

I've Sold My Rental Property or Second Home... Now What?

What's Changed?

When you sell a property that isn't your main home, any profit you make (after costs and allowances) may be taxed. HMRC has strict rules about how and when to report this. Get it right, and it's straightforward. Miss a step, and you could face penalties.

What You Need To Do Now

- **Work out the gain.** This is the difference between what you paid for the property and what you sold it for, minus buying and selling costs and any capital improvements.
- **Report the sale to HMRC.** If there's a taxable gain, you must report it through the UK Property Reporting Service within 60 days of completion. This applies even if you already file a Self Assessment return.
- **Pay any Capital Gains Tax.** You must pay the tax at the same time as reporting the gain - within 60 days of the sale completing.
- **Keep all documents and records.** This includes sale and purchase contracts, legal fees, estate agent costs and details of any work done that improved the property (not general repairs).
- **Declare the gain again on your Self Assessment return.** Even though it's reported separately, you still need to include the gain on your Self Assessment tax return for the relevant tax year.

How I Can Help

I can:

- Calculate your capital gain and any tax due
- Complete and submit your 60-day property return
- Advise on which expenses can be deducted
- Help you understand if your property qualifies for any reliefs
- File your Self Assessment return and make sure everything ties up

Easy Mistakes to Avoid

- ✗ Forgetting the 60-day reporting deadline
- ✗ Assuming your accountant will automatically know about the sale
- ✗ Thinking the gain won't be taxed if you're under the Self Assessment threshold
- ✗ Confusing repair work with capital improvements
- ✗ Not keeping records of costs

Need a hand?

Property tax rules can catch people out, especially with tight deadlines. If you've sold a rental or second home, I can help you report it properly, avoid penalties and understand exactly what's due. Just give me a shout.