



Asia Advisory Group

BUYING UK RESIDENTIAL PROPERTY OR MOVING TO THE UK

BDO private client services

We work with wealthy individuals and families, business owners and family offices who are seeking an adviser to help them structure their UK and international affairs in an efficient and compliant manner.

Acquiring UK residential property

- ▶ There are a number of tax and legal issues to consider when purchasing UK residential property
- ▶ We can ensure that you are compliant with your UK tax obligations and advise on matters such as the UK tax implications of:
 - The acquisition (Stamp Duty Land Tax - up to 19% for non-UK residents for properties in England and Northern Ireland. Different regimes apply to Scotland and Wales)
 - Taking out a loan to fund the acquisition
 - The ongoing reporting of rental income.
- ▶ We can manage the process of making the acquisition and coordinate with other advisors such as lawyers, property agents and banks.

UK tax residence

- ▶ Spending time in the UK and holding UK residential property are both factors that impact on UK tax residence
- ▶ With individuals that are looking to move or return to the UK, a pre-arrival review of their circumstances is essential to ensure that there are no unexpected tax costs.
- ▶ Particular care is needed in establishing the timing of becoming UK tax resident (which is determined under the UK's Statutory Residence Test)
- ▶ The UK has a special taxation regime for 'new UK residents' that provides 100% tax relief on foreign income and gains (FIG) realised in the first four UK tax years of UK tax residency. A claim needs to be made by 31 January of the second tax year following the relevant tax year and it is necessary to nominate all sources of FIG to which you wish the rules to apply.
- ▶ Under these FIG rules, relief is available so there is no UK Inheritance tax on non-UK assets for 10 years except in certain cases, where the asset derives its value from UK residential properties.
- ▶ There are also tax incentives for investment in UK businesses.



Why BDO?



Trust and personal relationships:

We like to really get to know — and get on with — the people we work with.



Global thinking: Combining our expertise in the UK with our colleagues in our international network. We have developed a truly global private client practice.



Our expertise: Our reputation for satisfying clients and providing bespoke and comprehensive advice.

Income tax (IT)

UK resident individuals and non-UK resident individuals letting UK property are chargeable to UK income tax up to 45% (47% from April 2027) on the rental profits.

Annual tax on enveloped dwellings (ATED)

Residential properties valued at more than £500,000, owned by 'non-natural persons' (e.g. a company), are subject to a tiered ATED charge at up to £292,350 per annum (£303,450 from 1 April 2026) where the property is valued at more than £20m) unless a relief is available.

Inheritance tax (IHT)

UK property owned by individuals can give rise to an IHT charge (at up to 40%) on making a gift and on death. The value of offshore companies (those controlled by five or fewer shareholders) to IHT exposure may be limited to the extent that the company derives its value from UK residential property.

Capital gains tax (CGT)

Both UK and non-UK resident individuals are chargeable to UK capital gains tax (up to 24%) on any chargeable gains arising from the disposal of UK residential property.

Non-resident individuals can also be chargeable to CGT on gains realised on disposals of interests in entities holding UK residential property.

Corporation tax (CT)

UK resident companies and non-UK resident companies are subject to CT at 25% on income and gains (where profits exceed £250,000).



BDO International

US\$11 billion
MEMBER FIRMS ONLY

2024/2025
REVENUES **US\$16 billion**
INCLUDING ALLIANCE FIRMS:

169 COUNTRIES & TERRITORIES
870 OFFICES
94,900 STAFF

All numbers updated as of 10 December 2025

BDO UK and our private client services

5th Largest firm in the UK and globally

8,000 People in BDO across the UK

240+ People in private client services UK

200+ Mandarin speakers who understand Chinese business culture



As trusted advisers to entrepreneurs and owner managed businesses, the private client specialists across the BDO international network have vast experience in looking after the tax affairs of wealthy individuals, their families and their businesses.

Our services include:

- ▶ Wealth and asset protection — advice on the use of trusts and other entities in structuring global wealth including the tax efficiency of Wills
- ▶ International tax — co-ordinating and advising on the different tax regimes between countries
- ▶ Tax residence — advice and practical guidance on moving to the UK and other countries
- ▶ 'New UK Resident' regime — navigating these complex rules to ensure UK tax is not triggered unnecessarily
- ▶ Family offices — for over 100 years we have provided financial and compliance advice to the family offices of high net worth families
- ▶ Family business advisory — we work with multi-generational businesses all over the world with diverse cultures and in diverse sectors.



For more information please contact:



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