

GUIDE TO BUY TO LET TAX CHANGES

The tax considerations for a landlord investing in Buy to Let are changing in the coming months and years. Here is our guide to what you need to know.

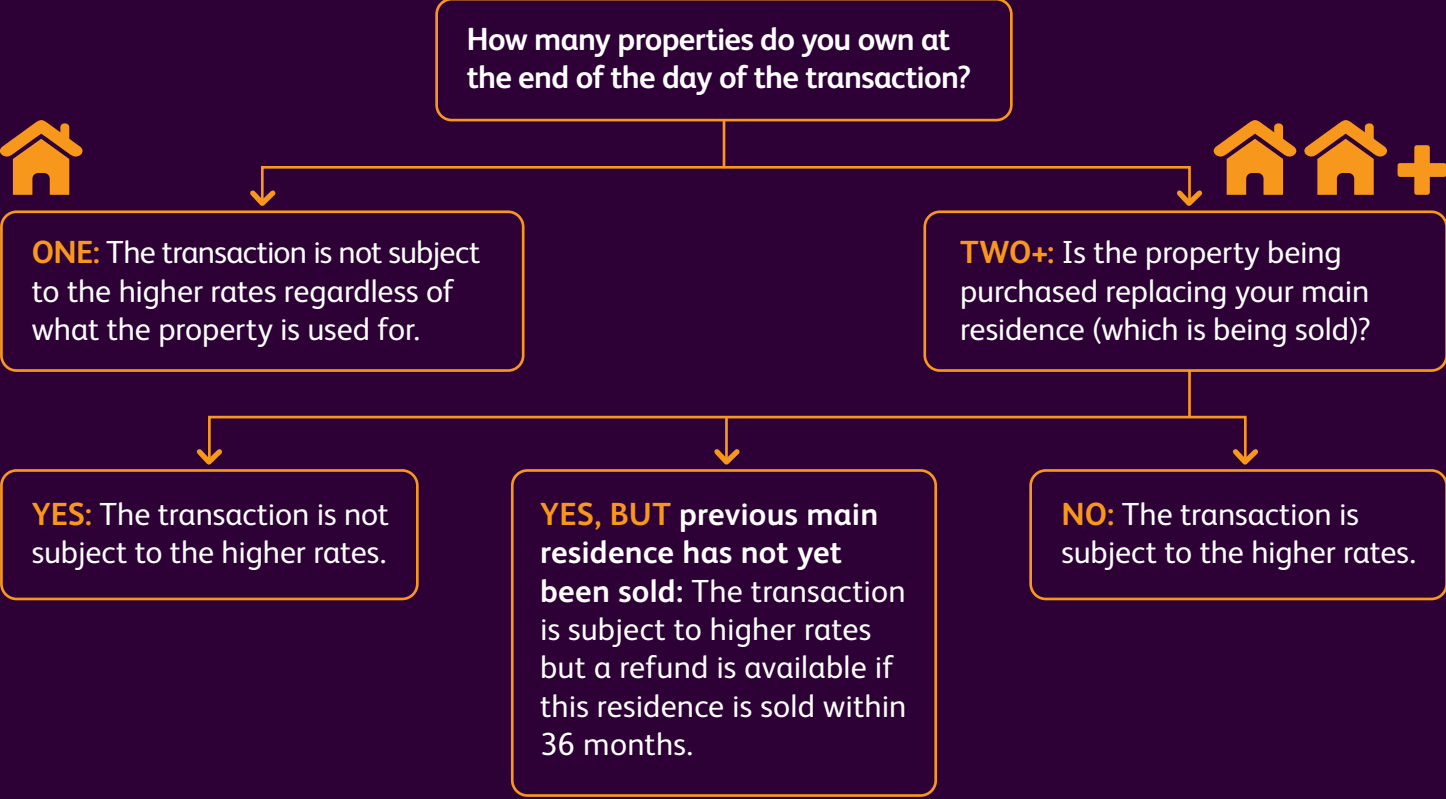
Stamp Duty Changes



From **1st April 2016**, if you are **purchasing a second property** you will need to **pay an extra 3%** in **Stamp Duty Land Tax**, whether you are buying a **second home** or an **investment property**.

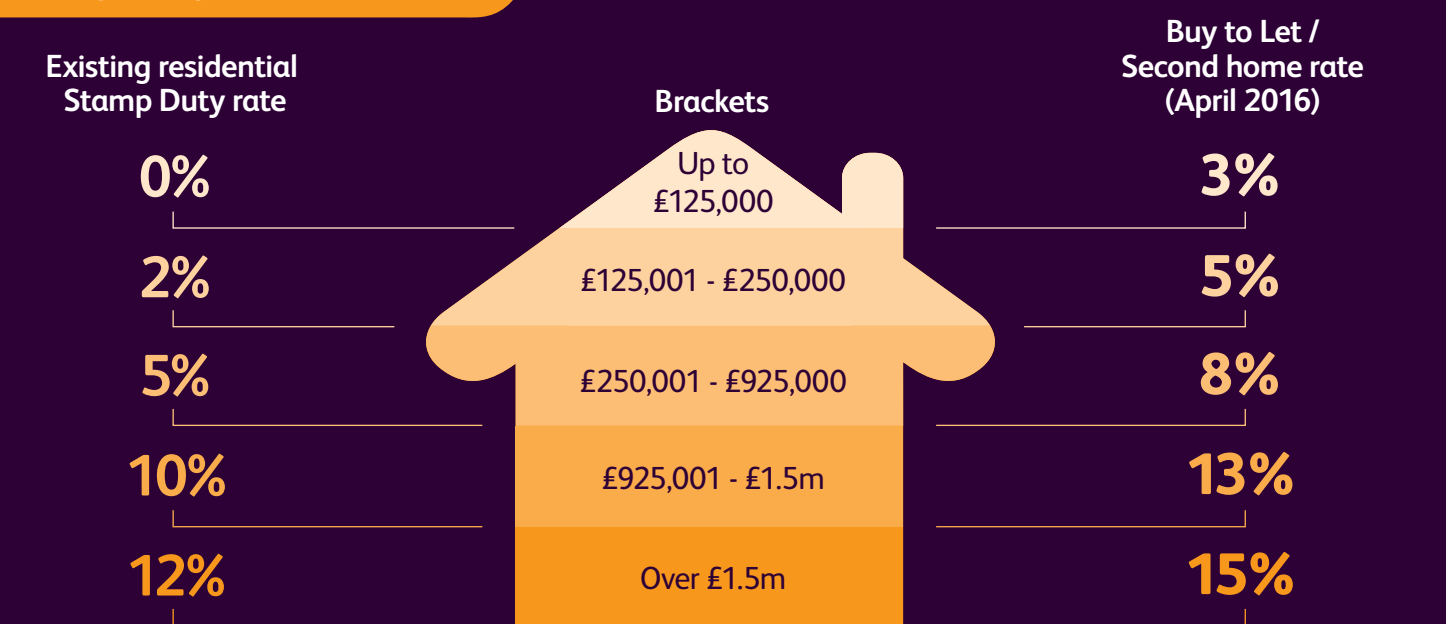
How to check when your purchase of a property means you are liable for the higher rates

Source: [GOV.UK](#)



Buy to Let and second home Stamp Duty tax bands

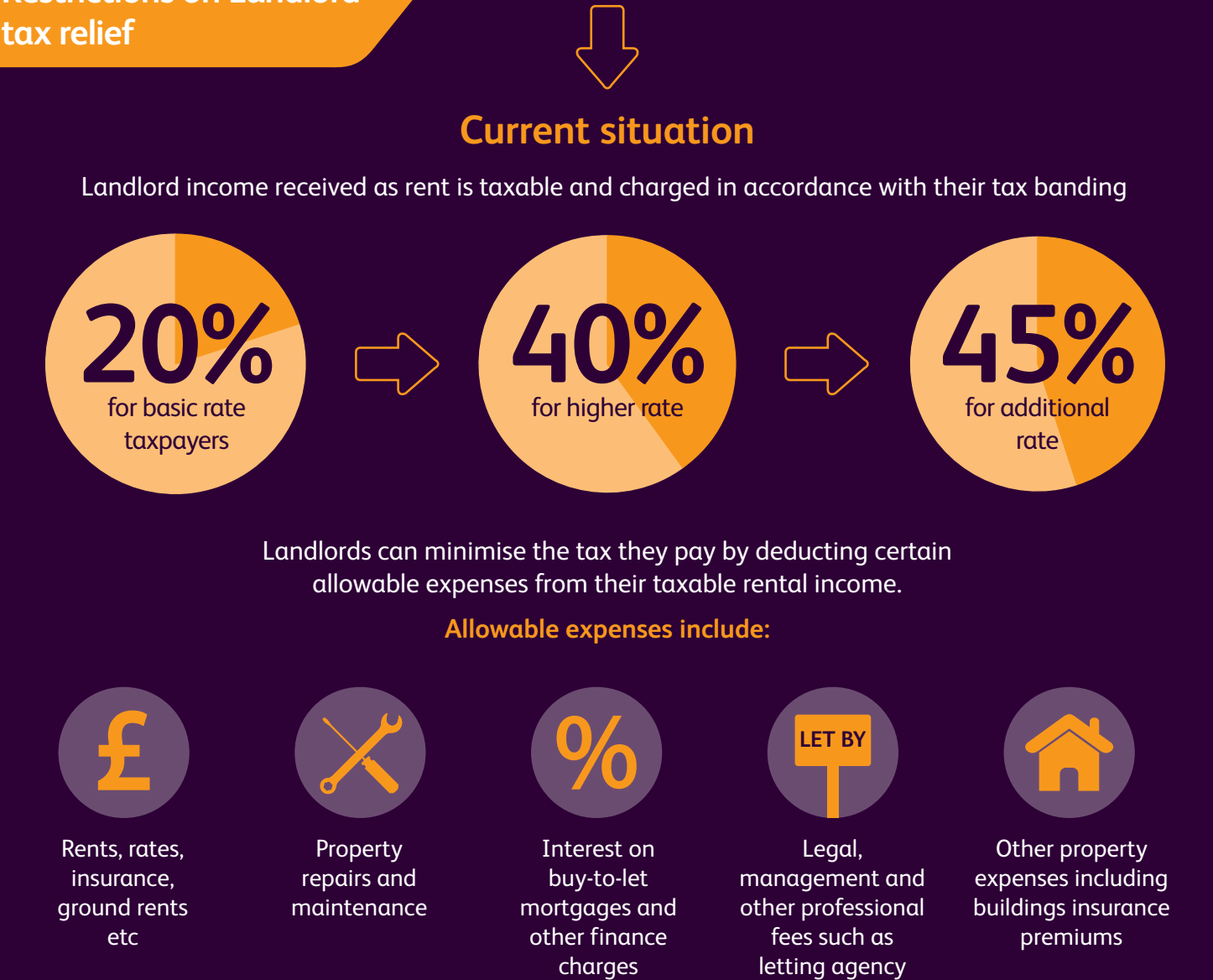
Source: [HMRC](#)



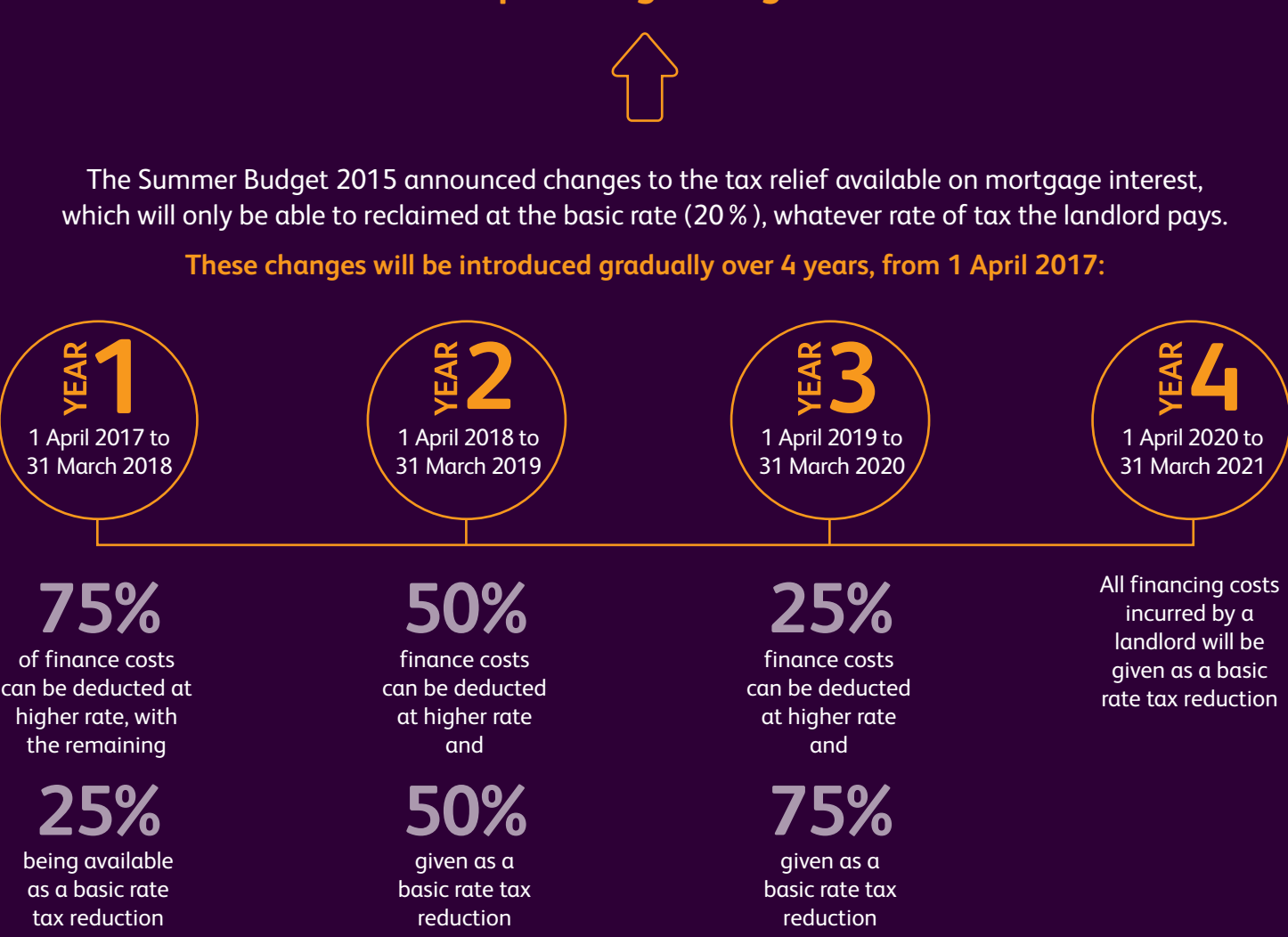
We estimate that this could add around **£4,500** to the cost of an average Buy to Let purchase.*

Restrictions on Landlord tax relief

Source: [HMRC](#)



Upcoming changes



Wear and Tear

Source: [HMRC](#)

From April 2016 **"WEAR AND TEAR"** allowance, where a landlord could claim **10%** of their rent as tax relief for wear and tear, is being replaced by a system that only allows landlords to claim tax relief when they replace furnishings.

*Based on CML figures for number and value of transactions from the CML for Q1 2015.

This Guide is for information purposes only and does not constitute financial advice. If you require further information then please consult an independent financial adviser. The information contained in this Guide reflects the proposals made by the Chancellor in his November 2015 Autumn Statement. Kensington are not responsible for any changes to the information contained in this Guide. Different stamp duty rates apply to different pricing bands of properties in Scotland.