



Llywodraeth Cymru
Welsh Government

GUIDANCE

Land Transaction Tax for non-residential and mixed use property

There are different Land Transaction Tax (LTT) rates if you buy or lease non-residential or mixed use property or land 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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How much you pay depends on if the property is:

- residential
- non-residential
- mixed use

The amount you pay is based on the **LTT rates and bands** (<https://www.gov.wales/land-transaction-tax-rates-and-bands>) set by the Welsh Government.

Non-residential and mixed use property

Non-residential means any land and buildings that are not residential property.

Non-residential property includes:

- shops
- offices
- agricultural land (working farmland)
- bare land

Non-residential land or property is likely to have been commercially exploited by machinery or used for business.

A 'mixed' property (also known as mixed use) has both residential and non-residential elements.

For example:

- a building which contains a shop and a flat
- a house with a doctor's surgery
- a working farm with land that's been farmed for commercial gain

When non-residential rates apply

If you buy a non-residential or mixed use property or land, you pay the **non-residential tax rates** ([/land-transaction-tax-rates-and-bands#8959](#)).

For chargeable leases, you pay the following:

- the **non-residential rent rates** ([/land-transaction-tax-rates-and-bands#8961](#)) for the rent element of the lease
- the **non-residential tax rates** ([/land-transaction-tax-rates-and-bands#8959](#)) for the premium

When non-residential rates may not apply

A transaction is likely to be residential if at the effective date the land or property:

- forms part of the garden or grounds of a dwelling
- is for the benefit of a dwelling

For example, a cottage with paddocks or stables for personal use.

It's not always clear if the following are residential, non-residential, or mixed use:

- derelict buildings
- bed and breakfasts (B&Bs), guest houses or holiday lettings
- student accommodation

To help you decide, check our **guidance on 'is the building a dwelling'** ([/land-transaction-tax-interpretation-provisions-technical-guidance#31362](#)).

How to determine if land is non-residential

In most cases, if you buy land attached to a dwelling, it will be garden and grounds, making it residential. The main exception to this is working farmland.

To determine whether land attached to a dwelling is residential or non-residential, you need to consider if it's been used for business or trade.

We have [tests to help you decide if land is non-residential](#) (/land-transaction-tax-interpretation-provisions-technical-guidance#31364).

These tests should be applied to the seller, up to and including the effective date.

Example

The position is not always clear for land:

- with rights of way
- easements
- where part of it's been fenced off

To help you decide, please check within our [guidance on garden and grounds](#) (/land-transaction-tax-interpretation-provisions-technical-guidance#31364).

How much you pay

You can use our [tax calculator](https://www.gov.wales/land-transaction-tax-calculator) (https://www.gov.wales/land-transaction-tax-calculator) to help you work out how much you'll pay once you've decided if the property is:

- residential
- non-residential
- mixed used

To pay the right amount of tax, you must also select the right property type when completing your tax return.

Help and support

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

- use our **interpretation guidance** (<https://www.gov.wales/land-transaction-tax-interpretation-provisions-technical-guidance>)
 - watch our **short explainer video on mixed use** (<https://www.youtube.com/watch?v=L5-xjiWbt2g>)
 - you may want to check with a solicitor or conveyancer
 - you can **contact us** (<https://www.gov.wales/welsh-revenue-authority/contact-us>)
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Land Transaction Tax (<https://www.gov.wales/land-transaction-tax>)

- **Land Transaction Tax rates and bands** (<https://www.gov.wales/land-transaction-tax-rates-and-bands>)
- **Calculate Land Transaction Tax** (<https://www.gov.wales/land-transaction-tax-calculator>)
- **Pay Land Transaction Tax** (<https://www.gov.wales/pay-land-transaction-tax>)