

Following a recent change in UK Government legislation, huge tax advantages have been extended to UK owners of Furnished Holiday Let properties both in the UK and abroad.

Of course, the Tax Office never advertised this benefit and so this little known but highly valuable allowance rests at the HMRC waiting to be claimed. It is estimated that less than 2% of owners have made the claim, leaving the vast majority of owners with monies at the HMRC unclaimed.

This benefit is given as an income tax reduction on any of the client's taxable income in future years and/or a tax rebate.

Accountants are largely unable to make the claim for a client, as specific and expensive HMRC licences must be held by HMRC approved companies such as our partner. In addition to this, each and every property must be rigorously surveyed by us in order to be presented in a specific HMRC format. Again, unlicensed accountants are unable to do this.

We could help

We're working closely with a fully HMRC approved company who are property tax specialists. They will work with your accountant – they are not there to replace them – and will establish whether or not you are in the 96% who have a legitimate and substantial claim to make. **Typically, 25% of the purchase price is found in claimable allowances.**

So, how does it work and what do we claim for?

There is **set HMRC criteria** for the allowance to become payable. Fortunately it is simple and an estimated 500,000 property owners qualify:

- Is the property a Furnished-Holiday-Let in the UK or EU country?
- Was the purchase price in excess of £150,000?
- Is the owner a UK tax payer?
- Is the property let out for more than 70 days per year **or** available for more than 140 days per year (verification required in either case)?

If the answers to the above are 'yes' then it is likely that you have a significant claim to make. The property can be a villa or an apartment and must be located in the UK or any EU country. We claim for hundreds of items within the 'intrinsic fabric' of the building, right down to the kitchen sink. Normally we find approximately 25% of the purchase price of the property in claimable capital allowances.

Example:

For a villa purchased for £500k, we may find £125k allowances or 'costs' which can be offset against corporation tax or income tax. In the above example, the owner will save 40% tax if it was owned privately by a higher rate tax payer:

An actual saving of £41,905 in income tax over the next two years.

How do we apply for the allowance?

Each claim must be submitted by a fully HMRC approved company: **an accountant is unable to process this specialist allowance.** So far, 100% of the cases submitted by our partner company within the last 5 years have been accepted and rubber-stamped due to their experience, expertise and trusted relationship with the HMRC.

Each property is surveyed and a report is compiled: a copy of which is sent to your accountant for 'signing off'. Once the allowances are identified, it is down to the accountant to decide how best to use them in each individual circumstance.

In simple terms, **a bank of costs is found, which the owner can use to offset their taxable income.**

In a nutshell, here's the process:

1. We have a telephone or face to face meeting with the client to establish if a claim is valid.
2. If all is well, the client completes a simple 'client instruction form'.
3. This allows us to talk to their accountant and gather the property data
4. We survey each property in detail, sometimes taking as many as 400 photos as our report must meet HMRC method and standards.
5. When the allowances have been identified and the report complete (2 weeks) the report is sent to both the client and their accountant for 'sign off'

Specialist licences allow our partner to access internal HMRC allowance tables, meaning reports are normally rubber stamped without delay as they are submitted via a pre-approved method. This has resulted in a track record of 100% approved claims in the last seven years.

Fees

We charge a survey fee and 5% of the claim amount (6% for privately owned properties).

The survey fee is £595 for a UK property and £995 for a property abroad. This is payable in advance and only covers the costs of travel and an HMRC approved surveyor to visit the property. The 6% savings related fee is not payable until signed off by the accountant.

If we fail to find more than £25,000 worth of allowances **and** if your accountant does not sign off our report then there is absolutely no fee to pay and the survey fee is refunded in full.

Testimonials and client cases

St Ives

This charming cottage in the heart of St Ives was bought in April 2008. We submitted a claim and we were able to gain over £7.2k in income tax savings over the next two years for the owner. He is a PAYE employee and so in this case his tax code was re-adjusted to allow him to earn an extra £300 per month every month for the next two years.

The client was delighted and we have been asked to contact all the other owners who let their properties with this letting agent.

Another client in St Ives owns a beautiful property overlooking the bay. The purchase price was £550k and the standard of internal fittings allowed us to find more allowances than usual. A huge claim has left the client saving more than £24k over the next two years.

Abersoch

This client approached us through referral. His Abersoch property, purchased 5 years ago easily qualified. We are currently working on this case but initial indications are that the client will save in excess of £11k in income tax over the next two years.

Spain (testimonial)

"We are extremely delighted everything went so well with our capital allowance claim that you carried out on our behalf. Many thanks to the team for the work put in to achieve £187,000 which was a fantastic result with very little input from ourselves." (Owners, Holliday Let, Spain)

Scotland (testimonial)

"I owned a furnished holiday letting for eleven years and was convinced that my own accountant had claimed all the allowances available. Eventually I challenged the chaps to try and make a claim on my behalf. I was surprised and delighted when they successfully claimed just over £104,000 for me. As a result I received a large reduction in my subsequent yearly tax bills and have no hesitation in recommending them." (Owner, Furnished Holiday Letting, Dunbartonshire, Scotland)

About the company

The team is advised by chartered accountants, lecturers, barristers and the HMRC. The direct team consists of experts in property tax with many years of experience. We are always more than happy to meet clients at our offices or theirs.

We do not advertise and over 80% of our business comes as referrals from accountants and existing clients. Remember our **double guarantee** that if we fail to find more than £25,000 worth of allowances **or** an accountant does not sign off the report then there are no fees whatsoever and the survey fee is refunded in full.

If you or your client is interested, contact us so that we can make the necessary introduction.

LOAN RESOLUTIONS

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Estimator for UK & European Furnished-Holiday-Let Property Tax Allowance

Property Purchase Price	Allowance Available 25%	Figures for property owned by Limited Company				Figures for property owned by Sole Trader/Partnership			
		Limited Company 21%	Client Fee (Ltd. company) 5%	Total Client Fee (Ltd. Company) including survey fee (£595*)	Total benefit available to Ltd. Company (21%)	Sole Trader/Partnership 40%	Client Fee (Privately owned) 6%	Total Client Fee (Privately owned) including survey fee (£595*)	Total benefit available to Sole Trader/Partnership (40%)
£150,000	£37,500	£7,875	£1,875	£2,470	£5,405	£15,000	£2,250	£2,845	£12,155
£200,000	£50,000	£10,500	£2,500	£3,095	£7,405	£20,000	£3,000	£3,595	£16,405
£250,000	£62,500	£13,125	£3,125	£3,720	£9,405	£25,000	£3,750	£4,345	£20,655
£300,000	£75,000	£15,750	£3,750	£4,345	£11,405	£30,000	£4,500	£5,095	£24,905
£350,000	£87,500	£18,375	£4,375	£4,970	£13,405	£35,000	£5,250	£5,845	£29,155
£400,000	£100,000	£21,000	£5,000	£5,595	£15,405	£40,000	£6,000	£6,595	£33,405
£450,000	£112,500	£23,625	£5,625	£6,220	£17,405	£45,000	£6,750	£7,345	£37,655
£500,000	£125,000	£26,250	£6,250	£6,845	£19,405	£50,000	£7,500	£8,095	£41,905
£550,000	£137,500	£28,875	£6,875	£7,470	£21,405	£55,000	£8,250	£8,845	£46,155
£600,000	£150,000	£31,500	£7,500	£8,095	£23,405	£60,000	£9,000	£9,595	£50,405
£650,000	£162,500	£34,125	£8,125	£8,720	£25,405	£65,000	£9,750	£10,345	£54,655
£700,000	£175,000	£36,750	£8,750	£9,345	£27,405	£70,000	£10,500	£11,095	£58,905
£750,000	£187,500	£39,375	£9,375	£9,970	£29,405	£75,000	£11,250	£11,845	£63,155
£800,000	£200,000	£42,000	£10,000	£10,595	£31,405	£80,000	£12,000	£12,595	£67,405
£850,000	£212,500	£44,625	£10,625	£11,220	£33,405	£85,000	£12,750	£13,345	£71,655
£900,000	£225,000	£47,250	£11,250	£11,845	£35,405	£90,000	£13,500	£14,095	£75,905
£950,000	£237,500	£49,875	£11,875	£12,470	£37,405	£95,000	£14,250	£14,845	£80,155
£1,000,000	£250,000	£52,500	£12,500	£13,095	£39,405	£100,000	£15,000	£15,595	£84,405

↑	↑	↑	↑	↑	↑	↑	↑
25% is typical. Amounts can vary.	Real saving on private income tax if the property is owned by a Ltd. Company	Fee based on 5% of the capital allowances claimable	Survey fee of £595 is payable in advance	Real saving on private income tax if the property is owned by an individual	Fee based on 6% of the capital allowances claimable	Survey fee of £595* is payable in advance	

Figures quoted are an estimation only. This document is non contractual and for presentation purposes only

*Survey fee for overseas furnished-holiday-let properties is £995