KNOWLEDGE HUB

By UK PropTech Association in partnership with Ministry of Housing, Communities and Local Government

UK Expansion Foundations for International PropTech Founders (2026)

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Disclaimer

1. Who this guide is for

This guide is designed for international PropTech founders who are preparing to expand into the UK market.

You may already be working with cities, developers, utilities, housing providers or asset owners in other countries. You might also have early interest from the UK, such as pilot discussions or inbound enquiries from councils or housing associations. This guide assumes you are now moving beyond "testing the UK" and towards setting up a proper, long-term presence.

It is particularly relevant if your product or service connects to:

- Planning or development processes
- Housing, retrofit or building operations
- Data platforms used by public bodies or regulated asset owners

The UK market tends to reward businesses that establish credibility and compliance early. Shortcuts can work in the short term, but they often create problems later when dealing with enterprise customers or public-sector buyers.

2. What makes UK expansion different for PropTech

The UK is an attractive market for PropTech, but it is not a light-touch environment.

Three features matter more here than in many other markets:

First, formal governance expectations

Company registration, statutory filings and director responsibilities are managed centrally through Companies House. Recent reforms under the Economic Crime and Corporate Transparency Act introduce identity verification for directors and people with significant control, with changes being phased in from November 2025. For international founders, this

affects how UK entities are structured, how directors are appointed and how ongoing compliance is managed.

Second, a devolved built-environment system

Planning and development are not run through a single national process. England, Scotland, Wales and Northern Ireland each operate their own planning frameworks, guidance and digital portals. This becomes important if your PropTech product integrates with planning, permitting or local authority workflows, as requirements and data standards can differ by nation.

Third, trust-led buying behaviour

UK enterprise and public-sector organisations typically expect strong foundations in data protection, cyber security and corporate governance before entering into contracts. UK GDPR compliance, appropriate data transfer safeguards and, in some cases, Cyber Essentials certification are often viewed as part of being "sales readiness", rather than something to address after a deal is signed.

Taken together, this means UK expansion is usually less about moving fast and more about building operational readiness. Success depends not only on having a strong product, but also on demonstrating that your business can meet regulatory, governance and trust expectations from the outset.

3. The UK expansion sequence: what to do first, second, third

The validated research and checklist point to a practical sequence that helps founders reduce risk and avoid expensive rework later.

Before UK entry

Founders should first decide whether to incorporate a UK company and clearly identify their target UK customers (for example, public sector versus private sector). It is also important to

scope early implications for VAT, data protection and planning regulations, especially if your product touches housing, development or local authority systems.

This stage is about strategy and assumptions: understanding who you are selling to, what legal presence you need, and which regulatory areas will shape your operating model.

Guide model (3-month & ongoing)

Month 0–1

This phase focuses on enabling day-to-day operations. If you choose to incorporate, complete company registration and prepare for Companies House identity verification requirements. If you plan to hire staff, you must register for PAYE before the first payday and carry out right-to-work checks. Corporation Tax processes should also be set up from the start so that reporting and payment obligations are clear from day one.

In practical terms, this is about putting in place the basic legal and payroll infrastructure so the business can function properly in the UK.

Month 1–3

This is where scale readiness begins. Founders should plan for sponsorship if overseas hiring is required, establish formal data protection controls (including defined roles, Data Protection Impact Assessments where necessary, and safeguards for international data transfers), and prepare for public-sector routes to market if relevant. This period is less about formation and more about demonstrating that the business can meet UK expectations for governance, security, and compliance.

Ongoing

UK regulation does not stand still. Companies House reforms, procurement rules and Information Commissioner's Office (ICO) guidance continue to evolve. Monitoring these changes is part of operating in the UK and should be treated as a continuous responsibility rather than a one-off task.

4. Company setup and operating footprint

Most international founders naturally gravitate toward a UK Private Limited Company. The government makes the initial registration relatively straightforward, but the real work starts *after* you get your certificate of incorporation.

Once incorporated, you'll need to keep up with filings, accounts, and governance cadence. A major shift to be aware of is the identity verification rollout. From late 2025, directors and People with Significant Control (PSCs) will be required to undergo mandatory ID checks. This is a practical hurdle that can delay appointments or filings if you aren't prepared for the transition.

Founder's Tip: Don't view UK company setup as a tick-box. View it as your UK Operating System. When your filings are clean and your data protection is tight, you're not just compliant, you're "due diligence ready" for your major contract.

5. People: hiring, employment and immigration pathways

When you start hiring, you aren't just finding talent; you're becoming part of the UK's tax and regulatory ecosystem. Before your first hire receives their first paycheck, you must register as an employer with HMRC (HM Revenue and Customs). This allows you to operate PAYE (Pay As You Earn), which is the UK's system for collecting Income Tax and National Insurance contributions directly from your employees' wages.

Parallel to payroll, you have a non-negotiable duty to ensure every single person you hire has the legal right to work in the UK. This isn't just a formality; performing these checks correctly provides you with a "statutory excuse," essentially your legal protection against a civil penalty if it turns out an employee is working illegally. Be sure to follow the updated Home Office guidance for any checks conducted on or after 12 February 2025 .

If you plan to bring in talent from overseas (or move yourself), immigration shouldn't be an afterthought. It needs to be part of your initial business plan. To hire most non-UK residents,

your company will need a Sponsor Licence. This involves a formal application and carries ongoing responsibilities to monitor and report on your sponsored staff.

Beyond the standard Skilled Worker visa, there are specialised routes like the Scale-up or Innovator Founder visas. These often require "endorsement" from government-approved bodies, and the criteria are quite specific.

A Note for Founders: A very common mistake is waiting to think about immigration until after you've found the "perfect" candidate. In the UK, your ability to sponsor someone often dictates the seniority, salary level, and even the job description of the roles you're able to fill. Plan your sponsorship capability first, then hire.

6. Money: tax, accounting and reporting

Once you incorporate, you aren't just a business; you're a taxpayer with a specific set of filing duties. Every UK-incorporated company is required to file a Company Tax Return (Form CT600) with HMRC. This isn't just a summary of your profit; it must include your full statutory accounts and detailed tax computations. The best way to manage this is to set up a compliance calendar immediately. Missing deadlines in the UK triggers automatic penalties, so staying ahead of the clock is essential for maintaining a clean record.

VAT (Value Added Tax) can be particularly nuanced, especially for PropTech and data-driven businesses. You might be surprised to learn that you may need to register for VAT even if you don't have a physical UK office. Under the Non-Established Taxable Persons (NETP) rules, if you are providing taxable services in the UK, the usual registration thresholds might not apply to you. For SaaS and data models, where the service is "supplied" determines where tax is owed. It's worth getting professional advice early to ensure you're charging (and reclaiming) the correct amounts.

The UK is a fantastic place for innovation, thanks to its R&D tax relief schemes. However, the rules have recently changed. For accounting periods starting on or after 1 April 2024, the UK moved to a single, merged R&D tax relief scheme.

If your company is particularly R&D-heavy (spending a high percentage of total expenditure on R&D), you may qualify for Enhanced Support for R&D-Intensive SMEs (ERIS), which provides more generous relief. If your UK company is part of a larger international group (for example, if you have a parent company in the US or Europe), you must be mindful of Transfer Pricing. Keep in mind that HMRC updated its transfer pricing guidance as recently as January 2026, so ensure your internal pricing agreements reflect these latest standards.

7. Data, cyber and trust

In the UK market, transparency isn't just a legal checkbox; it's a prerequisite for winning a buyer's confidence. Customers need to know exactly where they stand in the data relationship. Following ICO guidance, your first step is to clearly define whether your organisation acts as a controller (deciding how and why data is used) or a processor (acting on behalf of a client), as your legal responsibilities shift significantly between the two.

If your operations involve personal data leaving the UK, you must implement approved safeguards to protect it. Most founders find the International Data Transfer Agreement (IDTA) or the UK Addendum (an addition to standard EU clauses) to be the most practical tools for ensuring these transfers remain compliant.

For more complex or "high-risk" data projects, you'll likely need to conduct a Data Protection Impact Assessment (DPIA). It is worth noting that this area is currently in flux; the Data (Use and Access) Act 2025 has triggered a review of the ICO's existing guidance. Staying on top of these updates is essential to ensure your risk assessments remain valid under the new legislative framework.

Cybersecurity has moved from the server room to the boardroom, becoming a visible fixture in modern sales cycles. Cyber Essentials is now a staple of government procurement policy. Depending on the contract, you may be required to hold this certification or demonstrate that you have equivalent security controls in place to protect sensitive data.

In sectors like PropTech, trust is more than a "nice-to-have"; it is a commercial enabler. Proving you handle data responsibly and securely is often what moves a deal from a "maybe" to a "yes."

8. Selling into the UK built environment

It's vital to recognise that "UK planning" isn't a single, uniform process. Navigating the built environment requires a nuanced understanding of how workflows shift as soon as you cross a border. In England, development is primarily guided by the Planning Practice Guidance found on GOV.UK. However, Scotland, Wales, and Northern Ireland operate under their own distinct legislative frameworks, portals, and submission processe.

For any PropTech founder, these regional variations are more than just administrative quirks—they directly impact your product's architecture. If your platform integrates with planning submissions, public consultations, or local authority workflows, you need to account for varying terminology, distinct Portals and policy divergence.

Founders who treat the UK as a monolithic system often run into "integration friction" late in the sales cycle. Understanding these regional silos early on will make your sales conversations and your product far more credible to UK buyers.

9. Public sector readiness: procurement and governance

Public sector sales in the UK government or local authorities can be a game-changer for a startup, but it requires adhering to a very specific set of rules. The landscape has recently shifted with the Procurement Act 2023, and the government has released updated supplier guidance to help businesses navigate this new territory.

If you're looking for high-value contracts, your main port of call is the Find a Tender service. Since February 2025, this platform has operated under a new regime designed to make the process more transparent. One important detail to note for your pipeline: there is a specific exception for "below-threshold" contracts in Scotland, which are handled slightly differently in official information.

In the UK, the public sector rarely buys "off-the-shelf" in the traditional sense. Instead, they use frameworks managed by the Crown Commercial Service (CCS). Think of these as pre-vetted digital catalogues that make it easier for civil servants to buy from you.

Key routes include: G-Cloud, Digital Outcomes and Specialists, and the Digital Marketplace. Before you invest significant time and resources, it is well worth reviewing the official documentation for each of these. Each framework has its own application window and specific requirements you'll need to meet to be "admitted" as a supplier.

10. Common mistakes and how to avoid them

Across the research, the same issues recur:

- Treating UK setup as a one-off event, not an ongoing compliance cadence.
- Underestimating VAT and NETP exposure for cross-border SaaS models.
- Leaving data protection and cyber readiness until procurement starts.
- Ignoring devolved planning differences.

Each of these is preventable with early detection.

11. How to use the checklist (and what to do next)

The UK Expansion for PropTech Founders – Checklist (UK) translates this guide into a practical tool.

Use it to:

- Assign ownership (founder, ops, finance, legal)
- Sequence actions by phase (pre-entry, months 0–3, ongoing)
- Capture evidence of completion
- Identify risks before they become blockers

Start with pre-entry decisions, complete Month 0–1 action before hiring or contracting, and treat data, procurement and planning readiness as commercial foundations, not afterthoughts.

12. Definitions

- **Companies House** – UK registrar of companies
- **CT600** – Company Tax Return process
- **DPIA** – Data Protection Impact Assessment
- **ECCT** – Economic Crime and Corporate Transparency Act
- **ERIS** – Enhanced R&D Intensive Support
- **Find a Tender** – UK public procurement notice service
- **G-Cloud / DOS** – Crown Commercial Service frameworks
- **ICO** – Information Commissioner's Office
- **IDTA** – International Data Transfer Agreement
- **NETP** – Non-established taxable person (VAT)
- **PAYE** – UK employer payroll system

13. Sources & Further Reading

S1 – Set up a private limited company (register your company)
https://www.gov.uk/limited-company-formation/register-your-company

S2 – Set up a limited company: step by step
https://www.gov.uk/set-up-limited-company

S3 – Companies House confirms identity verification rollout from 18 November 2025
https://www.gov.uk/government/news/companies-house-confirms-identity-verification-rollout-from-18-november-2025

S4 – Economic Crime and Corporate Transparency Act: outline transition plan for Companies House
https://www.gov.uk/government/publications/economic-crime-and-corporate-transparency-act-outline-transition-plan-for-companies-house/economic-crime-and-corporate-transparency-act-outline-transition-plan-for-companies-house

S5 – Identity verification – Changes to UK company law
https://changestoukcompanylaw.campaign.gov.uk/identity-verification/

S6 – The Procurement Act 2023: a short guide for suppliers
https://www.gov.uk/government/publications/procurement-act-2023-short-guides/the-procurement-act-2023-a-short-guide-for-suppliers-html

S7 – Find a Tender Service – notice publication from 24 February 2025
https://www.find-tender.service.gov.uk/Search

S8 – VATREG37150 – Non-established taxable persons (NETPs): what is an NETP?
https://www.gov.uk/hmrc-internal-manuals/vat-registration-manual/vatreg37150

S9 – VAT Notice 741A: Place of supply of services
https://www.gov.uk/guidance/vat-place-of-supply-of-services-notice-741a

S10 – VAT1 Notes (HMRC 11/24) – NETP registration note

https://assets.publishing.service.gov.uk/media/675a93f57e419d6e07ce2b7b/VAT1_Notes.pdf

S11 – Company Tax Return obligations
https://www.gov.uk/guidance/company-tax-return-obligations

S12 – Completing your Company Tax Return (CT600 guide)
https://www.gov.uk/guidance/the-company-tax-return-guide

S13 – Register as an employer (PAYE) – before first payday
https://www.gov.uk/register-employer

S14 – Employer's guide to right to work checks (Home Office)

https://assets.publishing.service.gov.uk/media/6878ead80263c35f52e4dd76/26_06_25_Guidance_Right_to_work_checks_-_an_employer_s_guide.pdf

S15 – Research and Development (R&D) tax relief: the merged scheme and ERIS
https://www.gov.uk/guidance/research-and-development-rd-tax-relief-the-merged-scheme-and-enhanced-rd-intensive-support

S16 – INTM410000 Transfer pricing guidance: contents
https://www.gov.uk/hmrc-internal-manuals/international-manual/intm410000

S17 – Controllers and processors (UK GDPR overview)
https://ico.org.uk/for-organisations/uk-gdpr-guidance-and-resources/controllers-and-processors/

S18 – International Data Transfer Agreement and guidance
https://ico.org.uk/for-organisations/uk-gdpr-guidance-and-resources/international-transfers/international-data-transfer-agreement-and-guidance/

S19 – Data Protection Impact Assessments (DPIAs)
https://ico.org.uk/for-organisations/uk-gdpr-guidance-and-resources/accountability-and-governance/data-protection-impact-assessments-dpias/

S20 – Procurement Policy Note (PPN) 014: Cyber Essentials scheme
https://www.gov.uk/government/publications/ppn-014-cyber-essentials-scheme

S21 – Cyber Essentials overview (NCSC)
https://www.ncsc.gov.uk/cyberessentials/overview

S22 – Planning Practice Guidance collection (England)
https://www.gov.uk/government/collections/planning-practice-guidance

S23 – ePlanning Scotland – getting started
https://www.eplanning.scot/ePlanningClient/

S24 – Planning applications (Wales)
https://www.gov.wales/planning-applications

S25 – Northern Ireland Planning Portal (simple search)
https://planningregister.planningsystemni.gov.uk/simple-search

S26 – Find people and technology on the Digital Marketplace
https://www.gov.uk/digital-marketplace

S27 – Crown Commercial Service – G-Cloud 15 agreement page
https://www.crowncommercial.gov.uk/agreements/RM1557.15

S28 – Buying through the Digital Outcomes and Specialists framework (buyers guide)
https://www.gov.uk/guidance/digital-outcomes-and-specialists-buyers-guide

S29 – Sponsor guidance Part 1: Apply for a licence
https://assets.publishing.service.gov.uk/media/690c8dafb5e5a06aefd46b29/Sponsor-guidance-Part-1-Apply-for-licence-11-25-v1.0.pdf

S30 – Sponsor a Skilled Worker (Home Office guidance)
https://www.gov.uk/government/publications/workers-and-temporary-workers-sponsor-a-skilled-worker/workers-and-temporary-workers-sponsor-a-skilled-worker-accessible

S31 – Scale-up and Innovator Founder visa endorsing bodies: guidance
https://www.gov.uk/government/publications/scale-up-and-innovator-founder-visa-endorsing-bodies-guidance

S32 – Data (Use and Access) Act 2025: data protection and privacy changes
https://www.gov.uk/guidance/data-use-and-access-act-2025-data-protection-and-privacy-changes

S33 – Department for Infrastructure (Northern Ireland) – Planning
https://www.infrastructure-ni.gov.uk/topics/planning