

UK BUDGET 2026 UNPACKED

KEY PROPERTY TAX ANNOUNCEMENTS

Our experts have broken down the key property issues coming out of the 2026 Autumn Budget announcement.



Income tax for property

Rates outside Scotland were to increase by 2 percentage points from April 2027, now to increase by 4, so basic rate of income tax for property will be 24%.



SDLT LGPS pooling relief

A new relief from SDLT has been included for local government pension fund pooling vehicles as a result of pension scheme reforms requiring LGPS pooling.



VAT for social housing

A new VAT relief will be introduced for sales to registered providers of social housing before “golden brick”, allowing earlier access to grant funding.



SDLT for assured tenancies

The abolition of assured shorthold tenancies in May risked new periodic assured tenancies slipping into SDLT. This change, backdated to May, removes the charge.



SDLT group relief

A loophole exploited by a recent avoidance scheme which HMRC lost on in court, involving the liquidation of a parent company, has been removed with effect from 29 October.



Sovereign investors taxed

Sovereign wealth funds and others who benefit from sovereign immunity from UK tax will be subject to UK tax, but will be given special access to the UK REIT regime.



Mansion tax

The “high value council tax surcharge” in England will apply to homes worth over £2m from April 2028, with the tax rate doubled for houses which have been vacant for a year.



Reporting of property income

The government intends to require letting agents and tenancy deposit protection schemes to start reporting residential property income, likely multiple times a year, to HMRC.

YOUR KEY CONTACT



KYLE
RAINSFORD

0207 880 5700

kyle.rainsford

@addleshawgoddard.com

Please get in touch with Kyle to discuss these changes in more detail and explore the practical implications, risks and opportunities for your business.



addleshawgoddard.com

© Addleshaw Goddard LLP. Addleshaw Goddard is an international legal practice carried on by Addleshaw Goddard LLP and its associated entities. For further information about the Addleshaw Goddard group, including how we are regulated, please refer to the Legal Notices on our website. For information about how we process your personal data, please refer to the Privacy Notice on our website. This document is for general information only and is correct as at the publication date. It is not legal advice, it does not create a solicitor client relationship and no Addleshaw Goddard entity assumes a duty of care or liability to any party in respect of its content.