



## **BUY TO LET AND RENTAL PROPERTY – What expenses can you claim?**

There are various costs that can be deducted, for tax purposes, from the income from either buy-to-let properties or rental properties, as follows:

1. The cost of advertising.
2. The cost of tenancy agreements.
3. Legal fees incurred granting leases.
4. Inventory costs.
5. Any council tax paid by the landlord during an untenanted period.
6. Legal costs incurred dealing with defaulting tenants.
7. Costs incurred evicting tenants – which can include bailiff charges.
8. Unpaid rent – to be considered a bad debt.
9. Managing Agent's charges – if used.
10. Mortgage – the interest and the initial mortgage costs incurred are both deductible.
11. Building insurance.
12. Contents insurance in respect of furnished properties.
13. Cleaning.
14. Gardening/outside maintenance.
15. The cost of refuse collection.
16. Service charges and the cost of maintaining common parts in a block of flats.
17. Any rent paid by the landlord if he is sub-letting.
18. Ground rent.
19. Any costs incurred collecting rent, including travelling costs.
20. There is a 10% allowance for wear and tear being 10% of the rent charged after deduction of rates.
21. Revenue repairs.
22. Where a separate bank account is held for rental income any overdraft and interest charges are deductible.

Please review our Guides section of the website for further information, and also [www.hmrc.gov.uk](http://www.hmrc.gov.uk)