



ABEL ON PROPERTY

The Overseas Owner's Guide to UK Property Tax

by Harish Verma & Awais Jawaid, Chartered Accountants
40 years' experience, speaking plainly

A note from Harish & Awais Jawaid

You do not have to live in Britain to own British property. I have clients in Dubai, Singapore, Mumbai and New York who own flats in London and houses in the Home Counties. It is perfectly legal, and it can be perfectly sensible — but the rules are different for you, and you need to know them.

The British tax system has a long memory and a long reach. Living abroad does not mean the taxman forgets about your UK property. If anything, he watches it more closely.

I wrote this short book for the overseas owner — whether you are a British expat, a foreign investor, or someone who inherited a property and lives somewhere else. Here is what you must get right.

Owning UK property from abroad — the basics

Let us start with the good news: there is no ban on overseas owners. You can buy, let and sell UK property from anywhere in the world. Thousands of people do it every year.

But from the moment you own UK property, you have UK tax obligations. Rental income from a UK property is taxed in the UK even if you live on the other side of the planet. And when you sell, the UK wants its share of the gain — yes, even though you are not resident here.

Your home country may want a share too. Most countries tax their residents on worldwide income, so you can end up reporting the same rental income in two countries. Double-tax treaties usually stop you paying twice, but the paperwork is real and the deadlines are real.

My first piece of advice: before you buy, talk to an accountant who understands both UK tax and your home country's tax. The ownership structure you choose on day one — your own name, joint names, a company — shapes every tax bill for years. Getting it wrong at the start is expensive to fix later.

Registering — the overseas entities register

If you own UK property through an overseas company or similar entity, there is a register you need to know about. The UK now requires overseas entities that own UK land to register with Companies House and declare who really owns and controls them.

This is about transparency: the UK wants to know who is behind companies that own British land. If your entity is not registered, it can be blocked from selling, leasing or charging the property. That is not a technicality — it can freeze your asset completely.



The details of what must be registered and when can change, so I will not list thresholds here. But the principle is simple: if an overseas entity is anywhere in your ownership chain, check your registration position immediately, and keep it updated every year.

Individual overseas owners — buying in your own name — do not have this particular duty. But you still have the tax duties in the chapters that follow, so keep reading.

Rental income — UK tax still applies

Rent from your UK property is UK-taxable income, full stop. It does not matter where you live, where the tenant pays, or where the money ends up. The UK taxes the rent because the property is here.

You are allowed the same kinds of deductions as a UK-based landlord — letting agent fees, repairs, insurance, and the costs of running the property. Keep every receipt. From abroad, it is tempting to let the paperwork slide; do not. HMRC can ask for evidence years later, and "it was handled by my agent" is not a defence.

There is a scheme for non-resident landlords that affects how tax is collected on your rent — in many cases your letting agent or tenant deducts tax before the money reaches you. If too much was deducted, you claim it back on a UK tax return. This is routine, but only if your affairs are in order.

And a word on record-keeping from 6 April 2026: Making Tax Digital for Income Tax begins for landlords with qualifying income over £50,000. If your UK rental income is at that level, you will need to keep digital records and send quarterly updates to HMRC — from wherever in the world you are. Get software and help in place before the deadline, not after.

Selling up — the 60-day rule

This is the chapter that saves my overseas clients the most money in penalties. When a non-UK resident sells UK property and makes a gain, there is a strict deadline: you must report the disposal and pay the tax within 60 days of completion.

Sixty days. Not when your next tax return is due. Not when your accountant gets around to it. Sixty days from the day the sale completes. Miss it and penalties start running — and they are not small.

I have seen sellers lose track of this because they were dealing with the sale from another continent, in another time zone, with solicitors' letters arriving weeks late. Do not let distance be your excuse. Tell your UK solicitor and your accountant the moment a sale is agreed, and make the 60-day return someone's explicit job.

The gain itself is worked out on UK rules, and only the gain made while the special non-resident rules have applied may be taxable — the exact calculation depends on when you bought and what you have done since. This is genuinely a job for a professional. Do not guess it.

Your letting agent and your paperwork

From a distance, your letting agent is your eyes and ears. Choose well, and check what they actually do about tax. A good agent handles the non-resident landlord paperwork properly; a careless one leaves you exposed.

Ask your agent these questions: how do you handle tax on my rent? What records do you keep, and can I see them? Who deals with repairs, and with what authority to spend my money? How quickly do you tell me about problems? The answers tell you everything about whether you are in safe hands.



Keep your own file as well — tenancy agreements, rent statements, repair invoices, correspondence. Cloud storage costs nothing. In 40 years I have never met a landlord who regretted keeping too many records, and I have met many who regretted keeping too few.

One more practical point: make sure HMRC can reach you. An overseas address on file, an agent authorised to act for you, and a UK accountant who actually picks up the phone. If HMRC writes to an old address and you never reply, the problem only grows in the dark.

My advice — get help early

Here is what I tell every overseas owner who walks through my door, or more often these days, appears on my screen. Get your team in place before you need them: a UK accountant who understands non-residents, a solicitor you trust, and a letting agent who does the tax paperwork properly.

Do not wait for a problem. The 60-day sale rule, the registration duties, the rental reporting — every one of them punishes lateness and rewards preparation. An hour of planning now is worth a month of untangling later.

And keep it simple. The overseas owners who sleep best at night are not the ones with the cleverest structures. They are the ones with clean records, honest returns filed on time, and professionals they trust. Boring is beautiful in tax.

You chose to invest in this country. Make the country's tax system your ally, not your adversary. It is entirely possible — I watch clients do it every year — but only if you respect the rules from day one.

Talk to me before you sign anything

If anything in this little book has made you think, do not sit on it. A short conversation now is worth more than a rescue job later. In 40 years I have seen how a ten-minute call saves people thousands of pounds and a great deal of worry.

Call me or send an email, and tell me what you are thinking of doing. I will tell you straight what I think — no jargon, no sales talk. If Abel is not the right firm for you, I will say so.

Call 020 3051 8236

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Tax rules change. This guide is general information for landlords, not personal advice. Please take advice on your own situation before you act.

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**"Not all accountants
are the same."**

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