



WANT TO MOVE TO THE UNITED KINGDOM? WE ANSWER ALL YOUR IMPORTANT QUESTIONS.

Multicultural, with a rich history, natural beauty, job opportunities and an exciting social scene, the United Kingdom is a popular destination for South Africans. If you're considering moving to the UK, here are the answers to some essential questions.

1 What is the personal tax rate in the UK?

Income tax is charged at graduated rates, with higher rates of income tax applying to higher bands of income. **(Up to £12,570 – 0%; £12,571 to £50,270 – 20%; £50,271 to £125,140 – 40%; over £125,140 – 45%).** This should be discussed with a UK-based accountant to confirm, as it can vary from person to person.



2 What rate are most companies taxed at?

The main rate of corporation tax is **25%** for the financial year beginning **1 April**. This should be discussed with a UK accountant to confirm, as it can vary from company to company.

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3 Is it easy to set up a business?

If a South African is a resident in the UK, then it's not difficult to set up a business, as the UK houses many business owners come from overseas.

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4 How easy is it to set up bank accounts for personal and business use?

It is very easy for UK residents to set up a UK bank account, and it is possible for residents based overseas to set up a UK bank account, but this can only be done with certain banks such as HSBC and Barclays.

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5 How easy is it to obtain funds from South Africa?

If done through the correct channels, it should be easy to obtain funds. For confirmation, this should be discussed with someone registered with the Finance Conduct Authority. (<https://www.fca.org.uk/>)



6 Is property title freehold or leasehold?

There are both freehold and leasehold opportunities in London particularly. Freehold tends to be more common in England and Wales.

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7 How much are property transfer costs?

A solicitor's costs will change from firm to firm and they are in line with the property value. However, an average would be roughly £1,000 - £3,000.

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8 How much are property taxes?

Stamp Duty is a tax paid in the UK when buying property. There are several rate bands for Stamp Duty **(£0 - £250k – 0%; £251k - £925k – 5%; £926k - £1.5m – 10%; 1.5m+ - 12%).** It's important to note there is an additional 3% to pay if another home is owned anywhere else in the world. Further to this, if the purchaser is a non-UK resident buying a residential property, they might have to pay an additional 2% on top of the existing Stamp Duty rates.

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9 Is the country SA friendly?

Yes

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10 What is the process of getting children into schooling/education, and will they cater for South African children?

State schools are done by catchment area based on where you live, however, with private schools it does not matter how close you live to the school. There should not be any issues with catering for South African children.



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11 Are there any capital gains taxes?

CGT is charged at the rate of either **10% or 18%** for basic rate taxpayers. For higher or additional rate taxpayers, the rate is either **20% or 28%**. This should be confirmed with a solicitor, as it can vary from person to person based on overall annual income.

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12 What is the suggested agent commission structure?

Most UK agents charge a 2 - 3% fee of the sale price.

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13 How do commission percentages work for both buyer and seller?

In the UK, in most cases the commission is traditionally paid by the seller (vendor). However, we have increasingly been working with applicants who want to retain our services and pay a 2% commission, as it allows us to work across the whole market and find better opportunities for potential purchasers.



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14 This is a tough question as it depends what a buyer wants. In Central London, investors have seen excellent capital growth and return on investment but relatively low rental yields. However, in the outer zones of London, investors have seen much better yields but perhaps not the same levels of high capital growth.

If you're considering moving to the UK and need to sell your SA property or want to buy property in the UK, we're here to help.

Call us on 082 9776 643 or email bdavies+uk@everitt.co.za

While this isn't an exhaustive list, it is a start. If you have any other questions about moving to the United Kingdom, contact the international property professionals at Chas Everitt. Our experts are ready and waiting to help you make your move.