



Lloyd's Financial Q&A Column

Grantham-based tax and accountancy specialist Lloyd Stubbs gives advice on financial matters to small businesses

WHAT TAX RELIEF CAN I CLAIM ON PROPERTY REPAIRS?

Q: I have a rental property that I bought four years ago. I have carried out extensive repairs in that time and I am confused as to what I can and can't claim as tax relief. Please could you clarify what tax relief can I claim on property repairs?

A: Firstly, it's important to determine the following points:

- What state was the property in when you purchased it? What it in a fit state for renting out, or was some of the work carried out to get it to a fit state?
- What type of property you are renting out? Furnished or unfurnished?
- Are the expenses you have incurred repairs to the building/furniture or improvements or enhancements?

If you purchased a property that required work so that it was in a fit state to rent out, it is likely that these expenses are of a capital nature and therefore can't be claimed against property income on your self-assessment tax return.

Capital expenditure should be recorded and kept separately. If or when you come to sell the property you may be able to factor it into any Capital Gains Tax (CGT) calculations.

For unfurnished or furnished residential properties, you may carry out repairs on your property. Some of these repairs will be available for tax relief, these are the smaller repairs and maintenance costs and replacements. For example, decorating, fixing broken windows, repairing gutters and replacing roof tiles would all be deductible expenses.

Other repairs that are property improvements and enhancements can't be claimed as property repairs on your self-assessment tax return. These include extensions, adding a conservatory, replacing the kitchen with an upgrade and upgrading the central heating system.

You may be able to claim Replacement of Domestic Items relief. This relief is available for expenses incurred from 6th April 2016, where an old domestic item is replaced. There are other criteria to be eligible for this relief and you should consult your accountant. If the replacement is an improvement, you can only deduct the cost for purchasing a like for like item.

The Furnished Holidays Lets scheme was abolished from 6th April 2025 so if you previously utilised this scheme, you should speak to an accountant about the reliefs you can now claim for your business and how best to change your bookkeeping processes.

Lloyd Stubbs specialises in managing tax and accountancy affairs for small business owners and can be contacted by phone or email

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