

**News**

## **REITS FALLING FOUL OF TAX RULES – ELIZABETH BRADLEY QUOTED IN THE TAX JOURNAL**

July 9, 2025

### **SUMMARY**

Elizabeth Bradley, Global Practice Group Leader for our Tax, Employee Benefits and Private Client practice, provided insight in an article in The Tax Journal on 9 July October 'Tax crackdown on second-home owners brings in 'record' haul'.

As Elizabeth Bradley, Partner at BCLP, comments: "There has been a surge in the formation of private REITs since the abolition of the listing requirement. The relaxation of the REIT tax regime has encouraged more eligible investors to set up REITs but care needs to be taken not to fall foul of the regime, as the costs of losing REIT status can be severe. 'REITs are facing challenges in maintaining their profit-to-financing cost ratios due to higher interest rates and property market volatility. At least two REITs have had their tax-exempt status revoked in the last four years. This has significant tax and operational consequences, including triggering corporation tax liabilities. Future rental income and gains become fully taxable, and investor appeal may decline. It also complicates compliance, reporting, and distributions, as PIDs [Property Income Distributions] are no longer allowed", she added.

**Read the full article here (subscription required)** [REITs Falling Foul of Tax Rules](#)

### **RELATED CAPABILITIES**

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### **Elizabeth Bradley**

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