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“Buy-to-leave”: The new property trend among London’s departing non-doms

'Turnkey' apartments with concierge and security services prove popular with UHNWs resigned to spending less time in the UK

BY LIVIA GIANNOTTI

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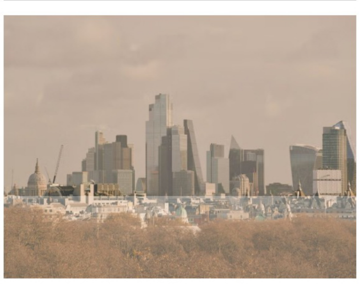
‘Buyers bragging rights’: Homes previously owned by celebrities sell faster – and better – than other properties

BY LIVIA GIANNOTTI



TAX

Spear’s Tax Survey 2025: Britain at risk of losing its wealthy elite as confidence in regime collapses

BY AISHA ALLI

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Inside Lombard Odier’s new Herzog & de Meuron-designed headquarters

BY EDWIN SMITH

Bishops Avenue Gardens, a luxury property development expected to complete in 2027, is typical of the properties proving popular with departing non-doms // Image: Valouran

Buy-to-let became a popular real estate play in the UK, particularly when interest on mortgage repayments could still be written off against rental income for tax purposes. The strategy has become less popular since then-chancellor George Osborne began to change the relevant tax legislation in 2017.

But now a more recent tax policy change has prompted a new real estate ploy: ‘buy-to-leave’.

According to super-prime property experts, many former non-doms and other wealthy individuals who have chosen to ‘leave’ the country are selling their homes. Research published this summer by Beauchamp Estates found that around 70 per cent of sellers of £15 million-plus homes in London this year were non-doms moving to destinations such as Dubai, Milan and Monaco.

However, industry observers say, many are also buying other properties in the UK to meet their changing requirements.

‘While [the type of people who would previously have been non-doms] may no longer move here on a full-time basis and base their families here, London’s appeal as a global city remains strong,’ CEO of property developer Valouran, Alex Michelin, told *Spear’s*.

Many wealthy people who are no longer resident in the UK are still expected to spend a significant amount of time in the country, with their intention often being to remain under the 90-day threshold that would trigger additional tax liabilities.

As a result, the top end of the property market has changed. ‘A lot of non-domiciled buyers are shifting the type of properties they purchase, rather than not purchasing at all,’ said Michelin. In particular, turnkey apartments in central London with concierge services have become more popular relative to large houses and country estates. ‘[W]hile demand for larger homes among this cohort has softened, interest in smaller properties – particularly apartments with round-the-clock security and state-of-the-art amenities – remains robust,’ Michelin said.

Turnkey apartments designed for families such as the residences at Holland Park Gate are especially popular with non-doms looking for a London foothold / Image: Lodha UK

In at least one case, departing UHNWs previously resident in the UK have even been prompted to purchase property in this country for the first time. Tom Clabburn, sales director at high-end developer Lodha, said that one family who purchased a property at the company’s new Holland Park Gate development had lived in the UK for several years in a high-value rented home. Having been UK residents, they were now ‘leaving’ the country, but wished to retain a foothold. Their purchase in the Holland Park Gate development would be the first time they had owned a home in the UK.

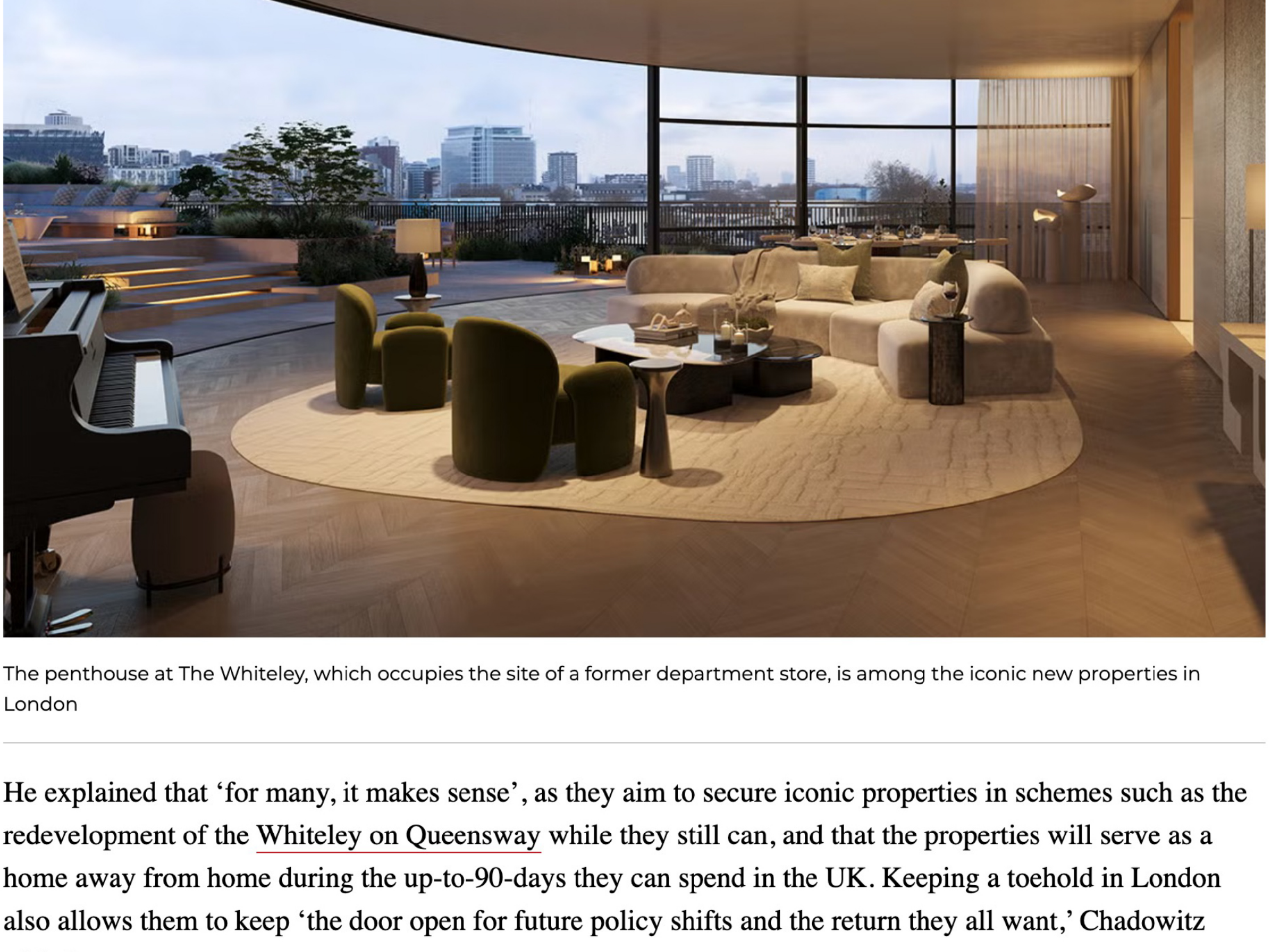
‘People are leaving the UK, and probably in higher numbers than widely reported and acknowledged’ Clabburn said. ‘But we now know that most of those leaving aren’t selling. And some leavers – particularly those who have been renting in the UK – are buying before they leave.’ He also noted that ‘ownership is very important for leavers’ sense of stability.’

The last three apartments sold at Holland Park Gate, mostly turnkey, family-friendly units, were purchased by people relocating abroad, Clabburn said.

He added that ‘relocation is temporary for many’ and that lots of former non-doms ‘intend to come back to London as much as the tax rules allow’ and ‘intend to return full time’.

‘Families are buying the London home so that their children can use the property. Their children will spend more time in the UK than them, for instance for university and visiting friends, so the UK base serves the whole family.’

‘It may seem paradoxical that some non-doms are buying in London for the first time as they leave the UK tax net, but it is happening,’ partner at law firm Fladgate, Simon Chadowitz told *Spear’s*.



The penthouse at The Whiteley, which occupies the site of a former department store, is among the iconic new properties in London

He explained that ‘for many, it makes sense’, as they aim to secure iconic properties in schemes such as the redevelopment of the Whiteley on Queensway while they still can, and that the properties will serve as a home away from home during the up-to-90-days they can spend in the UK. Keeping a toehold in London also allows them to keep ‘the door open for future policy shifts and the return they all want,’ Chadowitz added.

Michelin believes the shift toward smaller turnkey properties with modern amenities, particularly apartments with round-the-clock security, ‘can be attributed to the flexibility these properties offer, enabling owners to still fly in to London and enjoy all that this great city offers but with the convenience and security of being able to lock the door and not worry when they depart.’

Michelin’s firm, Valouran, recently unveiled a new development close to Hampstead Heath, Bishops Avenue Gardens. The 36-unit scheme includes residences priced from £2.5 million (1,300 sq ft) up to around £9 million for a 3,500 sq ft penthouse. It is not expected to be completed until 2027, but has already registered its first sale – a £4.5m apartment, which fits the profile of the properties sought by many departing non-doms.