

REAL ESTATE INDEX ANNOUNCEMENT

January 2019

MSCI UK MONTHLY PROPERTY INDEX

CHANGE IN GROSS CAPITAL VALUE ADJUSTMENT

London, January 2019

MSCI announces changes to the derivation of gross capital value for Wales and Scotland within the UK market. MSCI is implementing the change in the purchase costs for Wales since December 2018. The updated scale based on the capital value bands for Scotland will be reflected from the January 2019 results of the UK Monthly Property Index and in all subsequent reporting for the UK Indexes. The other cost assumption remains unaltered at 1.75%.

The derivation of gross capital value for the rest of the UK will remain unaltered. A full overview of the gross capital value adjustment is shown in the table on the next page.

The above will be reflected in the calculation of yields and yield shift for UK enterprise analytics and in the Market Information Products. The impact of this change to the UK results will be small because Wales and Scotland represents approximately 2.0%¹ and 4.3%, respectively of the overall MSCI UK Monthly Property Index.

¹ Calculated based on the November 2018 composition of the MSCI UK Monthly Property Index.

CHANGE IN GROSS CAPITAL VALUE DERIVATION FOR THE UK

PROPERTY OR TRANSFER VALUE IN U.K. (GBP)	STAMP DUTY LAND TAX (%)	GROSS CAPITAL ADJUSTMENT (%)
Old adjustment	4.00%	5.75%
APRIL 2015 TO DECEMBER 2018, SCOTLAND		
Up to £150,000	Zero	1.75%
The next £200,000 (the portion from £150,001 to £350,000)	3.00%	4.75%
The remaining amount (the portion above £350,000)	4.50%	6.25%
FROM JANUARY 2019, SCOTLAND		
Up to £150,000	Zero	1.75%
The next £100,000 (the portion from £150,001 to £250,000)	1.00%	2.75%
The remaining amount (the portion above £250,000)	5.00%	6.75%
FROM DECEMBER 2018, WALES		
Up to £150,000	Zero	1.75%
The next £100,000 (the portion from £150,001 to £250,000)	1.00%	2.75%
The next £750,000 (the portion from £250,001 to £1,000,000)	5.00%	6.75%
The remaining amount (the portion above £1,000,000)	6.00%	7.75%
FROM MARCH 2016, THE REST OF THE U.K., INCLUDING WALES TO NOVEMBER 2018		
Up to £150,000	Zero	1.75%
The next £100,000 (the portion from £150,001 to £250,000)	2.00%	3.75%
The remaining amount (the portion above £250,000)	5.0%	6.75%

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