

The Overseas Buyer's Guide

Getting your ducks in a row

A practical guide for US purchasers buying property in Scotland



Sunrise over the East Lothian coast, from Mowatt Move Smarter

Buying from abroad adds a layer most domestic buyers never think about: your money lives in one currency and the price lives in another. Everything can go right on the property side, fair price, clean negotiation, fast legal process. You can still lose a meaningful sum simply because the exchange rate moved while you weren't looking. Or a tax bill you hadn't budgeted for lands late in the process. Both are common. Both are avoidable. They almost always come down to the same thing: treating money and tax as an afterthought rather than part of the purchase from day one.

This guide walks through what to sort out and when to do it.



The core problem: the gap between offer and completion

The exchange rate on the day you agree a price is not the rate you actually pay. Weeks pass between offer and completion. Over that window the pound can move against the dollar. Because you are converting a large sum, even a small percentage shift translates into thousands. The property side can go perfectly and the deal still costs more than it needed to, purely because the rate drifted while the sale progressed.

The fix is not to predict the market. It is to remove the uncertainty, so the number you agree is close to the number you pay.

Step one: budget for the tax before you fall in love with a house

This is the one that catches US buyers hardest, because the numbers are larger than most expect. In Scotland you do not pay Stamp Duty. You pay Land and Buildings Transaction Tax (LBTT), which works on bands, plus, critically for you, the Additional Dwelling Supplement (ADS).

- **ADS** applies when you are buying a property and already own another dwelling anywhere in the world. If you own a home in the US or any property abroad, you will almost certainly pay it on a Scottish purchase, even if this is your only home in Scotland. It is charged as a percentage of the full purchase price, on top of standard LBTT. It is a large sum. On a mid-value purchase it can run well into five figures on its own.
- **LBTT** is then charged on top, on a banded basis, with higher bands taking a higher rate.
- **Both are due at completion** and must be funded alongside the price. They are not optional and they are not negotiable.

Get a full LBTT and ADS figure for your target price range before you start offering, so your real budget, price plus tax plus fees, is clear from the outset. A property that looks affordable on the asking price can look very different once ADS is added. The last thing you want is to discover the true cost after your offer is in.

Who works this out for you and who doesn't

Calculating LBTT and ADS is not the estate agent's job. You should not expect your agent to price your tax. This falls to your **solicitor** (or licensed conveyancer), who confirms the correct figure for the agreed price, determines whether ADS applies to your circumstances, submits the LBTT return to Revenue Scotland, then arranges payment at completion. It is their responsibility to get it right. They carry the professional liability for it, so instruct one early and ask for a figure before you finalise your budget.

For a rough estimate in the meantime, use Revenue Scotland's own LBTT calculator on their website, which includes an ADS option, though you should treat it as a ballpark rather than a substitute for the solicitor's formal calculation.

If your situation is more complex, buying through a company or trust, holding several existing properties, or if you want to understand whether you could reclaim ADS after selling your US home, add an **accountant or tax adviser** to the mix. The rates and thresholds do change, so always work from a current figure confirmed by your solicitor rather than an old one.

Step two: raise currency before you make an offer, not after

The single most useful change is timing. Most buyers think about the money once the offer is accepted. By then the clock is already running and your exposure is live. Speak to a currency specialist before you offer, so that the moment your price is agreed you can act rather than scramble.

What to have ready before you offer:

- A clear view of your total budget in both dollars and pounds, including LBTT, ADS and fees, not just the purchase price
- An account open and funded (or ready to fund) with a currency provider, which can take days to set up and verify
- An understanding of what your bank will and won't do; most US high street banks give poor rates and slow international transfers

Step three: understand your options for locking the rate

You do not have to accept whatever the rate happens to be on completion day. There are a few standard tools. A specialist will walk you through which fits your situation:

- **Spot transfer.** You convert at today's rate and move the money now. Simple, though only useful once you actually need the funds in place.
- **Forward contract.** You lock today's rate for a transfer up to a set date in the future, usually for a small deposit. This is the tool that directly solves the offer-to-completion gap: you fix your rate the day your offer is accepted and know your exact cost regardless of what the market does before completion.
- **Rate alerts or limit orders.** You set a target rate and convert automatically if the market hits it.

For most overseas property purchases, a forward contract is the one worth understanding first, because it turns an unknown future cost into a fixed one. Remember too that the sum you are fixing must cover the tax as well as the price.

Step four: align the money with the legal milestones

Scottish transactions run to their own rhythm. The money needs to move in step with it. The points that matter:

- **Offer accepted.** Your trigger to fix your rate, not to start thinking about it.
- **Missives concluded.** In Scotland the contract becomes legally binding once missives are concluded, earlier than in England. From this point you are committed, so your funds position needs to be certain well before it.
- **Deposit due.** Know the date and the amount in pounds. Have it converted and ready.
- **Completion.** The full balance, including LBTT and ADS, must be cleared into your solicitor's account, not "sent", on the day. International transfers can take longer than domestic ones, so build in buffer.

Talk to your solicitor early about exact dates and amounts. Share those with your currency provider so nothing moves at the last minute.

Step five: sort out the banking mechanics in advance

The transfer itself trips people up more than the rate does. Before you are under pressure:

- Confirm how you will get funds from your US accounts to your currency provider, plus how long each leg takes
- Check limits, since some US banks cap outgoing international or daily transfers, which can strand your deposit
- Confirm your solicitor's client account details early and verify them by phone, never acting on payment details received only by email

- Understand the paperwork; currency providers and solicitors both run anti-money-laundering checks and will want to see the source of your funds, so gathering that evidence early avoids delays

Step six: build in a buffer

Even with the rate fixed and the tax budgeted, leave yourself room. Fees, timing and small differences between quoted and settled amounts add up. A sensible cushion means a minor surprise doesn't become a problem on completion day.

The short version

- **Budget for LBTT and ADS** before you offer; as an overseas owner you will almost certainly pay ADS on the full price, on top of LBTT
- Ask your **solicitor**, not your agent, to calculate the tax; use Revenue Scotland's calculator for a ballpark
- Sort currency **before** you offer, not after
- A forward contract can fix your rate the day your offer is accepted, closing the offer-to-completion gap
- Fix a sum that covers tax and fees, not just the price
- Map the money to the Scottish legal milestones, especially conclusion of missives
- Set up and verify banking and transfers early, before you are under time pressure
- Keep a buffer for fees and timing



Get these in place and the money side becomes a non-event, which is exactly what it should be. The property is what you should be thinking about. Not the exchange rate, not a tax bill you didn't see coming.

Thinking of buying in East Lothian or Edinburgh from overseas?

Talk to Mowatt Move Smarter early.

www.mowatt.uk

office@mowatt.uk · +44 (0)1620 670282



Follow us on Instagram
[@eastlothianpropertymowatt](https://www.instagram.com/eastlothianpropertymowatt)