

Case Study: A claim for multiple Furnished Holiday Lets

Self-Catering & Furnished Holiday Let



The  | **SYKES HOLIDAY COTTAGES** family

£489,500

investment in
property purchases

Zeal completed a capital allowances claim for the owner of 5 furnished holiday let properties located in the Northwest of England. Four of the properties were purchased as residential and converted into holiday let businesses by the owner and the fifth property was purpose built over a period of three years. The total investment by the owner was £489,500 in property purchases between 2016 and 2020 and £544,109 on build costs between 2010 and 2013.

£544,000

investment in
construction costs

Overview of the claim

The owner was introduced to Zeal services through their management letting company, our partner, Sykes Holiday Cottages. As the owner had a multi-property portfolio, they had several questions in relation to their claim. This required a detailed conversation with one of our tax specialists whereby any concerns were addressed. Following this, a capital allowances site survey was conducted on the four purchased properties to uncover the claimable allowances. For the fifth property, that was constructed, the allowances were identified through the works undertaken and the associated invoices and cost schedules from the developer.

£210,500

capital allowances
uncovered









The result

Having assessed the owners tax position, our team advised a change in accounting method that would be more tax efficient. By making the claim in the 2021/22 tax returns the taxable income from holiday lettings was significantly reduced. In addition, by combining this with the change in accounting method, the client was able to utilise the majority of allowances immediately. The team were able to identify a previously missed claim and several undervalued claims for allowances on refurbishment works conducted on 3 of the properties. In total over £210k of allowances were identified, resulting in £84k in tax savings and an immediate cash rebate of just over £18,000.

£84,000

unlocked in
total tax savings

Qualifying items:

 Lighting and Electric Systems	 Carpets and Flooring	 TV and Phone Ports
 Heating and Ventilation Systems	 Security and Fire Alarms	 Ironmongery
 Water Systems and Drainage	 Kitchens and Bathrooms	 Disposal Installations

The team at Zeal were amazing. We were quite worried about the process being complicated and being required to do a lot of digging into old accounts, finding old receipts and payment records, but in fact it couldn't have been simpler. Everything, from the point they were commissioned to surveyors inspecting properties, requesting information and the final report being produced, all happened really quickly and they kept us informed at every step.

We had an idea we were due a refund, but were shocked at how much and how quickly we received the money from HMRC.

It is absolutely worth while employing Zeal and we will be doing so again on an upcoming project. Very friendly, professional and really looked after us. Highly recommended.

 Mrs Johnson, Multiple FHL Owner

ZEAL

10% Sykes
Member discount!

hello@gozeal.co.uk | www.gozeal.co.uk