BELLCOURT HOMES

2026 BUYER ROADMAP

# The LRS & TCS Roadmap for Buying Property in London

A resident Indian buyer's guide to remittance staging, tax collected at source, UK stamp duty, and what a London purchase really costs — before you talk to anyone about a specific unit.

01

# Start with what you're allowed to send

Every London purchase by a resident Indian buyer begins with the Liberalised Remittance Scheme (LRS). Understanding its limit — and how it interacts with tax collected at source — determines how a purchase gets structured long before you look at a floor plan.

LRS ANNUAL LIMIT

**USD 250,000 per individual, per financial year**

IN RUPEE TERMS

**Approx. ₹2.5 crore+ per person, per year**

The limit is **per individual**, not per household, and it is **cumulative across all purposes** — education remittances, travel, investments, and property all draw from the same annual allowance. Two co-applicants (e.g. spouses, or a parent and adult child) can each remit up to the limit, effectively doubling the household's annual remittance capacity for a joint purchase.

> **Why this matters for structuring:** A £550,000 purchase (roughly ₹5.8–6 crore at illustrative rates) sits comfortably within a single financial year's LRS capacity for two co-applicants remitting jointly, but may require staging across two financial years — or a UK mortgage layered on top of LRS equity — for a single remitter. This is a structuring conversation, not a formality, and it's the first thing we work through on a discovery call.

- The LRS financial year runs 1 April to 31 March — timing a remittance either side of 31 March can materially change how much headroom is available in-year.
- Remittances must go through an Authorised Dealer bank, which reports them to the RBI and collects tax at source where applicable — your bank can walk you through the current TCS thresholds and rates for your remittance.
- Funds should be remitted for a clearly documented purpose (property purchase) with supporting paperwork — this is what keeps a transaction clean under FEMA.

This document is educational and does not constitute financial, tax, or legal advice. Figures reflect publicly available rules as of August 2026 and are subject to change — always confirm current rates with a chartered accountant before remitting.

02

# What gets held back before your money lands in the UK

Tax Collected at Source (TCS) is deducted by your bank at the moment of remittance under the Liberalised Remittance Scheme — before your funds ever reach London. It isn't an extra cost, but it is a real, upfront cash-flow event that should be planned for, not discovered at the wire desk.

TCS-FREE THRESHOLD

**₹10 lakh per person, per financial year**

RATE ABOVE THRESHOLD

**20% on the amount exceeding ₹10 lakh**

- The ₹10 lakh threshold is cumulative across **all** LRS remittances in the financial year — education, travel, and property all draw against the same allowance, exactly as they do for the LRS limit itself.
- TCS is **advance tax, not an additional cost** — it is collected against your PAN and is fully creditable against your income tax liability when you file your ITR for that year.
- **An unlinked PAN and Aadhaar can double this rate** — a 20% deduction becomes 40%. Confirm linkage with your bank before initiating any remittance; this is a five-minute check that avoids a very expensive surprise.

> **Why this matters for structuring:** TCS is recoverable, but it is not free money in the meantime — it reduces what actually reaches your solicitor's account on remittance day, and the credit only returns once you file. This is precisely why remittance staging and co-applicant structuring (see Section 01) is a genuine planning decision, not a formality.

ILLUSTRATIVE EXAMPLE: USD 250,000 REMITTED, SINGLE REMITTER, ONE FINANCIAL YEAR

| | |
|---|---|
| Full annual LRS remittance (≈ ₹2.5 crore) | ₹2,50,00,000 |
| TCS-free portion | ₹10,00,000 — Nil |
| Balance subject to TCS (taxed at 20%) | ₹2,40,00,000 |
| **TCS collected upfront** | **≈ ₹48,00,000 (~19.2% of remittance)** |

- This uses one individual's full annual LRS capacity. Remitting more than this in the same financial year isn't possible without staging across two financial years or adding a co-applicant, each with their own ₹10 lakh threshold (see Section 01).
- Fully creditable against your ITR — but ₹48 lakh is real money held back until you file, worth factoring into your completion-day cash planning rather than assuming the full amount arrives in London.

Rates and thresholds reflect Section 206C(1G) of the Income-tax Act following Union Budget 2026 changes effective 1 April 2026, as publicly available as of August 2026, and are subject to change. This document is educational and does not constitute financial or tax advice — always confirm current rates and your specific TCS treatment with a chartered accountant before remitting.

03

## Currency: hedge the trend, don't chase the rate

Two different arguments get used to sell London property to Indian buyers. Only one of them holds up.

**THE DURABLE ARGUMENT**

The rupee has depreciated against the pound over most multi-year periods on structural grounds — India's inflation differential, current account dynamics, and capital flows. Holding a portion of net worth in sterling-denominated property is a long-horizon hedge against that structural trend. This argument doesn't depend on today's exact spot rate.

**THE ARGUMENT TO AVOID**

"The pound is cheap right now" is a timing claim about today's spot rate. It's immediately falsifiable the day the rate moves, and it invites the obvious follow-up question — cheap compared to when, and why should that pattern hold? We don't lead with this, and you shouldn't rely on it either.

04

## Net yield: what actually reaches you

Gross yield headlines in a brochure are the starting point, not the answer. What matters is what's left after costs.

- **Letting/management fees** — typically 10% of gross rent if you use a managing agent, which most overseas landlords do.
- **Service charge and ground rent** — varies materially by development; on 999-year-lease, zero-ground-rent schemes this is lower, but service charge still applies and should be confirmed for the specific unit, not assumed from a brochure average.
- **Void periods and insurance** — budget conservatively; brochure yield figures rarely account for these.

> **The honest version:** A brochure's "6.5% gross yield" is a real number, but it is not your net return. We walk through the actual net-yield math (**8-10%**) — using the specific unit's confirmed service charge, not a developer-wide average — on the discovery call, once we know which property you're looking at.

Yield figures are development- and unit-specific and must be sourced from the confirmed pricelist and service charge schedule before being relied upon.

05

# What we actually do before recommending anything

Bellcourt Homes exists because most people trying to buy in London from India get the property pitch before anyone checks whether the numbers work for them. We reverse that order.

- We start with your LRS headroom, timeline, and whether you're remitting solo or jointly — before discussing any specific development.
- We walk through the real cost stack: SDLT, TCS staging, and the net-yield math for the specific unit you're considering.
- We flag structural questions (personal vs. company holding, remittance staging across financial years) that are worth a five-minute conversation with your CA before you commit.
- Only then do we talk about which development — Canary Wharf, Harrow, or others — actually fits.

## Ready to run these numbers against a specific property?

Book a discovery call. We'll qualify your LRS headroom and timeline first, and walk through the real net numbers for whichever development fits.

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