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LETTER OF THE WEEK

BTL relief only if it's a genuine business

In his column (FA, 25 June) Tony Hazell was responding to private comments to him on buy-to-let reliefs, one of which came from me.

I argue – and I am no supporter of the market in housing as it stands – that as BTL is a business, then all expenses should be relievable. I questioned, though, whether BTL was actually a business as defined as a profit-seeking entity where risks are borne by owners. If it were a busi-

ness, then relief is obvious.

It is my view that 'buy-to-letters' (and many others) were bailed out by government and the Bank of England in 2009 by means of QE and the slashing of interest rates. If they are incurring no risk then they are not in business, and those who buy-to-let should not receive relief. However, it has happened and it continues.

The next time there is a recession and house prices

come under sustained pressure if buy-to-letters are again bailed out, then reliefs should stop immediately as, without any further doubt, they are not in business.

I suspect they will not be bailed out – as rates can never again be slashed.

Jonathan Davis
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