

# Reclaiming VAT for Projects and Materials on New Builds



Get Social!



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Notice **VAT431NB** (for new builds) and Notice **VAT431C** (for conversions) of the DIY Housebuilders Scheme, allow you to reclaim VAT from HMRC that you have paid out for your project if you are creating a new dwelling in its own right. These include; Existing dwellings that have not been lived in for 10+ years, converting another building into a dwelling or building a new house.

We've incorporated a quick reference guide to enable you to check what type of projects will, and will not, allow for VAT reclaim, and what materials used will or will not allow for VAT reclaim.

For any further information on the contents of this sheet, or to discuss your own New Build requirements, get in touch with **Kent Building Developments** today!

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# The Type of Projects that VAT Can be Reclaimed on:

## New Builds



This is only the case where the dwelling will be used by you or your relatives as a primary residential or holiday home. Any existing buildings or dwelling must be demolished to ground level, unless planning permission states that an existing facade is to be retained.

## Renovations



Providing that the completed dwelling will be used by you or your relatives as a primary residential or holiday home (as above), you can renovate existing dwellings where no-one has resided for 10+ years.

## Landscaping and Outside Activities



Provided that it's covered by your planning permission, this includes things such as; fencing, paving, plants and shrubs etc.

## **Garage for Use With New Dwelling**



The garage must be for use and located with the new dwelling and you must obtain planning permission where appropriate.

## **Conversions That Create a New Dwelling**



This means that you're converting a non residential building. For example: Business Premises, Church or perhaps one of the more popular choices - an Old Barn or Industrial Building.



# The Type of Projects that VAT Cannot be Reclaimed on:

## Extensions and Self Contained Accommodations



This relates to buildings that do not create an independent dwelling in their own right (such as an annexe), unless they are built at the same time as part of an entirely new dwelling. For example, student accommodation or other House of Multiple Occupancy (HMOs).

## New Building Intended for Business Purposes



This means Holiday Rentals (not a holiday home for you or your family) or intending buy-to-let.

## Refurbishments of Current Dwellings Occupied Within the Last 10 Years.



The residential property must not have had any persons living there within 10 years of the refurbishment taking place.

## **Conversions That Create a New Dwelling**



Separate buildings (apart from a garage as previously stated) that falls under your planning permission. Such as outhouses to contain private bars, steam room / swimming pool etc.



## **The Type of Materials that VAT Can be Reclaimed on:**

### **Construction Materials Associated with a New Dwelling**



This includes all construction materials such as bricks, sand, concrete, insulation, sand, timber, roofing, windows, paint etc.

## Extractor Fans and Fittings



These include light fittings, wooden, linoleum and tile floor fittings, solar panels, boilers, water and remedial treatment and other misc fittings including; towel rails, mirrors and curtain poles etc. **Note:** this also includes Electrical and Plumbing materials.

## Fitted Furniture



This includes fitted kitchen units and worktops.

## Swimming Pools / Saunas



These must be inside or linked to the dwelling.

## Delivery Charges



Any delivery charge that you pay on any of the aforementioned materials can be claimed back - this is really good because it adds up to more than you might think!

# The Type of Materials that VAT Cannot be Reclaimed on:

## Equipment Hire and Consumables



For example site equipment such as; hire only scaffolding, JCB or W/Cs. Also consumables such as handheld tools, screwdrivers and paint brushes etc.

## Professional Services Fees



This includes fees for professional services such as CAD, Project Management and Architects.

## Carpets



## Other Delivery Costs



This is for invoices raised separately by an individual courier.

## Freestanding Furniture



This includes kitchen appliances (including those that are integrated) such as cookers/hobs, dishwashers and washing machines etc. It also refers to freestanding bedroom and bathroom furniture such as; drawers and vanity units etc.

## Getting the Right Advice and Support

If you're unsure about reclaiming VAT or need further information, ensure you seek professional advice to ensure that you're not only claiming the full amount you're entitled to, but that you're complying with HMRC guidelines. For more information, please visit: ***<https://www.gov.uk/vat-building-new-home/how-to-claim>***

## Calculation Example



A spend of £50,000 (on qualifying materials) could save you **£8,333.33!**

### Example A)

$50,000 / 1.2 \text{ (net)} \times 0.2 = \text{VAT refund amount}$

### Example B)

$50,000 / 6 = \text{VAT refund amount}$



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