Key Advice

CAVETTA CONSULTING
Unlocking Capital Allowances

Key Advisors Property Developers

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UNLOCKING PROPERTY TAX – TAX RELIEF FOR PROPERTY DEVELOPERS

Key Success

Depending to the property and its specification 10-30% of the elopement cost may qualify for tax relief through plant and machinery allowances, 100% if the property qualifies for structures and buildings allowances

Property developers are unable to claim capital allowances on property that they hold as trading stock which goes through the profit and loss account. They can however, benefit from 150% Land Remediation Relief on expenditure incurred on qualifying remediation costs and 150% Derelict Land Relief on the costs of removing barriers to the development on derelict land.

Although, developers holding property as trading stock cannot directly benefit from capital allowances, it is nevertheless important to remember that unclaimed tax relief can add value when you dispose of the property and should therefore be incorporated within the developer's exit strategy.

As a developer, you can generate added value through awareness of the capital allowances, land remediation and derelict land relief regimes. A tax efficient approach to development, can provide you with the means to increase the market value of your development when it is sold.

At Cavetta Consulting we assist commercial developers in a number of ways:

- Advising whether the development delivery vehicle has the correct corporate structure to facilitate a claim for 150% land remediation relief and derelict land relief.
- Helping you to incorporate tax saving opportunities into the design brief making the project tax efficient for a purchaser of the property.
- Raising awareness of the benefit that a purchaser can obtain in the form of Enhanced Capital Allowances. This will mean ensuring that that the correct equipment is installed, certifications provided and that the building is new and unused when the property is sold.
- Providing ongoing advice in relation to the tax implications of any variations or value engineering.
- Helping you to identify areas where the tax efficiency of the project can be improved.
- Allowing you to provide clarity to contractors, subcontractors and suppliers as to what is required to maximise tax savings by providing caused for the building contract.
- Advising on the potential allowances available to a purchaser by providing a capital allowances sales aid in advance of the sale of the property.

Working together we can help clients achieve and maximise the following tax reliefs:

- 150% Land Remediation Relief (for companies)
- 100% Repairs and Maintenance
- 100% Full Expensing - until March 2026
- 100% Annual Investment Allowance
- 6/18% Plant and Machinery Allowances
- 3% Structures and Buildings Allowances

At Ċavetta Consulting, our directors have considerable experience advising landlords on all capital allowances implications that may impact their business.

Our fee structure is tailored to take account for the tax status of the individual or company and is designed to add value to their business.

We offer free advice to our clients at the pre-planning stage of their development, to make them aware of the benefits that the tax system offers, and a no obligation review of completed or potential schemes in order to determine whether a viable claim for property tax reliefs can be made.

If you would like to find out what tax savings you could achieve contact us at:

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This briefing is intended to provide an introductory outline to certain aspects of the UK Capital Allowances regime. It should not be used instead of obtaining proper professional advice. The outline is for guidance only and is not an appropriate basis for decision-making.