



Llywodraeth Cymru
Welsh Government

GUIDANCE

Land Transaction Tax relief for multiple dwellings

Find out when multiple dwellings relief (MDR) for Land Transaction Tax (LTT) applies when you buy property in Wales.

Part of: [Land Transaction Tax \(https://www.gov.wales/land-transaction-tax\)](https://www.gov.wales/land-transaction-tax)

Organisation: [Welsh Revenue Authority \(https://www.gov.wales/welsh-revenue-authority\)](https://www.gov.wales/welsh-revenue-authority)

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Contents

[When you can claim the relief](#)

[How to claim the relief](#)

[How to calculate tax with the relief](#)

[Minimum tax rule](#)

[When the relief does not apply](#)

[More information](#)

When you buy a property in Wales which is made up of more than one dwelling, in the same transaction (or linked transactions), you'll be able to claim MDR.

Examples of this include:

- houses with an annexe
- a house with a cottage in its grounds
- 2 neighbouring houses

When you can claim the relief

Every dwelling included in the claim for MDR must meet the test of being a standalone dwelling.

Each dwelling should have its own:

- kitchen area (somewhere to store, prepare and cook food, and to wash up)
- bathroom (toilet, sink, and bath or shower)
- space to live and sleep
- independent access

Each dwelling should be private and secure. That means you should not be able to move freely from one dwelling to the other, for example, through a common hallway.

If there are interconnecting doors between the dwellings, they should be lockable on the date you buy the property.

Because you'll be buying more than one dwelling, you'll need to consider whether you have to pay the **higher rates of LTT** (<https://www.gov.wales/higher-rates-land-transaction-tax-guide>).

How to claim the relief

You claim MDR on your tax return.

If you did not claim it, and later realise you should've, you can **amend your return and claim a refund** (<https://www.gov.wales/amend-land-transaction-tax-return-claim-multiple-dwellings-relief-refund>) of extra tax paid. You can only amend your return to claim MDR within 12 months of the filing date on your original return.

How to calculate tax with the relief

MDR is a partial relief. This means that where it's claimed, there'll always be some LTT owed.

You can use our **MDR calculator** (<https://www.gov.wales/calculate-land-transaction-tax-multiple-dwellings-relief>) to help you work out how much you'll pay with a claim for the relief.

Or follow these 3 steps:

1. Take the total purchase price for all the dwellings and divide it by the number of dwellings you've bought.
2. Take the figure from step 1 and calculate the tax due based on this amount. You can use our **LTT calculator** (<https://www.gov.wales/land-transaction-tax-calculator>) to help you work this out.
3. Take the figure from step 2 and multiply it by the number of dwellings used in step 1. This gives you the total amount of LTT payable.

You can also watch our **short explainer videos** (<https://www.youtube.com/playlist?list=PLomRz15Bk0zHCb7g5COxqeph-k6lgPTSN>) to find out more about how to work out the tax due.

Example

Minimum tax rule

Where you claim MDR you must pay at least 1% of the purchase price of the property in LTT.

This means if you follow the above 3 steps to calculate and get a figure of less than 1% of the property's purchase price, you'll need to uplift the amount on your return to 1% of the purchase price.

Example

When the relief does not apply

In certain cases, MDR cannot be claimed where some other reliefs can be claimed, even if you decide not to claim for them or withdraw.

MDR is not available for transactions where these reliefs are being claimed:

- group relief
- reconstruction and acquisition relief
- charities relief
- persons exercising collective rights

The relief is not available for some transactions involving **leasehold interests** (<https://gov.wales/land-transaction-tax-relief-acquisitions-involving-multiple-dwellings-technical-guidance#section-7268>).

More information

For a more detailed explanation, or if you're uncertain how the relief applies:

- you may want to check with a solicitor or conveyancer
 - use our **guidance for tax professionals** (<https://www.gov.wales/land-transaction-tax-relief-acquisitions-involving-multiple-dwellings-technical-guidance>)
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Land Transaction Tax (<https://www.gov.wales/land-transaction-tax>)

- **Amend Land Transaction Tax return to claim a multiple dwellings relief refund** (<https://www.gov.wales/amend-land-transaction-tax-return-claim-multiple-dwellings-relief>)

refund)