

Annual Tax on Enveloped Dwellings (ATED)

What is ATED?

The Annual Tax on Enveloped Dwellings (ATED) is an annual tax payable mainly by companies that own UK residential property valued at more than £500,000.

ATED Returns

An ATED return must be completed for each residential property valued more than £500,000. Where the value is below £500,000, no reporting is required.

There are reliefs and exemptions available whereby either no ATED charge (or reduced charge) will be due. Should reliefs and exemptions apply, an ATED relief return must be submitted.

ATED Period

The chargeable period runs from 1 April to 31 March each year.

ATED Rates

The amount of ATED is calculated using banding system based on the value of the property.

Chargeable amounts for 1 April 2025 to 31 March 2026

Property value	Annual charge
More than £500,000 up to £1 million	£4,450
More than £1 million up to £2 million	£9,150
More than £2 million up to £5 million	£31,050
More than £5 million up to £10 million	£72,700
More than £10 million up to £20 million	£145,950
More than £20 million	£292,350

The amount of ATED charge is based on the market value of the property at fixed valuation dates. The valuation dates are every 5 years from 1 April 2012 and will be used for the following 5 chargeable periods.

The 2025/26 ATED returns and charge will be based on the 1 April 2022 value, unless purchased at a later date.

Due Dates

ATED return and ATED charge are due within 30 days following the beginning of the chargeable period.

The 2025/26 ATED return covering the period from 1 April 2025 to 31 March 2026 is due by 30 April 2025. The ATED charge will also be due to be paid by the same date.

However, in the year of acquisition of the property the deadline for reporting and paying ATED is 30 days from acquisition. This deadline is extended to 90 days for new builds.

ATED Reliefs

There are reliefs and exemptions that may mean you do not need to pay any ATED on your property or may reduce the amount of ATED you need to pay.

You may be able to claim relief for your property if it is:

- let to a third party on a commercial basis and is not, at any time, occupied (or available for occupation) by anyone connected with the owner.
- open to the public for at least 28 days a year.
- being developed for resale by a property developer.
- owned by a property trader as the stock of the business for the sole purpose of resale.
- repossessed by a financial institution as a result of its business of lending money.
- acquired under a regulated home reversion plan.
- being used by a trading business to provide living accommodation to certain qualifying employees.
- a farmhouse occupied by a farm worker or a former long-serving farm worker.
- owned by a registered provider of social housing or a qualifying housing co-operative.

If any of the above reliefs apply you are required to submit an ATED return to claim the relief.

Late Filing Penalties

	Late Filing Penalty	Late Payment Penalty
Miss filing deadline	£100	N/A
30 days late	N/A	5% of tax due
3 months late	Daily penalty £10 per day for up to 90 days.	N/A
6 months late	5% of tax due or £300, if greater	5% of tax outstanding at that date
12 months late	5% or £300 if greater,	5% of tax outstanding at that date
12 months & taxpayer deliberately withholds information	Based on behaviour up to 100%	N/A