

I own a property which has been vacant for some time.

By **Aubrey Calderwood**

It probably needs to be refurbished before I can let it. Are there any tax incentives available for doing this?

There are a variety of tax incentives available for expenditure on property. If you install any plant or machinery such as new heating, air conditioning or lighting, then plant and machinery allowances will usually be available for this element of the spend.

If the expenditure relates to repairing the existing structure then it may be possible to claim revenue deductions (as opposed to capital allowances) equating to 100% of the qualifying repair expenditure in the year incurred. Land Remediation Relief, a 150% tax deduction for expenditure such as asbestos removal, could also be available.

However, one of the most commonly overlooked tax reliefs available for expenditure of this nature is the Business Premises Renovation Allowance (BPPRA). BPPRAs are specifically aimed at bringing vacant premises back into use in “disadvantaged areas”. A “disadvantaged area” is an area specified a “development area” in the Assisted Areas Order 2007 (SI 2007/107) along with the whole of Northern Ireland. There are a multitude of these areas throughout the UK but property owners and occupiers are generally unaware of their existence or the valuable tax reliefs that relate to them.

If your building is a “qualifying building” in one of these areas then 100% of the refurbishment costs incurred for bringing the property back into use will qualify for tax relief. In essence, the person incurring the expenditure will be able to do so tax free thus making this a very tax efficient way of adding value to property.

A “qualifying building” is one that must be available for use for the purposes of a trade, profession, vocation or an office. It must have been vacant for at least a year prior to refurbishment and be located in a disadvantaged area. The relief extends to vacant floors within multi-tenanted buildings so landlords should consider this as an asset management issue before incurring any expenditure to make a property ready for letting.

The window of opportunity to claim BPPRA expires on the 11th April 2012 so make sure you claim before this or you may miss out! To check if your building qualifies, go to www.capitusgreen.co.uk/bpra.html

Read more:

<http://www.propertyweek.com/story.asp?sectioncode=274&storycode=3163897&channel=274&c=1#ixzz0oqN4B01s>