UNIVERSIDAD DE GRANADA

Departamento de
Teoría e Historia
Económica

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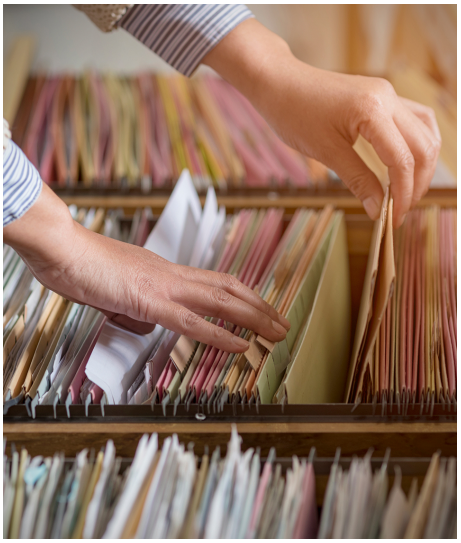
Seminarios 2025-2026



Título: The regional heterogeneous effects of property transactions taxes in England and Wales

Sala: E22

Hora: 12:30

Resumen: This paper analyses the regional heterogeneous effects of property transaction taxes in the residential housing market in England and Wales. I exploit two different sources of variation. Firstly, a single tax rate is applied to transactions in some price bands and jumped at some cutoffs (slab system). After a reform in December 2014, the same bands of the purchase price were taxed at increasing rates, and the discrete jumps were replaced by changes in the slope (slice system). Using a combination of administrative and quasi-administrative data, I estimate how different the effects of both systems were in London and out of London. I find that the slab system destroyed property transactions out of London, but not in London. However, the reform to the slice system mitigated this welfare loss. To explore the mechanisms driving such variation across regions, I build a search and matching model of the ownership market that incorporates bunching. Based on simulations of the model, motivated by descriptive evidence, sellers' financial restrictions explain the regional heterogeneity in the response to the tax.

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