



## High Specification Office Development

Development by owner-occupier of a high specification 5 storey office block completed in 2004 situated in Essex.

### Type of Claim

As the owner-occupier in this instance developed the property, an unrestricted capital allowances claim was prepared based on the expenditure incurred under the provisions of Section 11 CAA 2001.

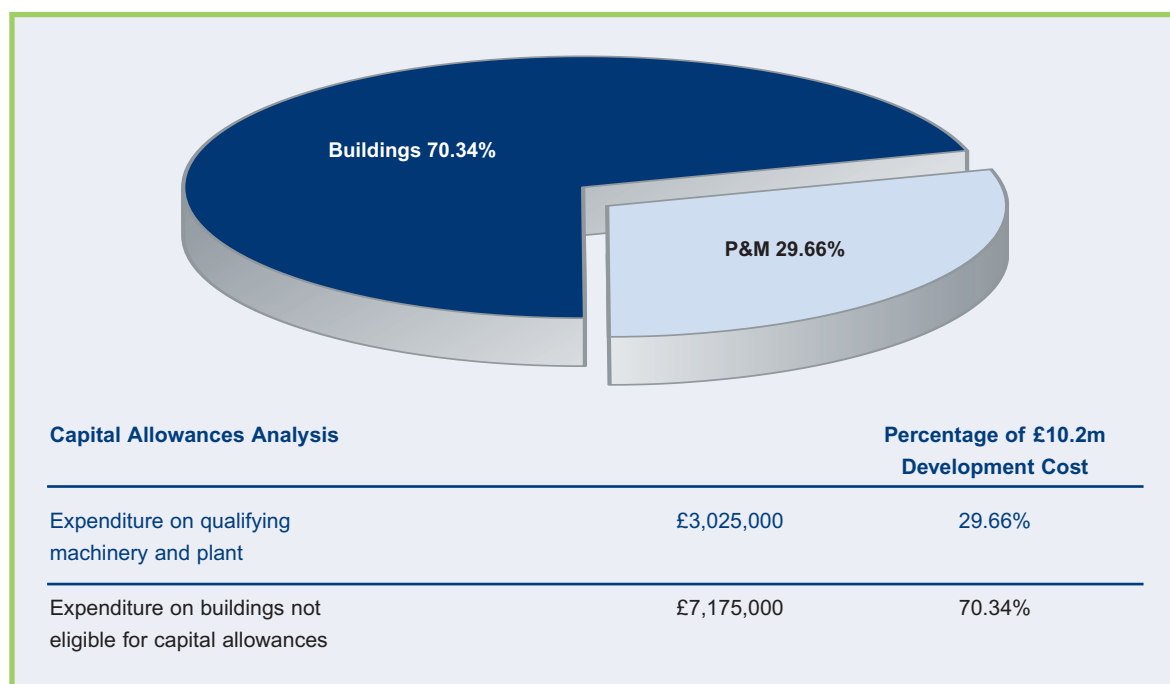
### Facts

Development Cost: £10.2 million

Gross Internal Floor Area: 5,000m<sup>2</sup>

Description: Reinforced concrete frame, upper floors and staircases, powder coated steel cladding panels and double glazed curtain walling to external walls, waterproofed concrete flat roof. Floor finishes of raised access floors finished with carpet tiles, plastered and painted walls. Suspended ceilings throughout.

Combination of a VAV central air conditioning system and general ventilation by means of ductwork and pressurised plenum floors. LTHW heating system fed from gas fired boilers serving recessed floor mounted convection trench heaters. Hot water installation and sanitary ware. Building management and lighting control systems, comprehensive security installations, public address system, fire alarm installation and fire fighting equipment. Passenger lifts serving all levels.



### Cash Flow

In this case the capital allowances of £3,025,000 were available to the taxpayer to offset against tax at 25% per annum on a reducing balance basis.

The following table sets out the availability of these allowances over the first five years that the property is in the taxpayer's ownership, assuming a 30% corporation tax rate.

	Balance of Capital Allowances £	Annual Write-Down at 25% £	Tax Relief to a 30% Taxpayer £
Year 1	3,025,000	756,250	226,875
Year 2	2,268,750	567,188	170,156
Year 3	1,701,562	425,390	127,617
Year 4	1,276,172	319,043	95,713
Year 5	957,126	239,282	71,785

On the assumption that the property remains in the taxpayer's ownership for the 5 year period, the total tax saved will amount to approximately £692,146.