



Fact Sheet

6 MARCH 2026

Annual Tax on Enveloped Dwellings (ATED) Chargeable Period - 1 April 2026 to 31 March 2027

The annual ATED return filing window for the year ahead opens on 1 April 2026. The annual returns - including Relief Declaration Returns - must be filed by 30 April 2026.

Draft returns can be prepared in the online service from around the middle of March in readiness for submission from 1 April.

The annual ATED tax charge for the year ahead is also payable by 30 April 2026

Overview of ATED

ATED is an annual tax on 'high value' UK residential property owned by both UK and foreign companies, partnerships with a corporate partner and collective investment schemes.

A property is currently high value for ATED if it was valued at more than £500,000 on either 1 April 2022 or on the date of acquisition if later.

High value UK residential property within ATED can include rental properties, valuable freehold interests and trading stock.

The amount of the annual tax charge depends on the value of the property on 1 April 2022 or on the date of acquisition if later according to the ATED valuation band it falls into.



Relief can be claimed from the annual tax charge, for example by property traders, developers or rental businesses if certain conditions are met. The claim must be made through the submission of an ATED Relief Declaration Return.

There are some exemptions from ATED for particular bodies such as charitable companies, public and national bodies, if certain conditions are met. There are also some types of living accommodation that are specifically excluded from ATED such as hotels and student accommodation.

There are deadlines for reporting changes such as acquisitions or disposals after the ATED return for the year ahead has been filed. The earliest of these deadlines is within 30 days of the change.

Late returns and late payments attract automatic penalties and these can build up quickly.

ATED compliance and reporting: key considerations

Meeting ATED obligations requires ongoing attention throughout the year. It is important to regularly check whether relief conditions are satisfied, as reliefs are only available when these conditions are met. Ensuring tenancy agreements, development documentation and commercial terms are kept current is essential to support claims for relief.

Acquisitions and disposals should be monitored in real time, as any purchases, disposals or changes of use may trigger additional reporting requirements. Tracking activity across all Special Purpose Vehicles (SPVs) helps prevent any reporting obligations from being overlooked.



To ensure access to HMRC's ATED online services, it is advisable to keep your Government Gateway account active. Periodically logging in reduces the risk of the account being closed due to inactivity, allowing you to file returns promptly when the window opens.

When valuations are required, they should be carried out at the relevant time and supported by contemporaneous evidence. Keeping appropriate records of these valuations is crucial for compliance purposes.

How we can support your ATED compliance

Our team provides a comprehensive range of support services to help you meet your ATED (Annual Tax on Enveloped Dwellings) obligations.

Our services

- Identification of whether an ATED return or a Relief Declaration Return is required for your particular circumstances.
- Preparation and submission of ATED returns, including any necessary Relief Declaration Returns, ensuring all information is accurate and up to date.
- Advising on the conditions to be satisfied to claim reliefs, together with advice on maintaining appropriate evidence and documentation to support your claims.
- Assisting with any new reporting obligations arising from acquisitions, disposals, and changes of use.

- Assistance during HMRC enquiries, including support with preparing and submitting responses to any queries raised.
- Guidance on property valuations and thresholds, particularly where properties are close to the £500,000 threshold or have been subject to alterations that may affect their value.

If you would like to discuss any ATED issues please contact your usual BGM advisor.



For further information, please contact Louise Delamere at louisedelamere@bgm.co.uk or your usual BGM partner.

Disclaimer: This information provides an overview of the issues considered and is for general information only. It is not intended to provide advice and should not be relied upon in any specific transaction.

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