



Tax-Deductible Expenses for Buy-to-Let Properties (UK, 2024–25)

Tax Year: 6 April 2024 – 5 April 2025

There's a lot of info in the Gov't sites about property income, and the majority doesn't apply directly to you – if you want to check out the full manual I'd visit this link and look at the following sections:

PIM1050 – Income chargeable, especially the overview & deposits section. Deposits aren't generally classed as income, it's like holding money that will be used in future.

PIM2500 (especially PIM2505) – Beginning and end of a rental business. This section confirms that your property business starts when the first letting commences, all previous costs are pre-trading. So long as you have the receipts you can claim these back to 7 years pre-trading.

Here's a quick summary in actual English that might make sense rather than HMRC circular speak:

1. Property Maintenance & Repairs

You can claim for expenses related to property maintenance and repairs, such as:

- Fixing leaks
- Replacing broken windows or doors
- Painting and decorating
- Replacing boilers or radiators (like-for-like)
- Roof and gutter repairs

Not claimable: Capital improvements (e.g., building an extension).

2. Utility Bills & Council Tax

If you pay for utilities and council tax rather than the tenant, these are allowable expenses:

- Water, gas, electricity
- Council tax



3. Insurance Premiums

You can deduct premiums for:

- Landlord buildings insurance
- Contents insurance
- Rent protection and public liability cover

4. Ground Rent & Service Charges

- Allowable if incurred as part of leasehold or serviced accommodation.
- Includes maintenance fees, management company charges, etc.

5. Letting Agent, Legal & Management Fees

Deductible costs include:

- Letting agent commissions
- Rent collection services
- Tenant referencing
- Eviction proceedings or debt recovery (legal fees)

✗ Not claimable: Legal fees for lease terms over one year.

6. Professional Fees & Contractors

- Accountants (for property-related returns)
 - Cleaners or gardeners
 - Tradespeople paid to maintain or manage the property
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7. Advertising & Administrative Costs

Allowable expenses include:

- Adverts for finding tenants
 - Phone calls (business use only)
 - Stationery and postage
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8. Vehicle & Travel Costs

You can claim for travel **directly related** to your rental property business, such as:

- Visiting the property
- Meeting tenants or contractors
- Picking up supplies

Claim either:

- Actual travel costs (fuel, parking, etc.)
 - HMRC mileage rate
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9. Replacement of Domestic Items Relief

This covers the **replacement** of:

- Beds, sofas, carpets, curtains
- White goods (fridge, oven, etc.)
- Crockery and utensils

💡 Must be like-for-like and not an upgrade.



10. Mortgage Interest Tax Relief

Since April 2020, you **can't deduct mortgage interest** as an expense.

Instead, you get a **20% tax credit** on:

- Interest on buy-to-let mortgages
- Loan interest for property improvements

✗ Expenses You Cannot Claim

- Full mortgage payments (only the interest portion is eligible for the tax credit)
- Property improvements or renovations
- Your own time or labour
- Personal use of utilities, travel, phone