



Domus Holmes
Property Group

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PROPERTY TAX PARTNER



Commercial Property Capital Allowances Factsheet

Don't miss out on this often
unclaimed allowance worth tens of
thousands of pounds

About the Author



Ian Brown is Business Development Manager at Six Forward, a specialist property tax (capital allowances consultancy) working with clients across the UK, Europe and Asia (www.sixforward.com) including household names, overseas property investors, hotel and care groups as well as businesses and private investors across all sectors.

Ian Brown is a speaker about capital allowances for commercial property investment at the [Foundations of Commercial Property Investment events](#).

Commercial Property Capital Allowances – Information You Need to Know

OPPORTUNITY

If you own any form of Commercial Property, including offices, industrial or leisure please read this.

The Government and HMRC have long had a legitimate tax incentive designed to encourage investment into businesses with the aim of creating jobs. Capital Allowances are universally used by Accountants to mitigate the cost of investing in high value equipment

- The Annual Investment Allowance gives up to £200,000 of tax relief against plant and machinery purchased in the tax year
- For a 20% tax payer that means a real saving of up to £40,000 in one year
- It is usually used against high value capital items such as computers, vans or moveable plant and machinery
- **What many owners do not realise is that this relief can be used against the attached fixtures and fittings WITHIN A PROPERTY**
- These can constitute over 25% of the purchase price of a property.

THREAT

If you are looking to buy commercial property now or in the future then there is something YOU MUST know.

More owners are claiming capital allowances on their property as a great way to reduce tax bills and if you own a property completed before April 2014 you can still claim at any time - It is a legitimate exercise. However, following an increase in historic claims, HMRC are taking control of when and how you can claim for new acquisitions.

- Property acquired after April 2014 **does not** come with an automatic right to claim. Capital allowances can only be passed on by the vendor.
- **This will require sensitive negotiation, and a very specific sequence of events.**
- If allowances are not identified and elected across to the purchaser during the transaction they will, in most cases, be lost forever.
- An individual buying a well specified property the vendor had previously acquired for £1,000,000, and paying higher rate tax could expect a tax saving of up to £160,000, a lot to lose if it's not addressed!

Clients of Domus Holmes Property Group can enjoy a FREE Capital Allowances assessment to see if a property would qualify (almost all do...)

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Looking to invest in commercial property?

This factsheet is a great tool for successful commercial property investing.

But commercial property is a complicated area and there are plenty of potential pitfalls and great strategies that can make the difference between a profitable portfolio or disaster.

You want to invest successfully. And we want to help. Our Foundations of Commercial Property Investment course is an ideal introduction to the world of commercial property.

[Learn More](#)