GB CAPSTONE

FREE GUIDE · 2026/27 EDITION

UK PROPERTY WHEN YOU LIVE ABROAD

Your rent, buying, selling and inheritance tax when you own UK property and live somewhere else.

Rates checked 27 November 2026 · General information, not advice on your own affairs.

1. ARE YOU REALLY NON-RESIDENT?

Everything in this guide turns on one question: are you UK resident for tax this year? The statutory residence test answers it, one tax year at a time (6 April to 5 April).

- **183 days or more** in the UK: you are resident.
- **Fewer than 16 days**: you are not resident. The limit is 46 days if you were not UK resident in any of the 3 tax years before.
- **Full-time work overseas**: you are not resident if you spend fewer than 91 days in the UK, with fewer than 31 UK working days.
- **In between**, your days are set against your UK ties.

A day counts if you are in the UK at midnight.

Days in the UK	If you left in the last 3 tax years	If you have been away longer
16 to 45	Resident with 4 ties or more	Not resident
46 to 90	Resident with 3 ties or more	Resident with all 4 ties
91 to 120	Resident with 2 ties or more	Resident with 3 ties or more
121 to 182	Resident with 1 tie or more	Resident with 2 ties or more

The five ties

- **Family:** your husband, wife or partner, or your child under 18, is UK resident.
- **Accommodation:** a place to stay in the UK is available to you for 91 days or more, and you spend a night there.
- **Work:** you work in the UK for more than 3 hours a day on 40 days or more.
- **90 days:** you spent more than 90 days in the UK in either of the last 2 tax years.
- **Country:** you are in the UK at midnight on more days than in any other single country. This tie counts only if you left in the last 3 tax years.

Worked example: moved to Dubai, kept the house

You left last year. You kept your UK house and stay in it on visits (accommodation tie), and you spent more than 90 days in the UK last tax year (90-day tie). With 2 ties you can spend up to 90 days in the UK. On day 91 you are UK resident for the whole tax year.

Tool: gbcapstone.com/tools/statutory-residence-test-day-counter

2. YOUR UK RENT

You pay UK tax on UK rent wherever you live. Under the Non-resident Landlords Scheme your letting agent must take basic rate tax, 20%, off the rent before paying you. The agent works it out on the rent less the costs the agent has paid. With no agent, a tenant who pays more than £100 a week takes the tax off.

Being paid in full. You can apply to HMRC on form NRL1 to receive the rent with no tax taken off. HMRC will not approve it if your UK tax affairs are not up to date. You then pay what you owe through Self Assessment.

Your Personal Allowance. British citizens, and citizens of European Economic Area countries, keep the UK Personal Allowance while abroad. It is £12,570 in 2026/27. A non-resident claims it each year.

Mortgage interest. Interest does not come off your rent. You get a credit of 20% of it against your tax.

Worked example: £24,000 of rent (2026/27)

A British landlord in Dubai has one UK flat and no other UK income. The agent pays £3,000 of costs. The landlord pays £1,000 of other costs and £6,000 of mortgage interest.

Tax taken off by the agent: 20% of £21,000	£4,200
Rental profit	£20,000
Income Tax: 20% of £7,430 above the Personal Allowance	£1,486
Less credit: 20% of £6,000 interest	-£1,200
Tax owed	£286
Refund to claim	**£3,914**

Paid in full under form NRL1, the landlord keeps that £3,914 during the year.

From April 2027 rent is taxed at its own property rates. Finance Act 2026 set them at 22%, 42% and 47%. Budget 2026 announced 24%, 44% and 49%, which is not law yet.

Tool: gbcapstone.com/tools/non-resident-landlord-calculator

3. MAKING TAX DIGITAL REACHES YOU IN APRIL 2027

Making Tax Digital for Income Tax means digital records, an update to HMRC every three months from software, and a tax return at the year end. It began in April 2026 for landlords with qualifying income over £50,000.

If your 2024/25 tax return included the residence pages (SA109), you did not have to start in April 2026. You start on **6 April 2027** if your qualifying income for 2025/26 was over £30,000. The threshold falls to £20,000 (on 2026/27 income) from 6 April 2028.

Qualifying income is your rent before expenses. For a jointly owned property you count your share only.

Your first year: update for	Send by
6 April to 5 July 2027	7 August 2027
6 April to 5 October 2027	7 November 2027
6 April 2027 to 5 January 2028	7 February 2028
6 April 2027 to 5 April 2028	7 May 2028

Tool: gbcapstone.com/tools/making-tax-digital-checker

4. BUYING UK PROPERTY FROM ABROAD

In England and Northern Ireland, a buyer who was in the UK for fewer than 183 days in the 12 months before the purchase pays 2% more Stamp Duty Land Tax in every band. That comes on top of the 5% higher rate for an additional property. Your residence under the statutory residence test does not matter here: only the 183 days.

Worked example: a £300,000 buy-to-let

	Lives in the UK	Lives abroad
First £125,000	5% = £6,250	7% = £8,750
Next £125,000	7% = £8,750	9% = £11,250
Last £50,000	10% = £5,000	12% = £6,000
Stamp Duty Land Tax	**£20,000**	**£26,000**

The 2% can be claimed back if you are then in the UK for 183 days in a 365-day period that falls within the 2 years starting 364 days before the purchase. If you buy with your husband, wife or civil partner and one of you meets the 183 days, you are both treated as UK resident.

Tool: gbcapstone.com/tools/stamp-duty-calculator

5. SELLING UK PROPERTY FROM ABROAD

A non-resident must report every sale of UK property to HMRC within **60 days of completion**, even with no tax to pay, and even with a loss. Any tax is due in the same 60 days.

For a home you owned before 6 April 2015, the standard approach taxes only the gain since that date, using the market value on 5 April 2015. In 2026/27 the first £3,000 of gains is free, and the rates are 18% and 24%.

If you return to the UK within 5 years of leaving, gains you made while away can be taxed in the year you come back.

Tool: gbcapstone.com/tools/capital-gains-tax-calculator

6. INHERITANCE TAX FOLLOWS YOU

From 6 April 2025 the test is long-term UK residence. You are a long-term UK resident if you were UK resident for at least 10 of the previous 20 tax years. While you are one, your overseas assets are within UK inheritance tax.

Leaving does not end it at once. With 10 to 13 years of UK residence you stay in scope for 3 tax years after you go. Each further year of residence adds one, up to 10 tax years for someone resident for all 20.

Tool: gbcapstone.com/tools/inheritance-tax-after-leaving-checker

YOUR CHECKLIST

Before you go

- [ ] Count your likely UK days and ties for the year you leave and the year after.
- [ ] Apply on form NRL1 to receive your rent in full.
- [ ] Keep filing your UK tax return for your rent.
- [ ] Record the market value of property and investments you take with you.

Each year

- [ ] Keep a diary of every midnight spent in the UK.
- [ ] Claim your Personal Allowance on your tax return.
- [ ] Check your qualifying income against the Making Tax Digital thresholds.

Before you buy or sell

- [ ] Count your UK days in the 12 months before a purchase.
- [ ] Get a valuation at 5 April 2015 for property you owned then.
- [ ] Put the 60-day date in your diary on the day you exchange.

Sources

- GOV.UK: RDR3, Statutory Residence Test notes; HMRC Residence and FIG Regime Manual RFIG20520 to RFIG20580, RFIG20710
- GOV.UK: Tax on your UK income if you live abroad (rental income, Personal Allowance); HMRC Property Income Manual PIM4810
- GOV.UK: Income Tax rates and allowances for current and previous tax years
- GOV.UK: Change to tax rates for property, savings and dividend income, technical note; Income Tax, changes to tax rates for property and savings income (Budget 2026)
- GOV.UK: Find out if and when you need to use Making Tax Digital for Income Tax; Find out if you can get an exemption; Send quarterly updates
- GOV.UK: Stamp Duty Land Tax residential property rates; Higher rates of Stamp Duty Land Tax; Rates of Stamp Duty Land Tax for non-UK residents
- GOV.UK: Tell HMRC about Capital Gains Tax on UK property or land if you're not a UK resident; Capital Gains Tax rates and allowances; Tax when you sell property
- GOV.UK: Inheritance Tax if you're a long-term UK resident; HMRC Inheritance Tax Manual IHTM47020

Talk it through first

Book a free 20-minute call at gbcapstone.com/contact. Free, and no obligation to go further.

Glenn Broome, Chartered Accountant (CA ANZ) · GB Capstone is a trading name of Glenn Broome.

This guide is general information about UK tax, correct as at 27 November 2026. It is not advice on your own affairs. The answer for you depends on your own figures.