

Living City Initiative - Extensions (clarification)

1 Does expenditure on an extension qualify for tax relief under the LCI? The answer is generally no. However, please note the following points as a guide:

- An extension will qualify if it is a pre-1915 extension to an older house.
- An extension will qualify if planning regulations require the provision of, say a bathroom extension in an old derelict house. In these circumstances, 'refurbishment' includes this.
- An extension of say an extra 2 or 3 bedrooms added on to the original building will not qualify.

A claimant who has spent money on an extension cannot claim any relief on the expenditure incurred on that extension. However, this does not prevent the claimant from claiming relief for the refurbishment expenditure on the original structure. It is the expenditure on the original structure/house that the local authority will be commenting upon (whether cost seems reasonable) in their letter of certification.

2 In order to satisfy the 10% (the de minimus level of expenditure necessary to qualify) requirement, it is only the expenditure on the original structure which is to be taken into account.