

IPD INDEX ANNOUNCEMENT

July 2016

IPD UK MONTHLY PROPERTY INDEX

CHANGE IN GROSS CAPITAL VALUE DERIVATION

London, July 2016

MSCI announces a change in the gross capital value derivation for Scotland within the UK market in addition to the recently announced standard methodological changes. MSCI is implementing the change in the purchase costs for Scotland since April 2015. The sliding scale based on the capital value bands will be reflected retrospectively from April 2015 in the June 2016 results of the IPD UK Monthly Property Index and in all subsequent reporting for the UK Indexes. We have kept the other cost assumptions at 1.75%.

The above will be reflected in the UK yields and yield shift for Portfolio Analysis Reporting and our Official Market Index datasets. The impact on the UK results will be small because Scotland represents approximately five percent of the overall index.

CHANGE IN GROSS CAPITAL VALUE DERIVATION FOR THE UK

Property or lease premium or transfer value (GBP)	Stamp Duty Land Tax (%)		Net to gross capital value adjustment (%)
Previous rates	4.0%		5.75%
	CHANGE Since APRIL 2015 for Scotland		
Up to £150,000	Zero		1.75%
The next £200,000 (the portion from £150,001 to £350,000)	3%		4.75%
The remaining amount (the portion above £350,000)	4.5%		6.25%
	CHANGE Since MARCH 2016 for the rest of the UK*		
Up to £150,000	Zero		1.75%
The next £100,000 (the portion from £150,001 to £250,000)	2%		3.75%
The remaining amount (the portion above £250,000)	5%		6.75%

* As announced in April 2016

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