

HOTEL LOSES £500,000 CLAIM

GET THE RIGHT ADVICE AT THE RIGHT TIME

In 2013, two individuals bought a hotel in Bath for £2,000,000 without understanding capital allowances (CAs) and receiving no advice on the matter. As a result, they missed a tax benefit of approximately £500,000 as they failed to take the necessary steps, and ultimately this tax benefit was lost to a third party. Involving a capital allowance specialist when they acquired the hotel and/or before they agreed terms to sell the property would have prevented this from happening.

In 2024, and just prior to selling the hotel to a property investor, the sellers became aware of the buyer's intense interest in the CAs position. This prompted the current owners to investigate further and asked Capital Allowance Review Service to review their position.. Prior to our involvement, they had already agreed they would pass over the CAs to the seller in their entirety not fully appreciating what this meant. Once we reviewed the case, we were able to warn them they were about to give away a large benefit. Unfortunately, our involvement was too late and we were unable to change the contract.

The sellers attempted to renegotiate the division of the CAs but the buyer refused and threatened to pull out of the £3,000,000 sale. Consequently, the sellers were forced to proceed with the deal. This was a very expensive lesson to be learnt.

IMPORTANT

This example highlights the consequences of not understanding CAs and not employing specialist advice. This is not an unusual example.

Client Testimonial...

"We just wanted to express our thanks to the team. From the first conversation with Ruby, through Sue, Paul, and Dave we have experienced a very genuine, responsive, knowledgeable, and supportive hooked-up team. Thank you and congratulations on a great culture. Having engaged in the sales transaction before Christmas, you have all helped make an extraordinarily draining and challenging process a great deal more positive and life-confirming. Thank you."

An observation from our Founder/Director, Paul Roberts...

"We maintain a professional approach with everyone who reaches out to us, dedicating time to engage in meaningful conversations aimed at providing tailored advice. Afterward, we explore potential collaborations, though occasionally it may transpire that our partnership isn't the right fit, or doesn't work out as was the case here. Nonetheless, we take pride in leaving a lasting impression, regardless of the outcome."



Whether you would like to learn more about our services or speak to one of our experts about how we can help you, you can find the answers on our website or alternatively contact us:

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