhanced privacy and personal space and a positive impact on children.

7.10 The report also quantifies the wellbeing improvement for people transitioning from TA to social housing. The tables below show the estimated monetary value of the increase in life satisfaction for adults (Table 1) and Children (Table 2) who move from TA into social housing.

Table 1: Wellbeing Uplift Monetised Values (2024 prices, per adult, per annum)

Average life satisfaction change (respondents living in social housing relative to those living in temporary accommodation)	Low	Central	High
+0.86	£10,593	£13,771	£16,949

Source: Homes England – Measuring Social Value Paper 6: Measuring the Wellbeing Impacts of Temporary Accommodation & Social Housing (SQW), July 2025

² [Nowhere-to-call-home-living-in-temporary-accommodation.pdf](https://www.bevanfoundation.org.uk/reports-nowhere-to-call-home-living-in-temporary-accommodation.pdf)

³ [Measuring Social Value : Paper 6: Measuring the Wellbeing Impacts of Temporary Accommodation & Social Housing](https://www.gov.uk/government/publications/measuring-social-value-paper-6-measuring-the-wellbeing-impacts-of-temporary-accommodation-and-social-housing)

Table 2: Wellbeing Uplift Monetised Values (2024 prices, per child, per annum)

Average happiness change (respondents living in social housing relative to those living in temporary accommodation)	Low	Central	High
+1.01	£12,410	£16,133	£19,856

Source: *Homes England – Measuring Social Value Paper 6: Measuring the Wellbeing Impacts of Temporary Accommodation & Social Housing (SQW)*, July 2025

Cost - Welsh Revenue Authority (WRA)

- 7.11 The associated costs to the WRA of introducing the HRRLLTT refund, including system changes and guidance, alongside operational needs will be met within their existing budgets. It is expected that the number of claims for refund will be low, given the specific nature of the refund. Given this assumption, it is expected that operational needs can be accommodated within the WRA's existing resources.
- 7.12 The WRA's approach is risk based, therefore a new refund opportunity will fall within their current operational framework; only once the refund is implemented and claims are made, will they be able to consider risk and their overall approach. However, as outlined above, given the number of claims expected for the new refund opportunity is low, it is expected to be a minor part of their tax risk and recovery work, sitting alongside their other compliance activities.

Cost – Local Authority

- 7.13 The WRA will need to use its powers under Section 87⁴ and 89⁵ of the Tax Collection and Management (Wales) Act 2016 (“TCMA 2016”) to obtain details from LAs of properties which have been withdrawn from the scheme, within the initial 5 years (see para 3.8). Therefore, there will be a minor administrative cost for LAs associated with providing this information to the WRA.

Costs - Tribunal and appeals activity

- 7.14 It is possible some claims for the HRRLLTT refund may be challenged by the WRA. In such cases taxpayers could ultimately seek recourse from the First Tier Tribunal (Tax Chamber) and, if necessary, the Upper Tribunal (Tax and Chancery Chamber), which are reserved tribunals that fall under the jurisdiction of the Lady Chief Justice and Ministry of Justice.
- 7.15 We anticipate the impact of these changes on the First Tier Tribunal (Tax Chamber), in terms of the number of appeals which may reach it, will be minimal or nil for the following reasons:

⁴ <https://www.legislation.gov.uk/anaw/2016/6/section/87>

⁵ <https://www.legislation.gov.uk/anaw/2016/6/section/89>

- the amendment to the LTTA 2017 will give a high degree of clarity regarding the new tax rules;
- the WRA will continue to practice well-established measures to address taxpayer disagreements and disputes regarding claims, including the right to an initial WRA review, and signposting where appropriate to Alternative Dispute Resolution; and
- the WRA will update existing guidance, including on taxpayer rights of appeal, and directly contact registered agents to signpost the change to the LTTA.

7.16 The Ministry of Justice (MoJ) have assessed that there will be a minimal or nil financial impact.

Costs – Taxpayers (landlords), conveyancers and other advisers

7.17 There will be costs for solicitors, conveyancers and other tax advisers to familiarise themselves with the new HRRLLTT refund rules, when acting for a buyer. Only a relatively small number of taxpayers and advisers will be impacted by the introduction of the new refund. The WRA will provide support to solicitors, conveyancers and other tax advisers, which will assist them in understanding the LTT rules and reduce any associated costs.

7.18 It is anticipated that some of these costs will be passed onto clients through fees charged. Therefore, the taxpayers may incur costs in order to claim the refund (as they would when undertaking any land transaction, and especially those where they wish to claim a refund). Whilst the taxpayer may incur this cost, they will benefit from the HRRLLTT refund.

7.19 **Benefits** - LSW is a Welsh Government scheme which is contributing towards the delivery of affordable homes. The aim of the new HRRLLTT refund opportunity is to help incentivise increased sign-up to LSW and support provision of housing to Welsh LAs for use as affordable rental accommodation, as part of tackling the impact of homelessness and the use of TA. As outlined at section 7.8, moving people into suitable homes is key to reducing the pressure on services, as well as enabling lives to be rebuilt after the trauma of homelessness. Social homes provide long-term security, affordable, regulated rents and greater overall wellbeing.

7.20 **Option 2 Summary** - The benefits justify the likely costs.

Costs and Benefits Summary.

7.21 Option 2 is preferred on the grounds of cost and benefit.

8. Integrated Impact Assessment

8.1 An Integrated Impact Assessment (IIA) has been undertaken for these Regulations:

<https://www.gov.wales/land-transaction-tax-and-anti-avoidance-of-devolved-taxes-wales-act-2017-amendments-to-schedule-5-regulations-2026-integrated-impact-assessment>

9. Competition Assessment

9.1 The Welsh Government considers that a full Competition Assessment is not required for these proposed changes, as demonstrated by the result of a Competition Filter Test (see Table A, below).

9.2 There are two stages to a full Competition Assessment. The first, the competition filter test, assesses whether there is a risk of significant detrimental effect on competition. The filter test result, set out below in Table A indicates there is no anticipated significant impact on competition and therefore the risk of significant detrimental impact on competition is low. As the filter test suggests, the second stage of the competition assessment (which comprises a fuller assessment) has not been conducted.

Table A - Competition Filter Test

1. In the market(s) affected by the new regulation, does any firm have more than 10% market share?	No
2. In the market(s) affected by the new regulation, does any firm have more than 20% market share?	No
3. In the market(s) affected by the new regulation, do the largest three firms together have at least 50% market share?	No
4. Would the costs of the regulation affect some firms substantially more than others?	No
5. Is the regulation likely to affect the market structure, changing the number or size of firms?	No
6. Would the regulation lead to higher set-up costs for new or potential suppliers that existing suppliers do not have to meet?	No
7. Would the regulation lead to higher ongoing costs for new or potential suppliers that existing suppliers do not have to meet?	No
8. Is the sector characterised by rapid technological change?	No
9. Would the regulation restrict the ability of suppliers to choose the price, quality, range or location of their products?	No

10. Post-Implementation Review

- 10.1 Post-implementation monitoring to assess the effectiveness of the legislation will include analysis of data reflecting interest in and take-up of the refund opportunity. Claims will be monitored by the WRA on an ongoing basis. It will be for a future government to consider whether it wishes to renew the refund opportunity in the lead up to the sunset clause end date.

Annex 1:

Table 1: Estimate of cost saved by housing an individual in a Leasing Scheme Wales (LSW) dwelling instead of Temporary Accommodation (TA)

		2023/24
A	Average gross Temporary Accommodation (TA) cost - per individual / per annum	£11,616
B	Average Housing Benefit (HB) figure to support those in TA - Based on Department for Work and Pensions (DWP) Local Housing Allowance (LHA) rates for a 1 Bed Property / per annum	£4,309.76
C = A-B	Net cost of TA to the Welsh Government - per individual / per annum	£7,306.24
D	Average gross cost to the Welsh Government of housing an individual in a LSW dwelling - per individual / per annum	£3,920
E = C-D	Cost saved by housing individual in a LSW dwelling instead of Temporary Accommodation (TA) – per individual / per annum	£3,386.24

Caveats

- Data timing: Figures are based on a single reporting period and may fluctuate across months or years.
- Not an official metric: Welsh Government does not routinely publish an official “average household size” for temporary accommodation; this is an indicative calculation.

Tables 2 & 3: Potential cost saving per individual dwelling after the higher residential rates of Land Transaction Tax (HRRLLTT) refund

Based on the following assumptions:

- Dwellings costing - £180,000 / £225,000 / £300,000 / £400,000
- Property owner entering the LSW minimum 5-year lease period
- Based on 2 & 4 people sharing
- £3,386.00 cost saving per individual / per annum (See Table 1)
- Refund of the higher residential rates of Land Transaction Tax (HRRLLTT) - LTT calculator: <https://www.gov.wales/land-transaction-tax-calculator>

Table 2

LSW 5-year lease period	£180000 dwelling / 2 people sharing	£180000 dwelling / 4 people sharing	£225,000 dwelling / 2 people sharing	£225,000 dwelling / 4 people sharing
Y1	£6,772	£13,544	£6,772	£13,544
Y2**	£6,543	£13,086	£6,543	£13,086
Y3**	£6,322	£12,643	£6,322	£12,643
Y4**	£6,108	£12,216	£6,108	£12,216
Y5**	£5,901	£11,803	£5,901	£11,803
Total LSW cost saving over TA	£31,646	£63,292	£31,646	£63,292
Total HRRLLTT refund cost*	£9,000 (LTT main residential rate: £0)	£9,000 (LTT main residential rate: £0)	£12,825 (LTT main residential rate: £0)	£12,825 (LTT main residential rate: £0)
Total cost saving after HRRLLTT refund costs	£22,646	£54,292	£18,821	£50,467

*Main residential rates of LTT would still apply to the transaction

** Figures have been adjusted using the HM Treasury Green Book discount rate of 3.5%

Table 3

LSW 5-year lease period	£300,000 dwelling / 2 people sharing	£300,000 dwelling / 4 people sharing	£400,000 dwelling / 2 people sharing	£400,000 dwelling / 4 people sharing
Y1	£6,772	£13,544	£6,772	£13,544
Y2**	£6,543	£13,086	£6,543	£13,086
Y3**	£6,322	£12,643	£6,322	£12,643
Y4**	£6,108	£12,216	£6,108	£12,216
Y5**	£5,901	£11,803	£5,901	£11,803
LSW cost saving over TA	£31,646	£63,292	£31,646	£63,292
HRRLTT refund cost*	£15,450 (LTT main residential rate: £4,500)	£15,450 (LTT main residential rate: £4,500)	£19,450 (LTT main residential rate: £10,500)	£19,450 (LTT main residential rate: £10,500)
Total cost saving after HRRLTT refund costs	£16,196	£47,842	£12,196	£43,842

*Main residential rates of LTT would still apply to the transaction

** Figures have been adjusted using the HM Treasury Green Book discount rate of 3.5%

Tables 4 & 5: Potential cost saving of multiple dwellings entering LSW scheme per annum and benefiting from the HRRLLTT refund -

Based on the following assumptions:

- 20 & 50 dwellings per annum
- Dwellings costing £180,000
- 2 people sharing
- £3,386.00 cost saving per individual / per annum (see Table 1)
- £9,000 refund of the higher registration rates of Land Transaction Tax (HRRLLTT) per dwelling - LTT calculator: <https://www.gov.wales/land-transaction-tax-calculator>

Costings based on 20 LSW dwellings per annum benefiting from HRRLLTT refund for a 5-year period

Table 4

LSW 5-year lease period	Year 1 – 20 dwellings	Year 2 – 20 dwellings	Year 3 – 20 dwellings	Year 4 – 20 dwellings	Year 5 – 20 dwellings	LSW cost saving over TA	HRRLLTT refund cost	Total saving after HRRLLTT refund cost
Y1	£135,440 ⁶					£135,440	£180,000 ⁷	
Y2	£130,860	£130,860				£261,720	£173,913	
Y3	£126,435	£126,435	£126,435			£379,305	£168,032	
Y4	£122,159	£122,159	£122,159	£122,159		£488,636	£162,350	
Y5	£118,028	£118,028	£118,028	£118,028	£118,028	£590,140	£156,860	
Y6		£114,037	£114,037	£114,037	£114,037	£456,148		
Y7			£110,181	£110,181	£110,181	£330,543		
Y8				£106,455	£106,455	£212,910		
Y9					£102,855	£102,855		
				Totals		£2,957,697	£841,155	£2,116,542

Figures have been adjusted using the HM Treasury Green Book discount rate of 3.5%

⁶ Costs saved by housing individuals in LSW properties instead of TA - based on 2 people sharing a property

⁷ HRRLLTT refund for 20 properties costing £180,000 each

Costings based on 50 LSW dwellings per annum benefiting from HRRLTT refund for a 5-year period

Table: 5

LSW 5-year lease period	Year 1 – 50 dwellings	Year 2 – 50 dwellings	Year 3 – 50 dwellings	Year 4 – 50 dwellings	Year 5 – 50 dwellings	LSW cost saving over TA	HRRLTT refund cost	Total saving after HRRLTT refund cost
Y1	£338,600 ⁸					£338,600	£450,000 ⁹	
Y2	£327,150	£327,150				£654,300	£434,783	
Y3	£316,087	£316,087	£316,087			£948,261	£420,080	
Y4	£305,398	£305,398	£305,398	£305,398		£1,221,592	£405,874	
Y5	£295,070	£295,070	£295,070	£295,070	£295,070	£1,475,350	£392,149	
Y6		£285,092	£285,092	£285,092	£285,092	£1,140,368		
Y7			£275,451	£275,451	£275,451	£826,353		
Y8				£266,137	£266,137	£532,274		
Y9					£257,137	£257,137		
				Totals		£7,394,235	£2,102,886	£5,291,349

Figures have been adjusted using the HM Treasury Green Book discount rate of 3.5%

⁸ Costs saved by housing individuals in LSW properties instead of TA - based on 2 people sharing a property

⁹ HRRLTT refund for 50 properties costing £180,000 each