

Business

# NBK highlights changes in UK taxations, London's residential property outlook

## Bank hosts world experts in taxation and real estate investment

**KUWAIT:** National Bank of Kuwait organized a seminar for its customers titled "London Residential Property: Important Taxation Changes and Outlook." It dealt with UK taxation changes and the latest developments in the London residential property with participation by two world experts from two leading European companies in this field.

Robert Blower, partner in the law firm Charles Russel, and Lucian Cook, head of the real estate research department in the international firm Savills, made a detailed presentation on the London residential property market outlook and the impact of the recent taxation changes on investors.

At the beginning of the seminar, Isam Jassem Al-Sager, CEO of the NBK Group welcomed the guests, affirming the bank's keenness to organize such specialized seminars, hosting leading world experts, aiming to provide its customers with the latest developments and changes in world markets.

Al-Sager emphasized the significance of this seminar given the challenges the UK residential property market has been facing lately, stressing that the real estate sector, and the residential property in particular, is highly attractive because it is one of the leading investment destinations in the world. It is the most attractive of world capitals for investors wishing to own property. Al-Sager added: "Given the importance of talking about taxation changes, in particular the real estate taxation changes which affect every investor, the NBK decided to highlight the most important of these developments. It hosted experts representing leading firms in the European market which can present a clear picture of the present status of this sector and discuss the impact of the taxation changes adopted recently."

Al-Sager explained that this seminar shows the NBK keenness on continuous communication with its customers and keeping them informed about the latest developments in various economic and investment developments. It also reflects its commitment to utilize its capabilities and its vast network of branches in 16 countries around the world to offer its customers the best and the most exclusive and innovative services.

**NBK Real Estate Services**  
The NBK-London General Manager

Fawzi Al-Dajani explained the importance of this seminar after the changes and challenges facing the investment in the UK, in addition to its pivots and the participating guests. He highlighted their vast experience in the legal and real estate fields and their vital status within the leading and deep-rooted European firms in this field, which possess the necessary qualifications to predict major real estate indicators in coming years.

Al-Dajani spoke about the pivots of the seminar which was in two parts: in the first, Lucian Cook elaborated on the trends and expectations concerning the London real estate market given the taxation changes and Brexit; in the second, Robert Blower explained the most important taxation changes on the UK residential properties.

Al-Dajani explained the NBK comprehensive real estate services it provides in London and the rising customer demand for them due to their quality and competitiveness. He stressed that the NBK takes account in its real estate services the needs of the customers and is keen on providing them with flexibility and ease.

### Reality and Outlook

In his presentation on the performance of the prime Central London residential property market, Mr. Lucian Cook, Head of Research in Savills said: "The total value of the UK residential Market was \$7.14 trillion, up by \$2.1 trillion in the last five years."

He added that in spite of slowing growth, house prices are forecast to increase by 14% over the next five years. Meanwhile, North West England, and Manchester in particular, are expected to show the strongest performance over the same period. Cook said that in Central London the average annual growth of house prices was 5.7% higher than the rate of inflation between 1979 and 2014. He expressed his belief that the prime Central London residential market offers a buying opportunity due to the price changes over the last three years.

### Taxation Changes in the UK

Robert Blower, partner in the law firm Charles Russel talked about the recent taxation changes in the UK. He made a presen-

tation on the taxation system for UK residential property after the changes introduced in the last few years.

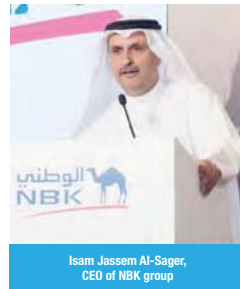
Blower said that residential properties are subject to various taxes such as Stamp Duty Land Tax (SDLT), Capital Gains Tax (CGT), Income Tax, annual Tax on Enveloped Dwellings owned by offshore companies (ATED) and Inheritance Tax.

He explained that the SDLT applies to buying any property, residential or commercial, with lower rates for purchases of commercial properties.

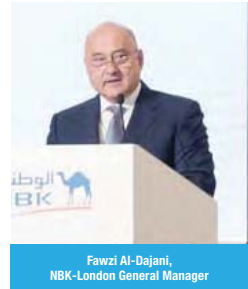
The CGT applies to any profit realized from selling a residential property. For UK non-residents the tax applies to any increase in value after April 6, 2015. It does not currently apply to commercial property.

As for residential properties owned by companies, Blower said: "the firms pay an annual tax if the property is used as a private residence. The tax on residential property owned by offshore firms is not applicable to residential properties lent to third parties."

Blower added that the Inheritance tax applies only on assets owned by non-residents in the UK. From April 2017 the tax became applicable on the value of any residential property owned by non-UK company. He pointed out an important exemption



Isam Jassem Al-Sager, CEO of NBK group



Fawzi Al-Dajani, NBK-London General Manager

assisting in finding the suitable property or offering the present property for sale at competitive prices through the banks connections with a number of trusted real estate agencies.

- Property evaluation: through a number of real estate experts who present the appropriate evaluation of the property offer for sale or buying.

- Legal Consultation: assigning lawyers to finalize all legal procedures relating to the sale or buying of the property.

- Insuring the property and its contents: providing insurance cover on possible damages to the property and its contents, therefore saving effort and expenses.

- Bill settlement: including on-time settlement on behalf of the customer on all regular bills such as electricity, water, gas and telephone during the customer's absence.

- Keeping property deeds: keeping all documents relating to the property and its ownership as well as the property spare keys in a special box.

- Property expenses statements: providing upon request detailed statement showing the property expenses for a certain period.

- Free property ownership or extending ownership contract: assigning a lawyer to supervise and finalize the buying of the free ownership rights, extending the ownership contract, cancelling or adding an individual

to the property ownership register.

### NBK's annual seminar

The NBK organizes this seminar annually, to deal periodically with the London real estate outlook, with the aim of communicating with its customers and keeping them informed of the latest developments in the UK and of the major changes in the real estate field.

The NBK hosts in this seminar prominent economic personalities representing leading European firms in this field which possess the expertise to predict the property market outlook and trends in the coming years. This seminar is organized in view of the London property market's attractiveness to investors and its being a major investment destination in the world.

The NBK organized over the last few years several conferences and seminars dealing with the outlook for international markets and the investment trends of various economic sectors. It also participates annually in several economic events and forums to discuss the challenges and the paths of growth and development.

The external NBK branches in London and Paris offer a comprehensive variety of real estate services to the customers wishing to invest in residential and commercial properties, to assist those looking for investments in or ownership of properties, offering them the necessary funding and finalizing their procedures quickly and easily.



**Al-Sager: UK real estate sector is highly attractive**

for non-UK residents who have cash deposits in UK banks. Those do not attract Inheritance Tax if they are not resident in the country.

He noted that the taxation for residential properties owned by non-UK residents has become complex and tax advice should be sought when purchasing because mistakes could be expensive and lead to unnecessary payment of taxes.

**NBK-London Real Estate Services:**  
\* Selling and buying of real estate:



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**KUWAIT:** Robert Blower, partner in the law firm Charles Russel, and Lucian Cook, head of the real estate research department in the international firm Savills are co-chaired by Fawzi Al-Dajani, NBK-London General Manager.

