

ATED changes from April 2026 – what you need to know

The Annual Tax on Enveloped Dwellings (ATED) is a tax that applies to UK residential properties valued at £500,000 or more and are owned through a company or other corporate structure (rather than by an individual).

If you hold property in this way, ATED will apply to you – even if no tax is ultimately payable because a relief is available a return will be due.

With the new ATED year starting on 1 April 2026, here's a reminder of what you need to do:

- Property purchased before 1 April 2022: If the property value at 1 April 2022 exceeds £500,000 then a return will be due.
- Property purchased after 1 April 2022: If the property cost exceeds £500,000 then a return will be due.
- Filing deadline – 30 April 2026: ATED returns for the 2026/27 tax year must be submitted by 30 April, with any tax due payable at the same time. Missing the deadline can lead to penalties, so it's worth getting this sorted early.
- Reliefs still need to be claimed: A return needs to be submitted whether tax is payable or a relief is due.
- Revaluation – ATED valuations are based on 5-year cycles with the next change due in April 2027. However, if you have made changes to your property, such as a redevelopment or change in use, you may be required to revalue it now which may result in a higher or lower ATED charge.

Even if your property qualifies for relief (for example, if it's let to third parties or used in a trading business), you still need to submit an ATED return to claim that relief.

What should you do next?

If you own UK residential property through a company, or a structure that includes a corporate member, it's a good time to review your position. In most cases, an annual return is still required – even where no tax is payable.

If you'd like help confirming whether ATED applies to you, or you want us to take care of your filing, just get in touch – we're always happy to help.

Contact your team at Galloways today!

Just call us on 0800 012 9190 or email us

Disclaimer: The information provided is for general guidance only, does not constitute professional advice, and is not a substitute for consulting a qualified accountant or other professional for specific circumstances.