01 / BEFORE YOU BUY

Work out the tax before you make the offer.

The property, the buyer and the location all change the answer.

Decide who is buying

Personally or jointly: rental income and a later capital gain are normally assessed on the owners. Agree ownership shares and funding before the purchase.

Through a limited company: rent and sale profits belong to the company. Getting the money out personally is a separate step. Moving a personally owned property into your company later is not simply a name change.

To renovate and sell: a property-dealing business may pay tax on trading profit, not Capital Gains Tax. Intention and activity matter, not just how long you own it.

The purchase tax follows the location

Property location	Purchase tax
England or Northern Ireland	Stamp Duty Land Tax (SDLT)
Scotland	Land and Buildings Transaction Tax (LBTT)
Wales	Land Transaction Tax (LTT)

Do not use English rates for Scottish or Welsh property. Commercial, mixed-use, leasehold and linked purchases need their own calculation.

Example: a £250,000 buy-to-let in England

An individual already owns a main home, keeps it and buys an additional dwelling. This example assumes the higher rates apply, with no non-resident surcharge or relief.

Purchase-price slice	Rate	Tax
First £125,000	5%	£6,250
Next £125,000	7%	£8,750
Total SDLT		**£15,000**

BUDGET BEYOND THE DEPOSIT

Add purchase tax, legal fees, survey, finance fees, works and a cash buffer. A £50,000 deposit is not the full cash requirement.

A company usually pays the higher residential rates even on its first property. Some company purchases over £500,000 face a separate 17% rule unless relief applies. Non-resident surcharges can also matter.

Before committing: send SBX the location, price, proposed buyer, all other property interests, expected use and funding. Your conveyancer must confirm the transaction-specific purchase tax.

CHECK THE RULES Residential SDLT rates · Additional-property SDLT · Company property purchases

02 / WHEN YOU SELL

Your gain is not the money left after the mortgage.

Capital Gains Tax (CGT) usually starts with the increase in value, less allowable costs.

Worked example: an investment property

Gain calculation	Amount
Sale price	£300,000
Original purchase price	(£200,000)
Qualifying purchase costs	(£5,000)
Qualifying capital improvements	(£20,000)
Qualifying selling costs	(£5,000)
Capital gain	**£70,000**
Unused annual CGT exemption	(£3,000)
Taxable gain	**£67,000**
CGT at 24% in this example	**£16,080**

Assumptions: one UK-resident individual, 2026/27 disposal, no main-home relief or losses, the full £3,000 exemption unused, and the entire taxable gain at 24%. Costs are allowable and not already deducted elsewhere.

Now calculate the cash left

Cash calculation	Amount
Sale proceeds	£300,000
Selling costs paid	(£5,000)
Mortgage repaid on completion	(£140,000)
CGT reserved	(£16,080)
Cash left after these amounts	**£138,920**

THE MORTGAGE DOES NOT REDUCE THE GAIN

The £140,000 loan repayment changes the cash received, not the £70,000 capital gain. Borrowing interest is not a deductible CGT purchase cost.

Individuals normally pay **18%** on gains using any unused basic-rate band and **24%** above it. A gain can use both rates. The £3,000 exemption is shared across the year's gains, not given for every property.

Company-owned property follows Corporation Tax rules instead. The company does not receive an individual's £3,000 CGT exemption.

CHECK THE RULES Working out a property gain · CGT rates and annual exemption · Tax when a company sells assets

03 / RELIEFS AND COMMON TRAPS

A sale, a gift and a transfer can all need a tax check.

Tell us about the property's full history, not just the date you put it on the market.

Situation	What to know before acting
It has been your home	Private Residence Relief can cover some or all of a genuine main-home gain. Letting periods, business use, other homes and long absences can change the result. A short stay does not automatically erase earlier gains.
You inherited it	The starting value is normally the probate / market value at death, not what the person who died originally paid. Keep the valuation and estate paperwork.
You give it to a child or sell cheaply to family	CGT can use market value even if little or no money changes hands. Funding the tax without sale proceeds needs planning. Inheritance Tax and purchase taxes may also matter.
You transfer it to a spouse or civil partner	Transfers between spouses/civil partners living together are normally at no gain/no loss for CGT. That does not automatically remove SDLT, mortgage, ownership or later-sale tax issues.
You put it into your own company	Market-value rules and purchase taxes can apply. Do not assume an incorporation or a transfer with no cash avoids a tax bill.
The company owns a home worth over £500,000	Annual Tax on Enveloped Dwellings (ATED) needs checking. Commercial letting relief may remove the charge, but a relief return can still be needed.
You are buying to refurbish and resell	This can be property trading, taxed as business profit. CGT exemptions and investment-property assumptions may not fit.

SAVE IMPROVEMENT INVOICES

An extension can be a capital improvement. Routine maintenance normally is not. Do not claim the same cost against rental income and again against the capital gain. Send invoices, descriptions and dates so we can classify them.

This guide focuses on common residential transactions. Partnerships, trusts, separation, non-residence, leases, commercial property and development projects need individual review.

CHECK THE RULES Selling your main home · Working out a property gain · Gifts and property disposals · Transfers between spouses · Company-owned homes: ATED · Repairs versus improvements

04 / THE SALE DEADLINE AND RECORDS

Do not wait for your January tax return.

A UK residential property sale can have its own report and payment deadline.

For a UK-resident individual

Where CGT is due on a UK residential property disposal, normally **report and pay within 60 days of completion**. The return is separate from Self Assessment. If you file Self Assessment, include the sale there too and account for tax already paid.

TWO DATES, TWO PURPOSES

The tax year normally follows the date of an unconditional sale contract, often exchange. The 60-day property deadline runs from **completion**. Send us both dates.

Example: completion on **1 October 2026** gives a normal 60-day deadline of **30 November 2026**. Start the calculation before completion, not on day 59.

Non-resident seller: UK property/land reporting is broader, including disposals with no tax due. **Company seller:** use the company tax route, not the individual 60-day return.

Property transaction checklist

Information to send SBX	Your record / status
Address, owners and ownership shares	[enter]
Purchase date, price and completion statement	[attach]
Inheritance or other market valuations	[attach if relevant]
Improvement invoices and past rental deductions	[attach]
Dates lived in, let or used for business	[enter timeline]
Sale price, agent / legal costs	[attach]
Exchange date and completion date	[enter both]
Other income, gains and losses for the tax year	[enter / discuss]

Our next step: agree who prepares the property return, arrange any separate HMRC property-account authorisation and reserve the estimated tax. A conveyancer completing the sale does not automatically mean the CGT return has been filed.

Contact our office or your account manager. info@sbxaccountants.com | 020 7046 1730

Keep completed forms in your own private records. Send them through your agreed SBX channel, not the shared resource library.

CHECK THE RULES The property reporting deadline · Non-resident property disposals · Contract date and the tax year · Tax when a company sells assets