

Here to help you build a better business



Allowable property expenses

for tax purposes include the following:

- General maintenance and repairs to the property, but not improvements (such as replacing a laminate kitchen worktop with a granite worktop)
- Water rates, council tax, gas and electricity (if incurred by you and not the tenant)
- Insurance, such as landlords' policies for buildings, contents and public liability
- Costs of services, including the wages of gardeners and cleaners
- Letting agent fees and management fees
- Legal fees for lets of a year or less, or for renewing a lease for less than 50 years
- Accountant's fees
- Rents (if you're sub-letting), ground rents and service charges
- Direct costs such as phone calls, stationery and advertising for new tenants
- Vehicle running costs (only the proportion used for your rental business) including mileage rate deductions for business motoring costs
- Mortgage interest

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Property expenses that you cannot claim a tax deduction for include:

- The full amount of your mortgage payment - only the interest element of your mortgage payment can be offset against your income
- Private telephone calls - you can only claim for the cost of calls relating to your property rental business
- Clothing - for example if you bought a suit to wear to a meeting relating to your property rental business, you cannot claim for the cost as wearing the suit is partly for your rental business and partly to keep you warm - no identifiable part is for your property rental business
- Personal expenses - you cannot claim for any expense that was not incurred solely for your property rental business

You must keep complete and accurate accounting records for any allowable property expenses, including copies of receipts/invoices.