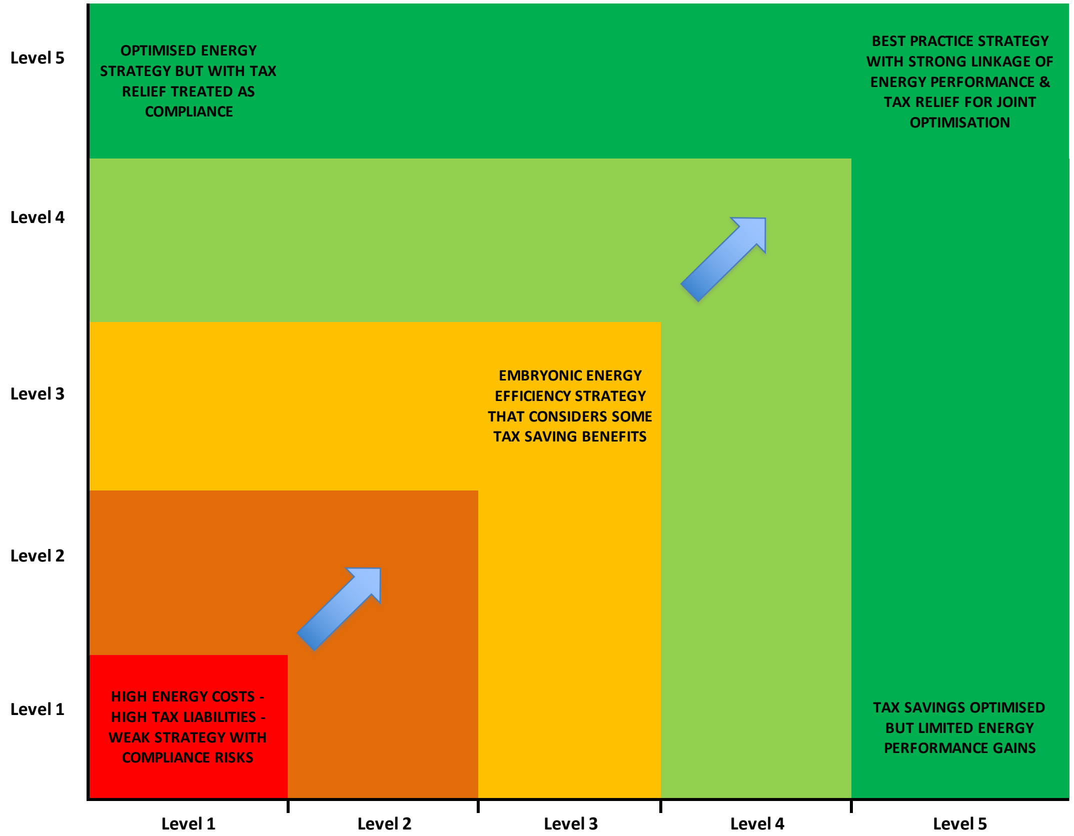
COMMERCIAL PROPERTY - ENERGY & TAX RELIEF PERFORMANCE

Level		MATURITY LEVEL
Level 5	OPTIMISED	Optimised energy efficiency and building performance strategy to future-proof assets. Mature understanding of energy but lesser understanding of tax relief.
Level 4	EMBEDDED	Consistent energy saving processes and procedures used. Energy savings a major consideration of planned improvements process. Ongoing portfolio-wide programme to upgrade EPCs.
Level 3	ESTABLISHED	Energy saving processes and procedures are established. Energy Performance Certificate ratings considered and reviewed for opportunities to improve.
Level 2	FORMALISED	Emerging energy saving procedures and processes realised. Reaction time to changes in legislation decreases. Cost of energy efficiency is measured against short-term capital cost.
Level 1	UNDEVELOPED	Low awareness of Minimum Energy Efficiency Standards (MEES). Slow to react to changes in legislation and building regulations. Repairs favoured over renewals - little or no energy strategy.

Energy Maturity >>>



Capital Allowances Maturity >>>

Why this matters

Minimum Energy Efficiency Standards for commercial property will increasingly compel improvements for buildings with lower EPC ratings

Previewing Capital Allowance tax savings will improve affordability

Options for EPC upgrades can be modelled for optimisation

A combined pre-planned approach will achieve:-
- Best achievable EPC rating
- Minimised running costs
- Lowest budget through maximised tax savings

N.B. Up to 75% of a refurbishment budget may become tax relief

Capital Allowances temporary reliefs and super deduction apply until March 2023

MATURITY LEVEL				
Level 1 UNDEVELOPED	Level 2 FORMALISED	Level 3 ESTABLISHED	Level 4 EMBEDDED	Level 5 OPTIMISED
Tax reliefs claimed belatedly and only as compliance. Reactive outlook determined by accounting deadlines. Limited knowledge of value of Capital Allowance and of entitlement issues.	Embryonic procedures with some preparation for financial year-ends. Able to protect entitlements. Understanding of the potential value of tax reliefs in differing scenarios	Established procedures for gathering data. Recognition of benefits of pre-planning opportunities Preferred consultant relationship with ongoing inputs as required on individual projects. Entitlements are a key consideration of capex.	Well-managed processes and defined procedures. Established consultant and good in-house expertise from initial concept. Capital allowances now a factor of decision making. Proactive management of tax reliefs and opportunities.	Robust and auditable documentation. Tax reliefs form part of all project planning. Proactive management of tax relief opportunities. Forward view of potential allowances utilised to manage future tax liabilities. Tax-wise but not linked to energy best practice.

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