

RPC

# A guide to buying and selling English residential property

2025



# Snapshot of RPC

Our lawyers are market leaders. Together we achieve award-winning results which have seen RPC regularly voted amongst the best for commercial advice. We are consistently ranked highly by both Legal 500 and Chambers & Partners. We are big enough to handle the most complex matters, but small enough to adapt quickly to our clients' changing needs.

RPC has expertise in a wide range of industry sectors, including real estate, insurance, retail, technology, media and many more. We have built our teams carefully, blending high quality home-grown talent with strategic lateral hires from Magic Circle, Silver Circle and specialist firms.

**Global reach**  
 Access to more than  
**24,000**  
 lawyers through TerraLex and Global Access  
 Lawyers networks and strategic  
 alliance with Hinshaw



**Specialists**  
**140+**  
 Partners  
**550+**  
 total lawyers  
**1,110+**  
 people

## Award winning

**2025**

**Highly ranked**  
 Real Estate  
 LEGAL 500 UK

*"RPC are commercial in their approach and have a great mix of practical advice and legal advice. RPC's strongest quality was its responsiveness."*

**Chambers UK 2025**

*"This is a group with real sector expertise. They get it. As well as high-end legal advice, I am consistently impressed by the insights I get from their experience elsewhere."*

**Legal 500 UK 2024**

**2025**

**Highly ranked**  
 Construction  
 LEGAL 500 UK

*"Their personalised and flexible approach allows us to be able to collaborate with them on matters and combine their skill set and knowledge with our expertise alongside theirs."*

**Legal 500 UK 2025**

*"The team are able to embed a deep commercial understanding in the advice and support provided. They have excellent expertise and deliver it with business needs in mind."*

**Chambers UK 2024**

**2025**

**Highly ranked**  
 Tax  
 LEGAL 500 UK

# Introduction

We are seeing increased positivity in the English residential property market. In 2024, inflation reached the Bank of England's 2% target, down from 11.1% in 2022, which was a significant factor in the return of consumer confidence and economic growth. Mortgage rates are falling slightly with approval rates at their highest level since 2022 as buyers continue to respond to increased certainty post-election. Property values are again on the rise while demand continues to outstrip supply.

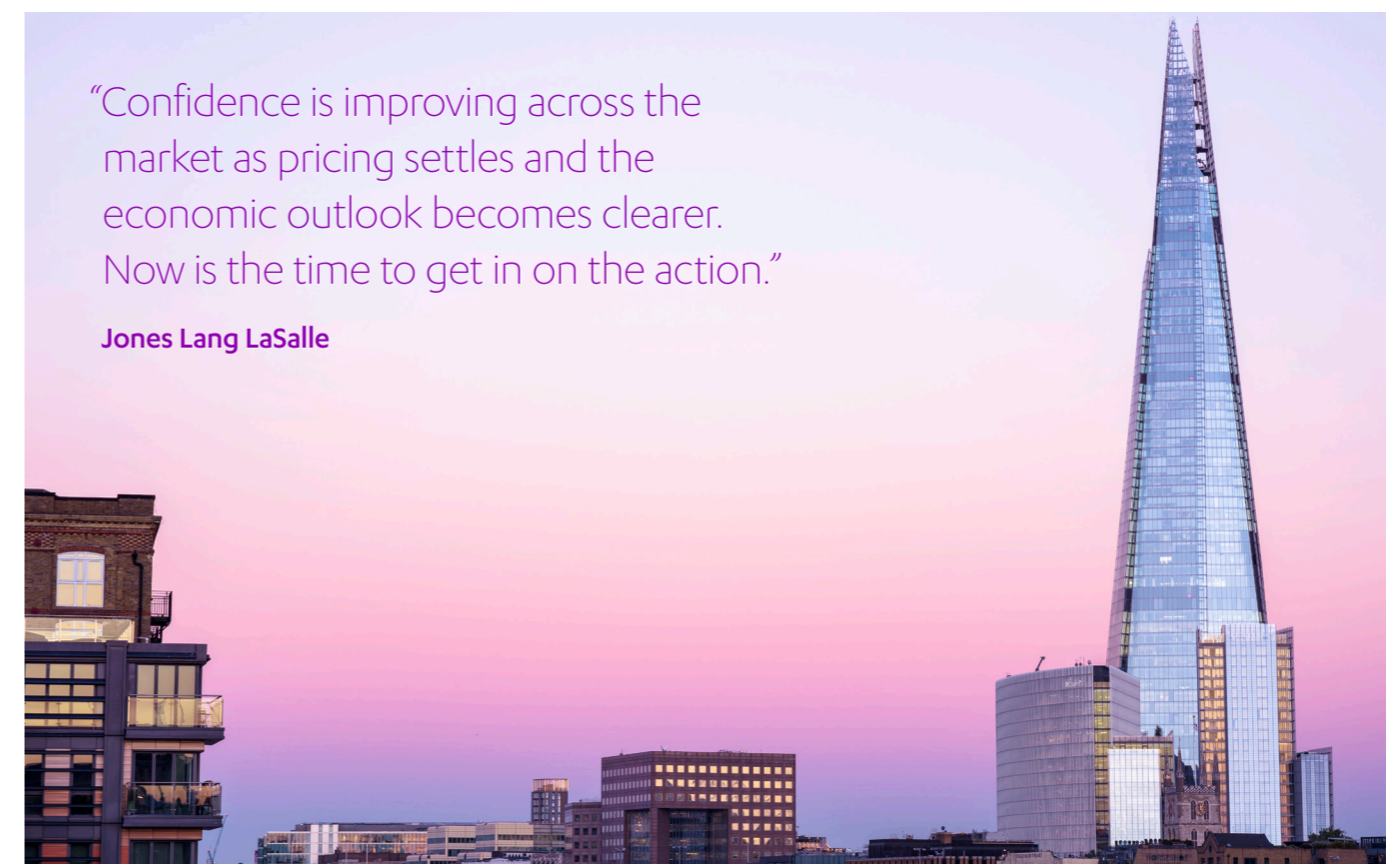
The new government's proposals to reform planning, boost housing delivery and make the mortgage guarantee scheme permanent are also providing encouragement to investors and developers.

Indications are that the major UK banks have started turning their attention to the anticipated growth in demand for green properties in particular, including properties equipped with solar panels, sustainable materials, and efficient water systems. These features reduce carbon footprint but also reduce operating costs, making green properties particularly appealing to investors, owners and renters.

## Global cities index

City	Score	Rank
San Francisco	8.64	01
London	8.57	02
San Jose	8.49	03
Hong Kong	8.42	04
Boston	8.42	05
Seattle	8.40	06
New York	8.40	07
Melbourne	8.38	08
Singapore	8.37	09
Paris	8.33	10

Source: [The Schroders Global Cities Index](#)



*"Confidence is improving across the market as pricing settles and the economic outlook becomes clearer. Now is the time to get in on the action."*

**Jones Lang LaSalle**

# Overview

There is much to think about when buying, owning, and selling English<sup>1</sup> residential property. Our real estate, tax and finance specialists can help guide you through the process using their vast experience and understanding of the property market, as well as their legal expertise.

High-value residential property often calls for multi-disciplinary advice. Whether acting for individuals purchasing family homes or investment properties, or corporate entities looking to obtain a revenue stream from residential property. Our experts work hard to help clients maximise the property's potential, providing funding and tax advice on the most efficient current holding structures.

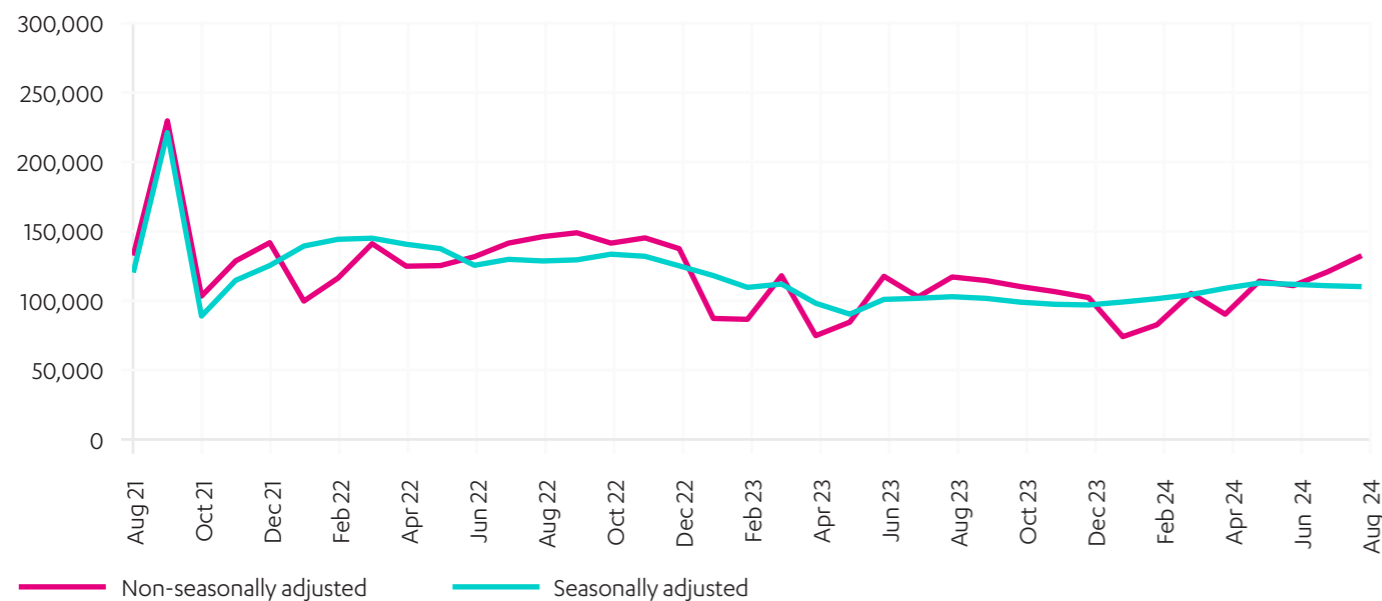
Our tax specialists can help you identify the most tax-efficient structure for buying and owning English residential property (including advising on the tax treatment of

"de-enveloping" residential property held in corporate structures). They will advise as to the availability of any applicable tax reliefs and keep you abreast of the latest UK tax changes affecting residential property.

Our finance team work closely with a range of finance providers, including high street and international banks, real estate finance specialists and alternative funding providers. We are experienced in negotiating finance for residential property, including high-value properties and portfolios, and arranging appropriate security packages to meet funders' requirements.

**Our real estate lawyers have helped clients acquire and sell some of the most prestigious properties in London. We are noted in the leading legal directories for our responsive client service and pragmatic and commercial advice.**

## Non-seasonally adjusted and seasonally adjusted UK residential property transactions by month between August 2021 and August 2024.



Source: HM Revenue & Customs, August 2024

1. Please note that there are important differences between property law in England and Scotland. Also, different property transaction tax regimes exist in Scotland and Wales (as compared with England and Northern Ireland). In this note we therefore focus on English residential property.

It is yet to be seen how the recent election of the Labour government will impact on property, particularly given that there has so far been minimal reaction on markets which had expected a Labour victory. In the short term, people expect the Bank of England will continue to reduce interest rates and help lower the cost of borrowing in the coming months, which in turn suggests a progressive improvement in the residential property sector.

One of the Labour government's most notable election promises is to fast-track construction on "grey belt" sites (ie previously developed or low quality land), achieving a target of 1.5 million new homes across England over the next five years. This would be coupled with an injection of investment into urban extensions and regeneration projects. This is potentially great news for developers as it signals an expansion in potential development opportunities and wider urban growth.

To have any hope in reaching this target, it is hoped that the government will look at revising planning laws in England to allow for more development. Indeed, the government has pledged to update the National Planning Policy Framework which could have significant implications for property development, zoning, and land use regulations.

## Global real estate wealth in comparison



All figures represent US\$ (trillions).

Source: Savills World Research

## The buying process

Once a property has been selected, we will investigate the title by reviewing the deeds, carrying out searches and raising enquiries to identify any defects which may affect marketability or value.

We will also assist with choosing a surveyor to report on the physical condition of the property. We will raise any necessary additional enquiries, working to resolve any issues that arise. High-value residential property often calls for multi-disciplinary advice. Whether acting for individuals purchasing family homes or investment properties, or corporate entities looking to obtain a revenue stream from residential property, our experts work hard to help clients maximise the property's potential, providing funding and tax advice on the most efficient current holding structures.

Our real estate lawyers will guide you through the steps required to purchase, finance or sell a high-value residential property. This may be off-plan, in a new development, leasehold, freehold or a combination of these and there are different considerations for each.

### Funding

Where external funding is used to acquire/re-finance a property, we can assist in negotiating the commercial terms of the funding, and in drafting any relevant loan documentation.

Our finance specialists will advise on the terms of the loan, any security required over the property or other assets, and any ranking agreements required between lenders.

We will also assist with the preparation of the deliverables required by the funder as conditions to the loan, co-ordinating the creation and delivery of the relevant documents to enable funds to flow on time.

We will provide a detailed report for you and any financiers to consider, detailing our findings and highlighting any issues or points of note.

### Development expertise

At the site acquisition stages, we act for property developers in the negotiation of a wide range of agreements such as option agreements and conditional contracts which are often dependent on events such as planning permission or a certain level of build construction. If we are acting for individual purchasers of residential property "off plan", we will usually negotiate conditional contracts with developers ensuring the best possible protections for clients.

We also assist our landowner clients with the drafting and negotiation of overage agreements. Overage provisions enable a landowner to receive proceeds beyond the purchase price of a property. These payments are usually triggered by specific events or conditions such as:

- the grant of planning permission
- the grant of a better planning permission than one that existed at the point of sale, and
- the property being sold for more than the purchase price within a certain time period.

Overage arrangements are also often used to protect interests in land currently designated for greenbelt or agricultural use.

While overage agreements are typically complex in nature, our team has the expertise break down both the legal and commercial issues for our clients to enable them to make informed decisions on their investment.

## The selling process

We can and do help clients from an early stage in preparing their property for the most advantageous sale. This can involve working closely with the agent on the marketing, managing a data room for a complex title and preparing the sales pack.

The sales pack typically includes the title deeds, any management and insurance information, replies to enquiries and various forms detailing what will be included and excluded from the sale.

Again, all terms of commercial agreement will be captured in the sale contract, any consents will be obtained, and we will move to exchange. It is at this point that a deposit of 10% is usually received.

Finally, any completion conditions are dealt with and the transfer of the property is signed by the parties. When the transfer is completed, the purchase monies will be received from the seller.



# Tax

**There have been numerous changes to the UK tax rules affecting residential property over recent years. The result of these incremental changes is a tax regime that can appear quite confused.**

Our tax lawyers provide expert advice on the latest position regarding applicable taxes, any likely future developments, and the pros and cons of various structures, including with regard to:

## SDLT

Stamp duty land tax (SDLT) is currently charged on non-rent consideration for purchases of English<sup>2</sup> residential property by UK resident buyers at rates of up to 17%. A number of important considerations determine the applicable SDLT rates and rules. These include:

- whether the property is to be bought by an individual buyer, or by a corporate (or other “non-natural”) buyer
- whether the buyer already owns, or is deemed already to own, other property(ies)
- whether the buyer is a “first time buyer”
- whether more than one identifiable property is being bought at the same time. This can affect whether the purchase is (for SDLT purposes) treated as residential or non-residential (and therefore the applicable tax rates).

There is currently an SDLT “holiday” of sorts for residential property purchases. Until 31 March 2025, the SDLT threshold raised to purchases of properties will attract a lower SDLT charge during this time.

Since April 2021, a further SDLT “surcharge” of 2% has applied to non-resident buyers of English residential property. This has resulted in SDLT rates of up to 19% (currently) for non-residents when buying English residential property.

## ATED

Another tax measure designed to discourage the acquisition of UK residential property through companies and other vehicles, the annual tax on enveloped dwellings (ATED) applies to residential property valued at over £500,000. The amount of ATED payable per year depends on the value of the property but (currently) ranges from £4,400 to £287,500, for properties valued at over £20m. Various ATED reliefs are available, where the property is being acquired for genuine commercial purposes. Our tax experts can advise on the detailed conditions attached to such reliefs.

## CGT

Disposals of UK residential property, by UK residents and non-UK residents alike, will be subject to UK capital gains tax (CGT) to the extent a gain is realised. The main exemption, or relief, is known as the private residence relief (PRR) and is available to fully, or partially, exempt from tax gains arising on sales of main residences.

## IHT

Inheritance tax (IHT), as well as being a charge levied upon an individual’s estate on death, also arises on certain lifetime gifts. Further, ongoing IHT charges can also arise under rules applicable to certain types of trust. In contrast to other UK taxes, the territorial scope of IHT currently depends upon an individual’s domicile status<sup>3</sup>. Whilst a UK-domiciled individual will be subject to IHT on their worldwide estate, a non-domiciled individual will be subject to IHT only on their UK estate. Foreign owners of UK residential property are therefore brought within the scope of IHT, but only in respect of their UK property.

For many years it was advantageous from an IHT perspective for a non-domiciled person to hold UK residential property through a non-UK company. Various changes to the UK tax rules applicable to residential property have all but removed this one-time advantage. Again, our tax experts can fully explain these complex rules and the pros and cons of different structures. Our tax experts can advise on the IHT consequences of acquiring UK residential property, whether any nil-rate bands, allowances, exemptions or reliefs might apply, and whether any IHT-efficient structures may be suitable.

## Income tax

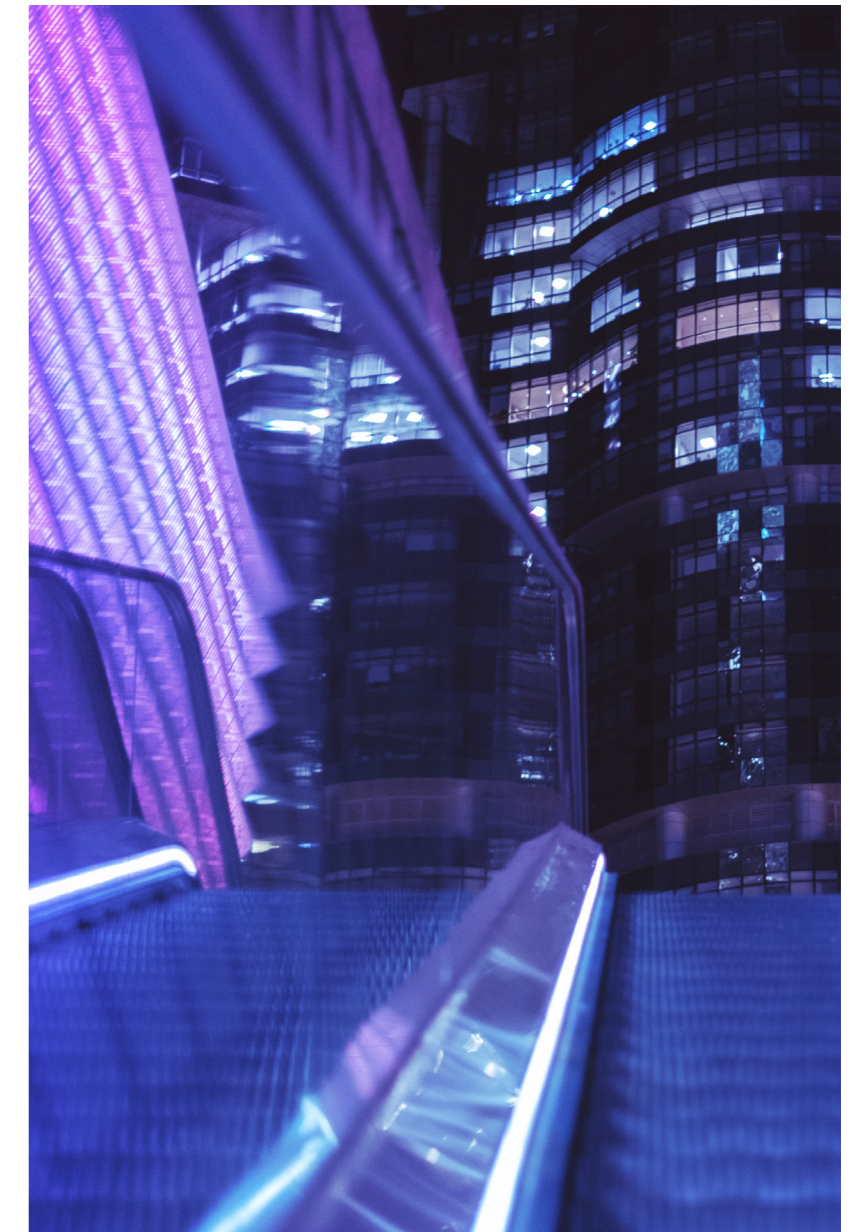
Any income from rental of UK residential property is subject to UK tax. Special rules apply where the landlord is non-UK resident, which may require the landlord to apply to HMRC for approval to have the rental income paid to it without deduction of UK tax. Our tax experts can also assist in the filing of any necessary UK tax returns in connection with residential property.

## Future changes

With the recent change in government, and the recent Autumn Budget 2024, there have been (and may continue to be) changes to the UK tax system applicable to UK residential property. Our tax experts can assist in navigating any such changes.

*“They have been very thorough and have all the resources we need. Also, they were very prompt with responses to queries”*

**Legal 500, 2024**



2. Acquisitions of residential property in Scotland and Wales are no longer subject to SDLT. Instead, equivalent taxes devolved to the Scottish and Welsh governments (respectively) apply. SDLT applies only to acquisitions of English and Northern Irish property.  
3. Although, as a result of a recent Government announcement, this is set to change from April 2025.

## Recent transactions

### High-value residential family property Value: circa £30m

We acted for a high net worth, international investor purchasing a large residential property in Central London as a main residence for his family and as a long-term investment for his young children. To add to the complexity, the property was part way through a multi-million-pound refurbishment. We considered a number of potential acquisition and holding structures and worked with the client to select the most tax-efficient (both in the short and long-term, and bearing in mind recent and proposed changes to the tax treatment of UK properties acquired by non-residents) whilst ensuring that the chosen structure was fit-for-purpose, given the client's intended plans for the property. We are now acting for this client in the negotiation of a complex and detailed section 106 agreement with Westminster Council concerning affordable housing.

### High-value residential property Value: circa £34m

Acting for a high net worth international developer in the acquisition and development of a high value residential property in Palace Green, London which involved extensive negotiations with The Crown Estate, dealing with the professional team during the construction phase and implementing a circa £34m development finance facility with Europe Arab Bank.

#### Other recent transactions:

- Acting for a client on the demerger of their residential property portfolio worth circa £14m in London. This has involved structuring the demerger in the most tax efficient way for the client which is especially important following the numerous changes to the UK tax rules affecting residential property over recent years (and particularly the 2024 Autumn Budget).

- Acting for a high net worth individual in the acquisition of a high value residential property in Chelsea. The property was transferred out of a wider estate, and so the transaction involved negotiating detailed access rights over neighbouring land for the client in order to maximise land value and potential for the property.
- Acting for a property developer in the disposal of 36 residential units in Buckinghamshire which has involved protecting their future rights to dispose of the freehold interest in their development. Our understanding of the concerns of plot purchasers and lenders has allowed us to protect the long term investment goals of the developer while providing a streamlined and solutions - driven disposal process for each sale.

## Ownership

Many UK property investors wish to keep their identity confidential. As HM Land Registry is open to the public, it has been common for investors to acquire their residential property through an offshore company, often with the shares held within a trust structure. For many years this carried with it the added benefit of favourable UK tax treatment (see Tax on the previous page).

All overseas companies that own land or property in the UK are now required to declare their beneficial owners and/ managing offers.

There are now sanctions for those companies which do not comply, including restrictions on buying, selling, transferring, leasing or charging their land or property in the UK.

### Recent transactions

#### Global commercial real estate services leader

Advising a global commercial real estate services leader in the updating and verification requirements of the Economic Crime (Transparency and Enforcement) Act 2022.

### Not for profit organisation

Assisting an international not-for-profit, public interest organisation with its corporate filing and management formalities in respect of the Register of Overseas Entities.

### Global investment management firm

Advising a global investment management firm on its reporting obligations in relation to the Register of Overseas Entities.

## Overview of our real estate services

### Leasing and management

- Agreements for leases and lease restructuring, surrenders, assignments and ancillary documentation
- Telecoms and wayleave agreements
- Construction advice on refurbishment and reconfiguration
- Green leasing and sustainable practices
- Rent review

### Acquisition

- Due diligence
- Acquisition finance
- Option agreements and conditional contracts
- Site assembly and acquisition
- Investment in development projects, including joint ventures
- Corporate acquisitions
- Public and private fundraising and club deals

### Disposal

- Disposal strategies, including auction transactions
- Sale documentation and overage agreements
- Tax efficient sale structures
- Capital allowances on the transfers of assets
- Enforcement and realisation of real estate security for lenders, receivers and administrators

### Development

- Lending on development projects
- Planning, s106 and infrastructure agreements
- Construction documentation
- Rights to light and air
- Planning disputes and judicial reviews
- Construction dispute resolution and litigation
- Development agreements
- Rent share leases

### Litigation

- Contested lease termination (site clearance) and renewal proceedings (1954 Act)
- Break notices
- Debt recovery (including pursuing former tenants and guarantors)
- Service charge disputes
- Dilapidations claims
- Landlord and tenant disputes
- Restrictive covenant disputes
- Alternative dispute resolution including mediation, expert determination and arbitration



## Contacts



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Elizabeth is head of real estate and advises corporate investors and occupiers, funds, property companies, and financial institutions on a wide range of real estate matters. Her expertise covers developments, acquisitions and disposals, sales and leasebacks, portfolio management, joint ventures, corporate support, cross-border transactions, and real estate financing. Elizabeth's transactional experience spans a broad range of investment property and industry sectors, from retail to children's nurseries and residential care homes, hotels to food technology.

*"Elizabeth Alibhai is exceptional. She always has time to adopt a bespoke approach to each case/challenge and her ability to explain to us as client the options of approach whilst always staying commercial enables us to feel like we are getting the very best service and the best outcome."*

**Legal 500 UK 2025**



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Partner

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An all-round banking lawyer, Sukh Ahark has wide and detailed range of finance experience acting for all types of clients both in the UK and abroad. Sukh specialises in real estate finance work both investment grade and development funding. He's also carved out a practice acting on acquisition and leverage finance transactions and general corporate funding and refinancing work. He regularly helps corporate borrowers, developers, private equity providers and financial institutions on both domestic and cross border transactions.



**Ben Roberts**  
Partner

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Ben advises clients on all aspects of corporate tax matters, including mergers and acquisitions and corporate reorganisations. Ben also advises on real estate, banking, employment and incentives tax issues. He regularly advises on VAT, stamp duty and stamp duty land tax. He also advises high net worth individuals on the UK tax treatment of their investments. He has particular experience in the real estate, banking, insurance and investment funds sectors. Prior to joining RPC, he trained, qualified and spent eight years at Herbert Smith Freehills.



**Jon Ely**  
Partner, Real Estate

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Jon advises on a wide range of real estate deals and projects with expertise covering strategic acquisitions and disposals, hybrid commercial/property projects, and business space deals and projects including for major operators in retail, media, education, healthcare, technology and creative industry sectors, and for a range of property sector businesses and organisations. With over 20 years experience, Jon handles a wide range of commercial real estate transactions and advisory work.

*"Jon Ely is an excellent Partner who cares deeply for his clients and is a first-class communicator. Furthermore, he has an innate understanding of what is important to his clients which very much differentiates him from the pack."*

**Legal 500 UK 2025**



**Arash Rajai**  
Partner, Construction

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Arash advises on the preparation of the full range of construction documentation; acting for employers, developers and investors. He has significant experience in real estate development and energy projects, having advised his developer clients on some of the largest real estate development projects in London and has a versatile skillset across various sectors having worked in the UK, UAE and Qatar as well as having attained invaluable in-house experience at a leading UK engineering company.

## Client testimonials

*"The team is very thorough in understanding the business, needs and requirements of their clients. They take their time to get to know the client and to tailor their services accordingly."*

**Legal 500 UK 2025**

*"Incredibly professional, knowledgeable and sensitive to their client's needs. Solid and always reliable."*

**Legal 500 UK 2025**

*"They have been very thorough and have all the resources we need. Also, they were very prompt with responses to queries."*

**Legal 500 UK 2024**

*"Always breathe a sigh of relief when RPC are instructed on real estate matters."*

**Legal 500 UK 2023**

*"In our experience, RPC's real estate team genuinely cares about gaining an understanding of its clients' business so that it can provide an appropriate, tailored level of service. There is a real desire to collaborate and add value."*

**Legal 500 UK 2022**

*"Elizabeth Alibhai provides excellent knowledge of real estate issues and managed the case with an excellent outcome. Elizabeth Alibhai manages an effective and highly disciplined team that consistently keeps on top of considerable detail."*

**Legal 500 UK 2022**

*"I believe the balance between technical knowledge and approachability is what makes RPC unique. I am 100% confident when instructing the RPC team that I will receive sound commercial legal advice whilst also receiving top-tier client service. Getting this balance is often difficult and therefore the fact this has been achieved is what makes the RPC team unique."*

**Legal 500 UK 2022**

*"...provides clients with a 'very commercial and obliging approach' and is headed by the 'outstanding' Elizabeth Alibhai. It is active on the investment, development and corporate occupier fronts, and is particularly recommended for its work in the retail space where it represents landlords and tenants alike, including several household brands."*

**Legal 500 UK 2020**

