

CALL FOR EVIDENCE – RENT-A-ROOM RELIEF

Response by the Association of Taxation Technicians

1 Introduction

- 1.1 The Association of Taxation Technicians (ATT) is pleased to have the opportunity to respond to the call for evidence on rent-a-room relief ('the call') issued on 1 December 2017 by HM Treasury¹.
- 1.2 The primary charitable objective of the ATT is to promote education and the study of tax administration and practice. We place a strong emphasis on the practicalities of the tax system. Our work in this area draws heavily on the experience of our members who assist thousands of businesses and individuals to comply with their taxation obligations. This response is written with that background.
- 1.3 Our response is set out below, based on the three areas focused on in the call:
- Section 2 discusses our approach in responding to the call. Our response is based on the outcomes of a joint survey of our members and those of the Chartered Institute of Taxation (CIOT).
 - Section 3: The current use of the relief.
 - Section 4: Is the relief is operating as the Government intends?
 - Section 5: Evidence/options for reform.
 - Section 6: Other observations
- 1.4 We would be pleased to discuss any aspect of this response further and contact details can be found in section 7.

2 Our Approach in Responding to the Call for Evidence

- 2.1 The ATT and CIOT jointly invited members to respond to a survey based on the questions posed by the call. Just under 700 responses were received. Over half of the responses came from ATT members, or individuals who are members of both the ATT and CIOT.

¹ The HMT call for evidence can be found at: <https://www.gov.uk/government/consultations/rent-a-room-relief/call-for-evidence-rent-a-room-relief>

- 2.2 A summary of the questions and responses is attached as an appendix to this report. The survey questions and responses need to be considered in conjunction with this report.
- 2.3 The survey covered the same three areas as the call, but some of the questions posed in the call were adapted in order to obtain quantitative data. We also asked additional questions about rent-a-room relief ('the relief') limits, and HMRC guidance.
- 2.4 Some members provided evidence directly to us, and this evidence has been factored into our response as comments where appropriate below.

3 Current Use of the Relief

Question 1: Do you have evidence that could help the government understand more about the number of individuals benefitting from rent-a-room relief, and the type of activity that they are carrying out?

- 3.1 Our members will advise clients that claim the relief, and may also claim it themselves. Our survey asked:

- *Are you or your clients claiming rent-a-room relief? (Q2)*

58% of respondents indicated that they had between one and nine clients claiming the relief. 14% of respondents are claiming the relief themselves. 23% of respondents did not have clients claiming the relief. Only 2% of respondents had more than 50 clients claiming the relief.

Since there is no requirement to make a formal claim for the relief, claimants will not need the services of an accountant or tax adviser unless they are within self-assessment for other reasons. In general, we expect survey responses to be based on members' experiences of advising the population of claimants within self-assessment or their own personal experience.

Question 2: Do you have any evidence that suggests that there are increasing numbers of people letting out rooms in their main home? If so, do you have any evidence that suggests this relates specifically to holiday or guest accommodation rather than residential? Has there been a move towards one or the other over time?

- 3.2 Our survey asked:

- *How has the number of rent-a-room relief claims made by your clients changed in the last 10 years (Q8)*
- *Has the use of rent-a-room relief by your clients changed over the last 10 years? (Q9).*

In response to question eight, 26% of respondents had seen more claims, 56% had seen the same or fewer claims and 20% didn't know how the number of claims had changed.

Almost half of respondents had seen no change in the use of the relief. 17% has seen more claims for residential letting and 12% more claims for holiday letting.

Question 3: Is the use of the relief generally by individuals letting out rooms for residential purposes, or as holiday/guest accommodation, or for a different purpose?

3.3 Our survey asked the following questions:

- *Which of the following types of letting do you or your clients, claim rent-a-room relief on? (Q4)*
- *What types of accommodation do you, or your clients, claim rent-a-room relief on? (Q5)*
- *In your experience what is the most common use of rent-a-room? (Q6)*
- *What proportion of rent-a-room claims do you make on behalf of your clients for holiday/guest accommodation as opposed to residential accommodation? (Q7)*

Please see the questions in the appendix for full details of the answers provided. In brief, survey responses suggest that respondents mainly see claims relating to longer term lettings/lodgings in spare rooms. 28% of those answering question 4 also saw claims for letting to students.

However, respondents also saw claims for short term lettings to holidaying visitors. 84% of respondents estimated the percentage of claims for short-term holiday lettings to be between 0-25% of the claims that they made on behalf of clients.

A smaller proportion of claims were seen for lettings for festivals or events.

Member's comments on their experience in this area varied widely, with some members seeing no claims for holiday lettings, others seeing a number of claims.

Question 4: To what extent do those using the relief choose whether to advertise to lodgers for certain purposes (e.g. residential versus holiday/guest accommodation), or are those using the relief responding to demand in the market? If it is a choice, what drives that decision?

3.4 Our survey asked:

- *In your experience do those using rent-a-room relief offer accommodation for either short or long term lets - but not a mixture of the two? (Q10)*

The majority of respondents stated that users of rent-a-room relief tended to either opt for long term lodgings or short term holiday/guest accommodation, rather than offer both.

3.5 Comments received in addition to the survey suggested that the choice of residential versus holiday/guest accommodation depended on factors including:

- Requirement for regular income leading to longer term lets.
- Whether or not the landlord was able to find suitable, longer term lodgers through friends/family/contacts as individuals who were 'known' in some way were preferred.
- The amount of time required – more time being needed to prepare/change and clean rooms between short-term lets compared to longer-term lets.
- The quality of the room required, with short-term letting requiring a more attractive room maintained to a higher standard.

3.6 Our survey also asked:

- *Where an individual claiming rent-a-room relief is only offering holiday/guest accommodation is it because: [range of options offered] (Q11)*

Please see the appendix for the response to this question.

We received a number of comments on question 11 from the survey. A number of respondents commented that they had no experience of claims for holiday lettings for their clients.

Where rent-a-room was used for holiday lettings, respondents commented:

- Short term letting was responding to demand for accommodation for local events e.g. festivals/Wimbledon when local hotels were fully booked.
- Holiday accommodation was more flexible, as the owner could choose to have the room available for their own use at certain times (e.g. for family visits).
- Individuals enjoyed the mix of visitors and social interaction.
- Property location was important (e.g. based in a holiday destination).

Question 5: To what extent is the length of tenancy for lodgers a consideration for those using the relief, when advertising a room for rent?

3.7 See question 10 of our survey– it appears that it is more common for landlords to offer rooms for either long or short stays, rather than a mix of the two. This suggests that the rental period is a consideration for some landlords.

3.8 Comments outside of the survey included that shorter lets were less risky as the landlord only had another, potentially unknown, person in their home for a short time. On the other hand, the income was less secure.

Question 6: Do you have any evidence that there are regional differences in whether rooms are being rented out for different purposes or tenancy lengths?

3.9 Our survey asked

- *In which UK region are you or your clients mainly claiming rent-a-room relief? (Q3)*

Using the answers to these questions we were able to filter the answers to this section by region. While we did not do a detailed statistic review, comparing the answers to the questions by region did not highlight any major variations.

Accordingly, we do not consider that we have any meaningful quantitative data on regional differences.

Other observations on the use of the relief

3.10 Our survey asked:

- *What are the main factors driving the decision to let a room? (Q12)*

Respondents were asked to select two from a list including requirement for income, companionship, use of space, local demand and security of property. Not all respondents picked two reasons. The vast majority of respondents gave the requirement for income as one of the two main reasons.

Further reasons given by respondents included helping out relatives or friends with cheap accommodation particularly in expensive locations such as London.

4 Is the relief working as the Government intends?

Question 1) To what extent do you think the existence of rent-a-room relief provides an incentive for those using the relief to let out rooms in their home / take on a lodger? If rent-a-room relief did not exist, and only the £1,000 property allowance were available to use against this income, would current users of the relief still take in a lodger?

4.1 Our survey asked if respondents agreed with the following statements:

- *The existence of rent-a-room relief provides an incentive to let out rooms or take in a lodger (Q13)*

79% of respondents agreed or strongly agreed with this statement.

- *Current users of rent-a-room relief would still take in a lodger if the relief did not exist and only the £1,000 property allowance were available to use against letting income. (Q16)*

Answers were more mixed to this question, with 27% agreeing or strongly agreeing, 27% neutral and 46% disagreeing or strongly disagreeing.

We also asked as a subsidiary question if respondents agreed with the following statement:

- *The raising of the limit for rent-a-room relief from £4,250 to £7,500 in April 2016 increased the incentive to let out rooms or take on a lodger. (Q14)*

76% of respondents agreed or strongly agreed with this statement.

4.2 Comments from outside the survey suggested that the relief was an incentive which helped individuals overcome a natural reluctance to share their home when they were faced with the need for additional income.

The reduced administrative burden was also noted as an incentive to use the relief.

Some concerns were expressed that there would be an increase in undeclared cash payments if income that was previously exempt became taxable and the property allowance did not cover it.

Question 2) How significant is the role of rent-a-room relief in supporting the government's wider objective to have a diverse supply of housing options? What impact, if any, do you feel the relief is having on the supply of housing? Are there any other economic or social benefits from the relief?

4.3 Our survey asked if respondents agreed with the following statement:

- *Rent-a-room relief in its current form supports the Government's objective for a diverse supply of housing options. (Q17)*

63% of respondents agreed or strongly agreed with this statement, 21% neither agreed nor disagreed and 15% disagreed or strongly disagreed.

4.4 Comments from outside the survey highlighted the following as benefits from the relief:

- Allowing increased participation in events/festivals such as the Edinburgh Festival, Wimbledon, etc. where local accommodation is already at capacity.
- Effective/efficient use of space.
- Enabling individuals to stay in their homes longer by providing companionship or income for those whose family situations has changed (perhaps through bereavement, separation or divorce).

Question 3) Do you think that all types of letting activity, regardless of the purpose or length, should be able to benefit equally from rent-a-room relief?

4.5 We broke this element down into two parts, one relating to the types of property being let and one relating to the use by the occupant.

Our survey asked the following about the nature of the property being let

- *Which of the following types of letting activity should in your view be able to benefit from rent-a-room relief? [options provided] (Q18)*

Respondents were given a number of options of letting different parts of the home. 98% of respondents felt that the relief should apply to spare rooms. Please see the question in the appendix for details of other types of letting activity.

This question received a number of comments ranging from:

- Those who felt that the relief should be abolished completely.
- Those expressing a preference that relief should only be available when the landlord was also in occupation or in occupation for at least 40 weeks of the year.
- Those who felt that the relief should be allowed when the owner is renting their own home out and, they, in turn, are renting elsewhere.
- A number of comments noted that the relief provided an administrative simplification and that the work involved in computing the rental income otherwise would be disproportionate.

5 Evidence/options for reform

Question 1) Do you have experience or knowledge of a system for taxing rent-a-room income that is simpler, fairer or more effective than that in the UK?

5.1 Our survey asked:

- *Do you have knowledge of other systems for taxing rent-a-room type income outside the UK? (Q26)*

The majority of respondents answered 'no' to this question. The comments that were made included:

- "Most property owners of other tax jurisdictions simply do not comply. The UK system of allowing taxpayers exemption from tax on trivial amounts is sensible."
- "The French system is more complicated."
- "In Cuba people are allowed to let two rooms each for holiday purposes so long as they come up to a particular standard and they are inspected. I think this is better because the accommodation meets minimum standards. It is also a good source of income for women who are house bound with young children."
- "Other jurisdictions do not have an equivalent - i.e. it is treated as taxable income. Only "standard" letting of an entire property as a long-term let with deduction of expenses is appropriate."
- "US - less than 14 days not taxable."

5.2 We spoke to the Irish Tax Institute about the equivalent relief in Ireland. We understand that there are the following differences:

- The Irish relief exempts rooms in both the main house and also in granny annexes or separate units which are attached to the main house. (We note that, elsewhere in the survey, some individuals requested further guidance on this in the UK.)
- The Irish Government are looking to use the relief to increase the number of students who are lodging in 'digs'.
- The 'residential' definition excludes AirBnB, BnB and house sitting and the guidance specifically excludes bookings made through online platforms.
- There is no requirement for the room to be furnished.
- The limit is 14,000 euros – if the income exceeds this limit, the rental profits are assessable in full.
- A return is generally (although not always – it is dependent on circumstances) required to claim the relief which means that the Irish Government can quantify the number and value of claims made.

Question 2) One example the government is aware of is in Ireland and France, where there is a 'residential' test applied to the equivalent tax relief. Do you think the UK should look to restrict access to rent-a-room relief only to those homeowners letting out their rooms for residential purposes? What would be the pros and cons of such an approach?

5.3 Our survey asked:

- *Do you think that rent-a-room relief should continue to apply to holiday/guest accommodation? (Q19)*

The result to this question was split, with 52.58% of respondents considering that the relief should apply to holiday/guest accommodation, and 47.42% that it should not.

5.4 Our survey asked:

- *If rent-a-room relief was restricted to longer term/residential lettings would this deter individuals from letting a room as holiday/guest accommodation? (Q20)*

49% of respondents felt that it would, 22% felt it would not and the remaining 29% didn't know.

5.5 To explore the concept of a 'residential' test in more detail our survey asked:

- *What do you think is the best way of determining whether a letting is residential as opposed to holiday letting? (Q21)*

59% of respondents felt that the test for residential should be based on duration of stay, 36% felt it should be based on the purpose of the stay and only 5% felt it should be based on the range of services.

We received a number of comments on this question including:

- Limiting the relief based on the purpose of the stay would be hard to police, while duration was factual.
- Duration of stay may exclude those letting to week-day business visitors unless the complexity of the test was increased.
- Increasing restrictions on the relief would lead to complexity which was not generally favoured.
- If restrictions are made based on duration, then the relief should be re-named so that it was clear it applied to lodgings or longer term lettings.

5.6 The survey suggests that respondents are split on whether holiday lets, which could include lettings obtained through AirBnB, should be eligible for the relief.

We received comments from a number of sources that AirBnB is unpopular in some areas, with residents disliking the constant change of occupants in nearby flats/properties. We understand that the French authorities are restricting AirBnB in some areas. However, we would note that the relief is not designed to apply where a whole property is being let out on a permanent basis, which appears to be the main area of concern. The property has to be the lessor's only or main residence for all or part of the year, so letting while working/living elsewhere would not usually qualify, nor does letting a property which is not the individual's main residence.

The range and nature of accommodation available on AirBnB and similar platforms is very broad and encompasses both lettings which are currently eligible for the relief and also lettings (such as a whole property/flat) which are not. This breadth should be considered when reviewing the application of the relief to AirBnB/online site bookings. A number of members commented in the survey that such sites should be encouraged to provide better guidance to users of the site so that they can determine if the relief applies to their situation or not. Further examples on the sites of when the relief does or does not apply may assist their users.

We note that restricting relief to bookings obtained through online services seems inconsistent with the general move towards finding more information online. An unintended consequence could be

that it makes it more difficult for people to identify potential accommodation outside their local area if they are looking to move – for example in search of employment elsewhere.

Question 3) Do you think that there should be differences in eligibility for rent-a-room relief according to type of letting activity, purpose or length? Do you think homeowners should only be eligible to claim rent-a-room relief where they are offering a room for let on a longer-term basis (e.g. 31 days or more)? What would be the pros and cons of such an approach?

5.7 Our survey asked:

- Which of the following do you think should be eligible for rent-a-room relief? [tick all that apply] (Q22)

The original data for this question is included in the appendix. Respondents could select one or more answers from the list, or suggest their own. A number of respondents ticked all of the options given, plus the option to include 'all of the above'. Reallocating the 'all of the above' answers to the headings and adjusting for duplicated responses gives the following results:

Answer Choices	Adjusted Responses – total 520
A room let to one or more individuals for any period for any reason	57.50% 299
A room let to the same individual for 31 days or more for any reason	89.42% 465
A room let for any reason including holidays, work or longer term residence	55.19% 287
A room let to students	82.50% 429
A room let to business visitors (e.g. those working away from home for all or part of the week)	71.73% 373
A room let to holidaying visitors	45.96% 239
None, there are no circumstances in which rent-a-room relief should apply	1.73% 9
Other (please specify)	2.69% 14

A significant majority (over 80%) of respondents felt that the relief should be available to students and individuals who were resident for over 31 days. 71% felt that it should be available to business visitors. Over half of all respondents felt that a room let to one or more individuals for any reason should be eligible.

46% of respondents felt that rooms let to holidaying visitors should be eligible, which was slightly lower than the percentage supporting the retention of the relief for holiday lets in the answer to question 19 in our survey.

Nine out of the 520 respondents to the question felt that the relief should be abolished.

5.8 Our survey asked respondents if they agreed with the following statement:

- *Homeowners should only be eligible to claim rent-a-room relief where they are offering a room to let on a longer-term basis (e.g. 31 days or more) (Q23)*

47.3% of respondents agreed or strongly agreed, 14.3% neither agreed nor disagreed and 38.4% disagreed or strongly disagreed.

5.9 Our survey also asked about combining rent-a-room relief with the recently introduced property allowance. We asked respondents if they agreed with the following statement:

- *Rent-a-room relief and the £1,000 property allowance should be merged into one single relief for lettings of the individual's only or main residence? (Q25)*

59% of respondents agreed with this statement and 41% disagreed.

5.10 Outside of the survey, comments received on the proposal to restrict the letting to a minimum of 31 days included:

- How to ensure that the relief was still available to those letting to individuals working away from home during the week? One suggestion was that if the individual left items in the room over the weekend this would count as occupation, or if a more complex test was needed e.g. occupation of three nights a week over a 12 week period.
- Concerns over additional administration were raised by some members, while others felt that as the benefit of the relief increased, it became more reasonable for individuals to formally claim it.

Question 4) Do you have any further ideas or evidence about how the UK might reform rent-a-room relief?

5.11 Our survey asked:

- *Do you have any further ideas or evidence about how the UK might reform rent-a-room relief? (Q27)*

There were a variety of responses to this question with many comments supporting earlier answers to questions such as whether the relief should be retained for holiday lets. Strong views were expressed both for and against allowing the relief for short-term holiday letting. Other suggestions included:

- Making the relief proportionate to the local rental market, with a concern the limit was too low in some places and too high in others.
- Incentivising people to take in foreign students (where it was noted that stays might be quite short – say two weeks) or longer term lets.
- Registering to claim the relief outside of the self-assessment system to improve HMRC's knowledge of the use of the relief.
- A number of respondents noted that the administrative simplification provided by the relief was welcome and felt that the additional tax once expenses were taken into account would be modest. Others noted that the relief legitimised what might otherwise go unreported.
- One suggested simplifying or scrapping the relief rather than introducing further complexity.

5.12 Outside of the survey suggestions included:

- Opening up the relief to granny annexes/flats or garage conversions, similar to the Irish scheme, to widen the pool of property available.
- Considering other, non-tax, solutions to put those using the relief for holiday letting on a more even footing with those operating commercial businesses – for example registration with the local council, fire safety checks, or limiting the number of days letting allowed (see <https://www.westminster.gov.uk/short-term-letting> for example).
- Enabling individuals to register their use of the relief outside the self-assessment system through either their PTA or a stand-alone system.

6 Other observations

The Current Limit

6.1 We also asked respondents about the current £7,500 limit for the relief. We wanted to explore if members felt the current limit was reasonable and gain further information on the size of claims. As noted above, we asked if respondents agreed with the following statement:

- *The raising of the limit for rent-a-room relief from £4,250 to £7,500 in April 2016 increased the incentive to let out rooms or take on a lodger. (Q14)*

76% of respondents agreed or strongly agreed with this statement.

We also asked about the value of claims made. The intention was to establish more about the gross income – as in rents received - and not profits.

- *What is the typical amount of annual income on which you or your client claim rent-a-room relief? (Q15)*

44.3% were claiming the relief for themselves or on behalf of clients on income of £5,000 to £7,500. 36.0% indicated that they were claiming for themselves or on behalf of clients on income between £2,500-£5,000.

We also asked if respondents felt that the current limit was reasonable:

- *Assuming rent-a-room relief is retained in its current form, do you think the current limit of £7,500 is an appropriate limit? (Q24)*

70% of respondents felt it was appropriate, 21% felt it should be increased and 9% felt it should be reduced.

Comments to question 27 included the suggestion that the limit was reviewed more regularly.

6.2 Outside of the survey, we received feedback from members that landlords and the person renting the space took the value of the rent-a-room limit into consideration when agreeing the rental charge.

Guidance on rent-a-room relief

6.3 We asked members specifically about the guidance available on the relief:

- *Are there any areas of rent-a-room relief which cause difficulties in practice or where guidance could be improved? (Q28)*

While a few respondents commented that they considered that current guidance was sufficient, other comments received on guidance included:

- Requests for more clarification of the meaning of a *temporary* division.
- Definitions for annexes/outbuildings and the position where there is an external access to the let accommodation.
- Clarification of the position when the owner is away/absent.
- Further examples in the GOV.UK guidance were requested.
- Clarification of the position on expenses, with concern expressed that some individuals are claiming the relief *after* deduction of expenses (which is incorrect).
- Some respondents requested that the existence of the relief was publicised more widely to ensure it is only claimed by those eligible.
- The guidance on when a tax return is required could specifically mention rent-a-room exclusions.

Responses also highlighted:

- A number of respondents recommended that AirBnB and similar online property management platforms directed users to details of the relief and/or reported their users to HMRC.
- The risk of non-compliance with the rules could increase if the relief was removed and the amount of additional tax collected would be modest.
- A number of respondents expressed concerns about changes introducing too much complexity, with one proposing a flat rate limit for all property income.
- Some respondents felt that the position regarding Private Residence Relief (PRR) should be clarified where someone has two or more lodgers as SP14/80 suggests that a single lodger should not affect PRR relief but more than one might.
- Two respondents felt that the system was abused and those exceeding the limit were not necessarily reporting the income, or that those who are claiming where not always eligible.
- Views on the appropriateness of the limit for London compared to rural areas varied.
- Some respondents felt a higher limit would reduce the administrative burden, others that a formal claim for the relief should be made.

7 Contact details

- 7.1 We would be pleased to join in any further discussion relating to this call for evidence. Should you wish to discuss any aspect of this response, please contact our relevant Technical Officer, Helen Thornley, on 07773 087125 or at hthornley@att.org.uk.

Yours sincerely

Yvette Nunn

Co-Chair of ATT Technical Steering Group

8 Note

- 8.1 The Association is a charity and the leading professional body for those providing UK tax compliance services. Our primary charitable objective is to promote education and the study of tax administration and practice. One of our key aims is to provide an appropriate qualification for individuals who undertake tax compliance work. Drawing on our members' practical experience and knowledge, we contribute to consultations on the development of the UK tax system and seek to ensure that, for the general public, it is workable and as fair as possible.

Our members are qualified by examination and practical experience. They commit to the highest standards of professional conduct and ensure that their tax knowledge is constantly kept up to date. Members may be found in private practice, commerce and industry, government and academia.

The Association has over 8,500 members and Fellows together with over 5,700 students. Members and Fellows use the practising title of 'Taxation Technician' or 'Taxation Technician (Fellow)' and the designatory letters 'ATT' and 'ATT (Fellow)' respectively.

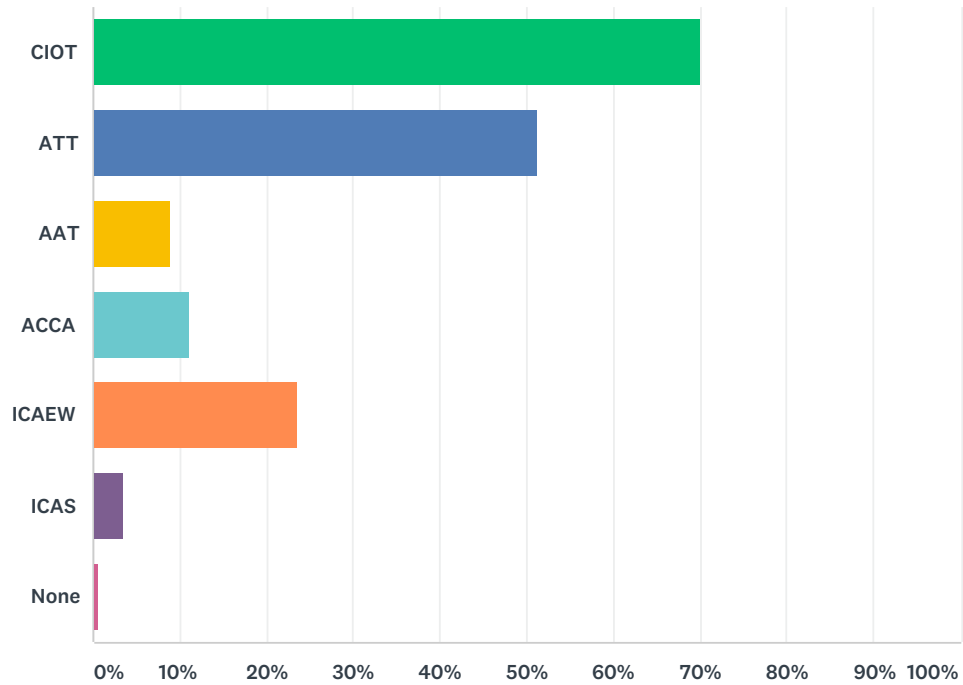
9 Appendix

- 9.1 The results of our joint survey are attached as an appendix. Individual member's comments are not included in the appendix but have been grouped into common themes or observations and incorporated into the body of the report.

Questions 26, 27 and 28 all asked for comments only and the appendix shows the number of respondents to each question.

Q1 Please indicate which professional bodies you are a member of (if any):[Tick all that apply]

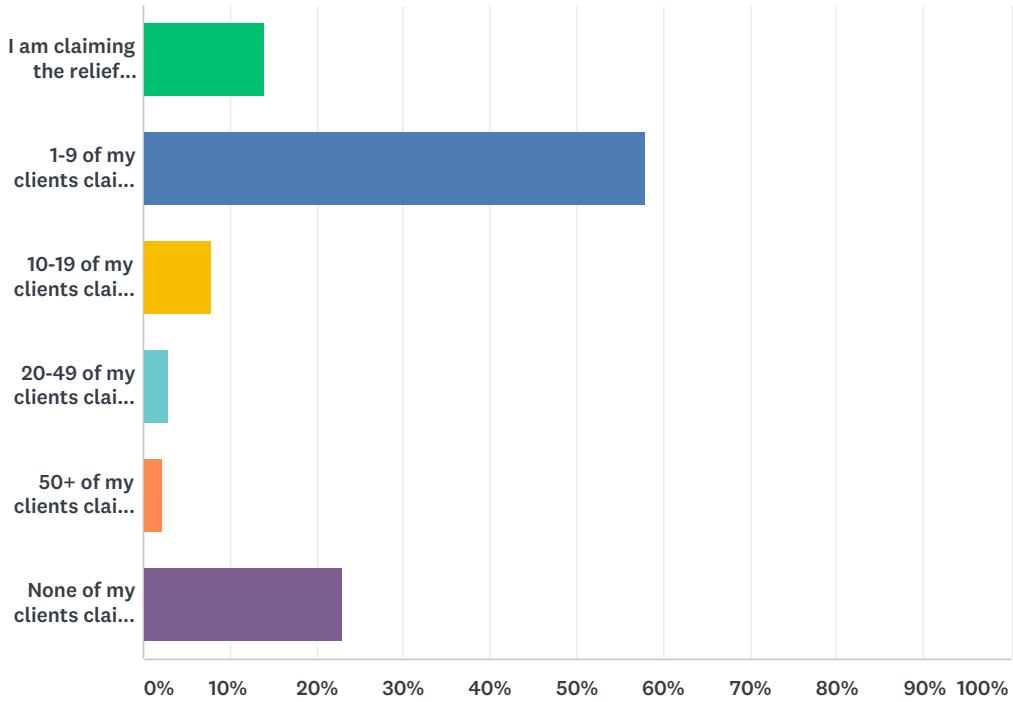
Answered: 687 Skipped: 0



ANSWER CHOICES	RESPONSES	
CIOT	70.01%	481
ATT	51.24%	352
AAT	9.02%	62
ACCA	11.06%	76
ICAEW	23.73%	163
ICAS	3.49%	24
None	0.58%	4
Total Respondents: 687		

Q2 Are you or your clients claiming rent-a-room relief?[Tick all that apply]

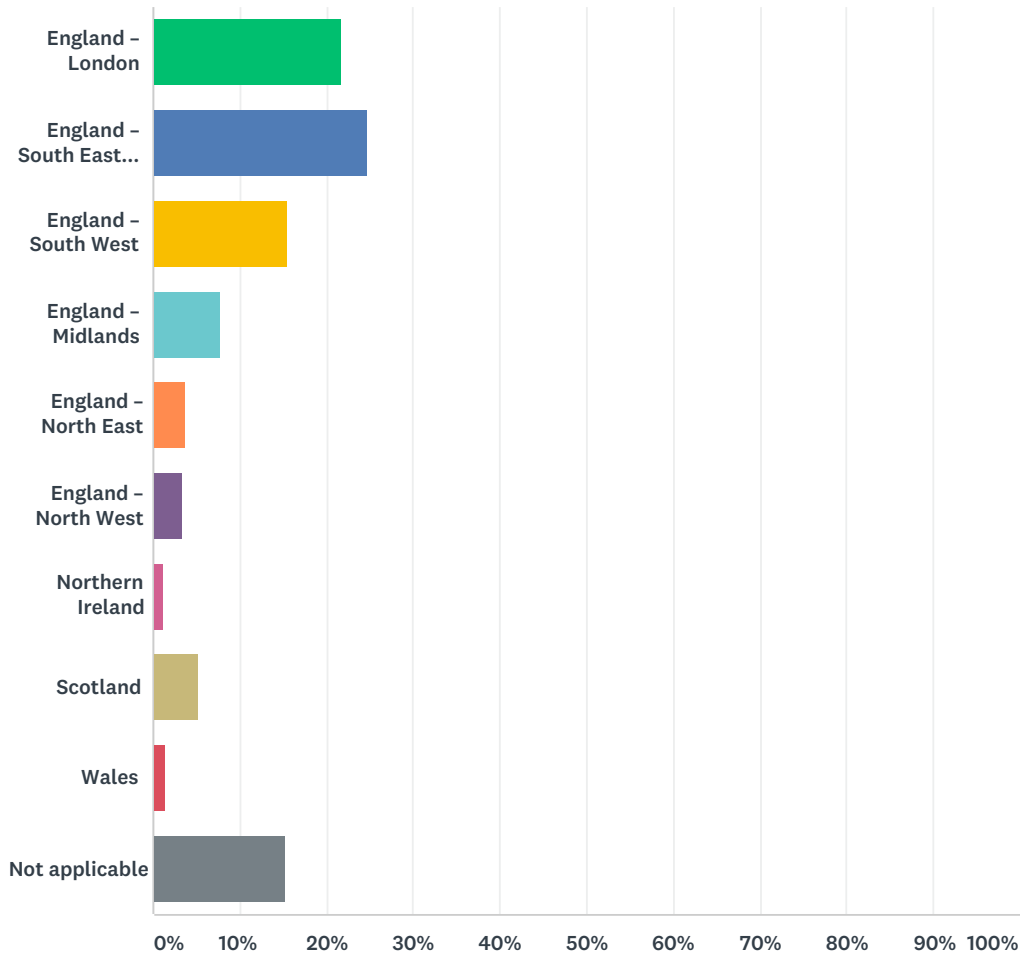
Answered: 674 Skipped: 13



ANSWER CHOICES	RESPONSES	
I am claiming the relief myself	13.95%	94
1-9 of my clients claim the relief	58.01%	391
10-19 of my clients claim the relief	7.86%	53
20-49 of my clients claim the relief	2.97%	20
50+ of my clients claim the relief	2.37%	16
None of my clients claim the relief	23.00%	155
Total Respondents: 674		

Q3 In which UK region are you or your clients mainly claiming rent-a-room relief:

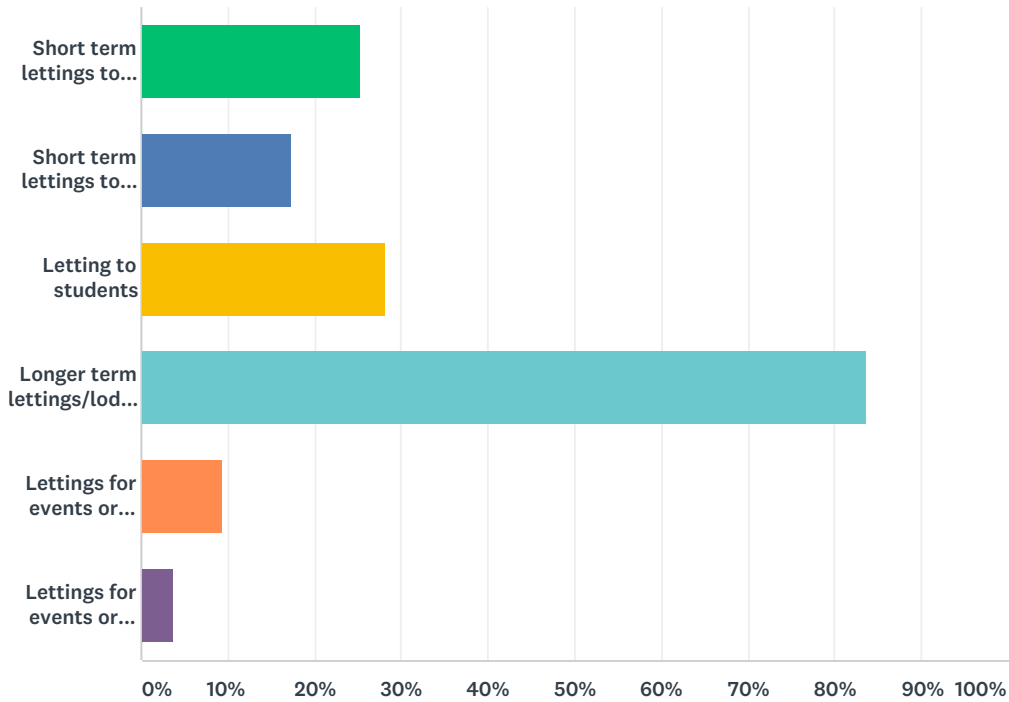
Answered: 678 Skipped: 9



ANSWER CHOICES	RESPONSES	
England – London	21.83%	148
England – South East (excluding London)	24.63%	167
England – South West	15.49%	105
England – Midlands	7.67%	52
England – North East	3.83%	26
England – North West	3.39%	23
Northern Ireland	1.18%	8
Scotland	5.16%	35
Wales	1.47%	10
Not applicable	15.34%	104

Q4 Which of the following types of letting do you, or your clients, claim rent-a-room relief on?[Tick all that apply]

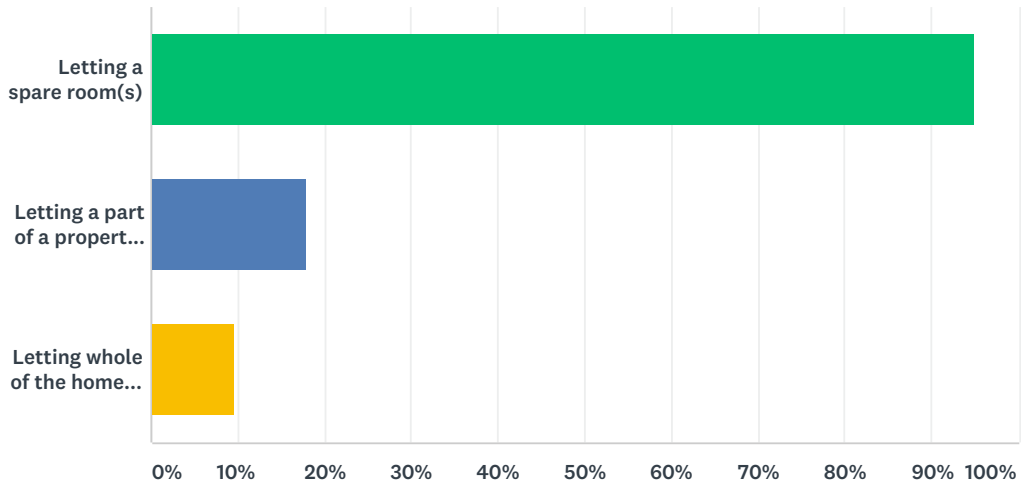
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ANSWER CHOICES	RESPONSES	
Short term lettings to holidaying visitors	25.31%	124
Short term lettings to work visitors (including mid-week lettings from Monday to Friday)	17.35%	85
Letting to students	28.16%	138
Longer term lettings/lodging	83.67%	410
Lettings for events or festivals (e.g. Edinburgh Festival/Wimbledon) (homeowner present)	9.39%	46
Lettings for events or festivals (homeowner not present)	3.67%	18
Total Respondents: 490		

Q5 What types of accommodation do you, or your clients, claim rent-a-room relief on:[Tick all that apply]

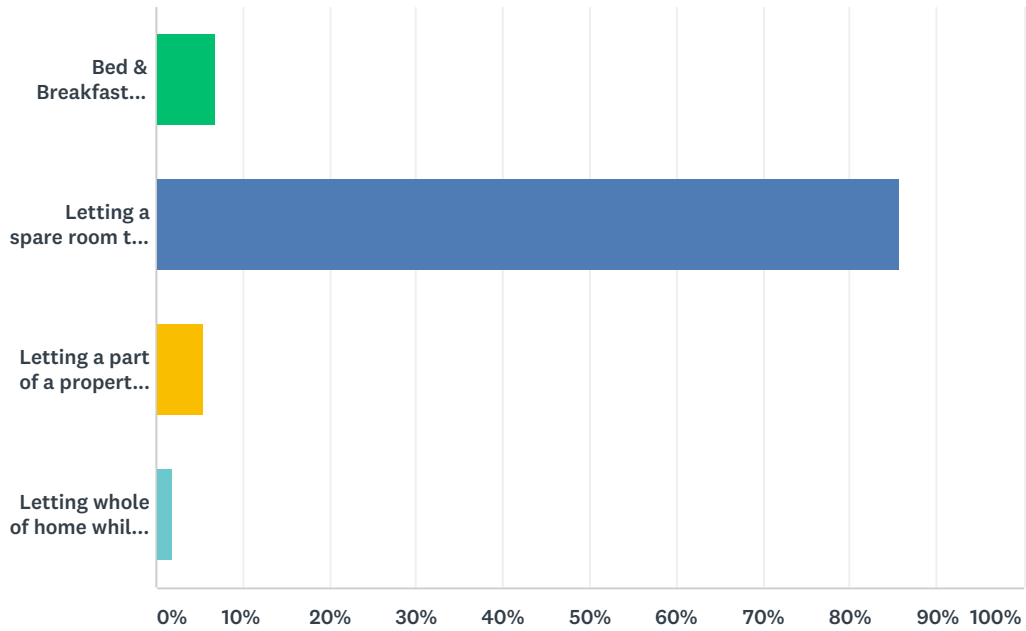
Answered: 490 Skipped: 197



ANSWER CHOICES	RESPONSES
Letting a spare room(s)	94.90% 465
Letting a part of a property which has been temporarily divided into a separate residence	17.96% 88
Letting whole of the home whilst the owner is temporarily absent (eg on holiday)	9.59% 47
Total Respondents: 490	

Q6 In your experience what is the most common use of rent-a-room relief?

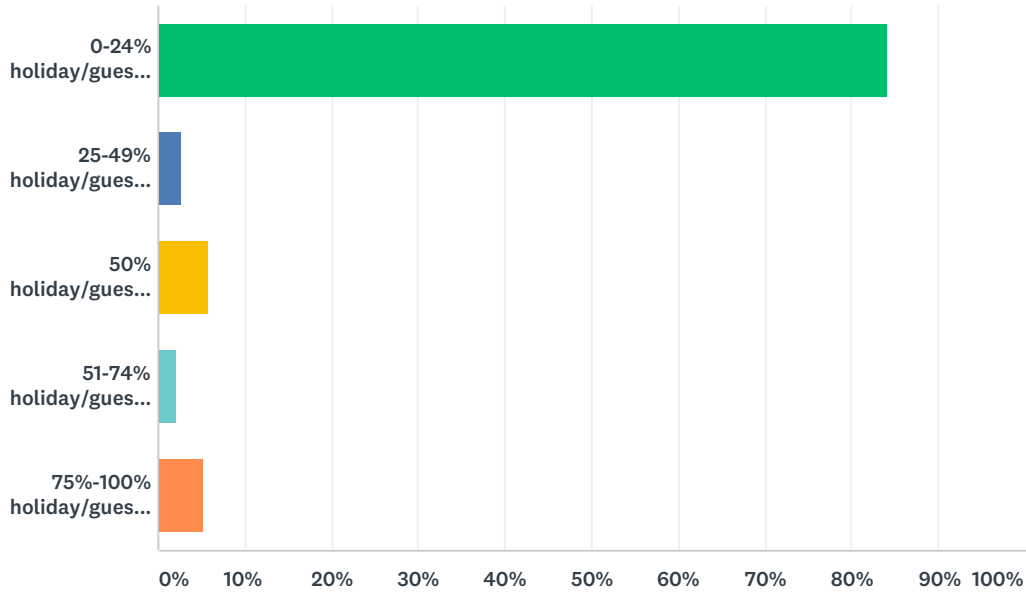
Answered: 510 Skipped: 177



ANSWER CHOICES	RESPONSES	
Bed & Breakfast accommodation	6.86%	35
Letting a spare room to a lodger	85.69%	437
Letting a part of a property which has been temporarily divided into a separate residence	5.49%	28
Letting whole of home whilst owner away (e.g. owner on holiday)	1.96%	10
TOTAL		510

Q7 What proportion of rent-a-room claims do you make on behalf of your clients for holiday/guest accommodation as opposed to residential accommodation?

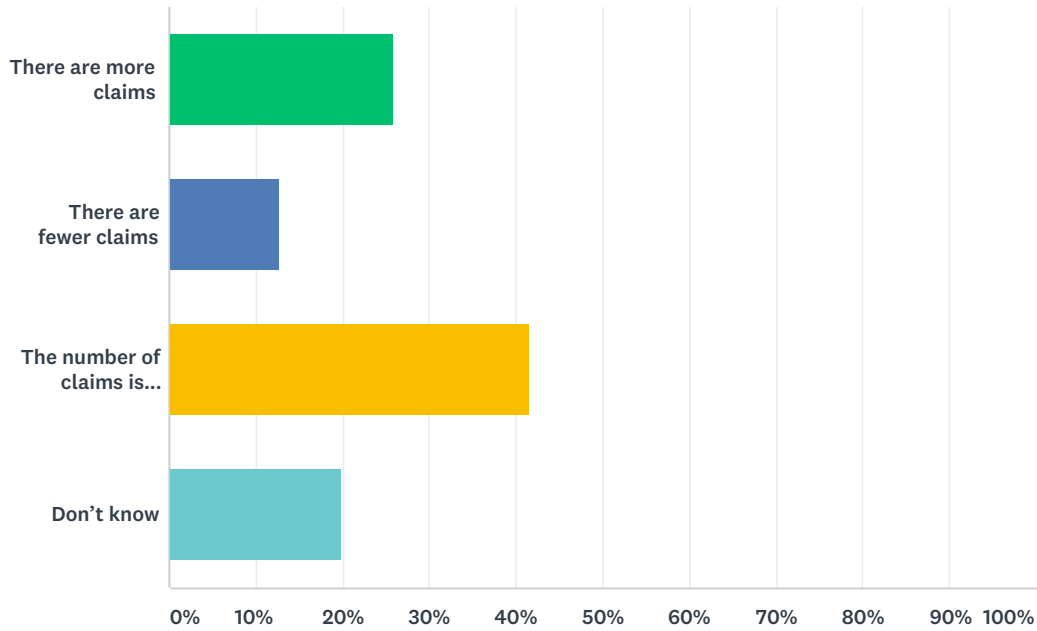
Answered: 480 Skipped: 207



ANSWER CHOICES	RESPONSES	
0-24% holiday/guest accommodation	84.17%	404
25-49% holiday/guest accommodation	2.71%	13
50% holiday/guest accommodation	5.83%	28
51-74% holiday/guest accommodation	2.08%	10
75%-100% holiday/guest accommodation	5.21%	25
TOTAL		480

Q8 How has the number of rent-a-room relief claims made by your clients changed in the last 10 years?

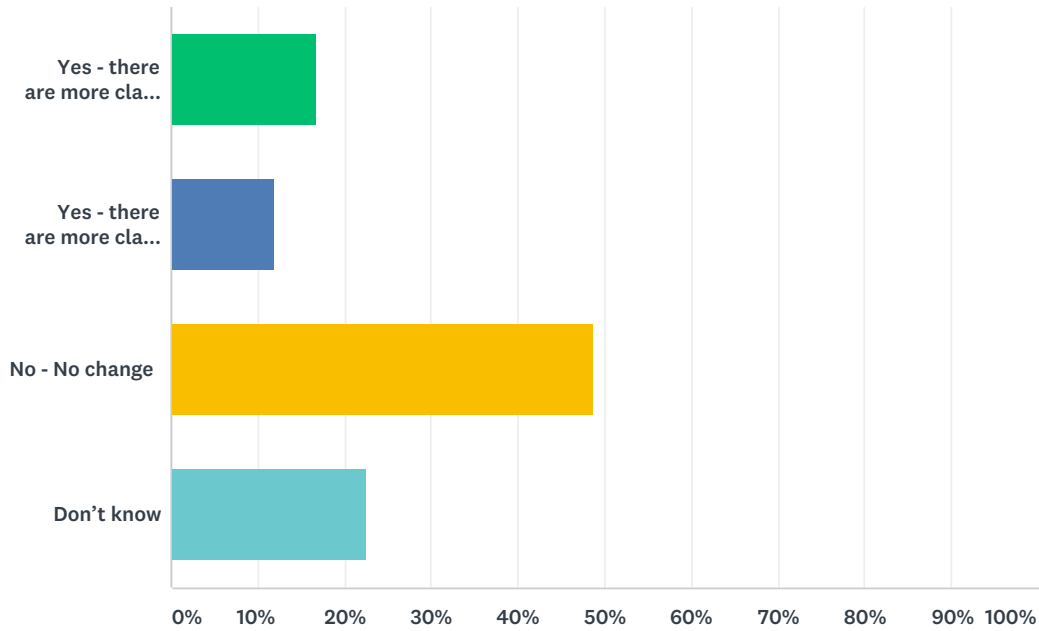
Answered: 520 Skipped: 167



ANSWER CHOICES	RESPONSES	
There are more claims	25.96%	135
There are fewer claims	12.69%	66
The number of claims is unchanged	41.54%	216
Don't know	19.81%	103
TOTAL		520

Q9 Has the use of rent-a-room relief by your clients changed over the last 10 years?

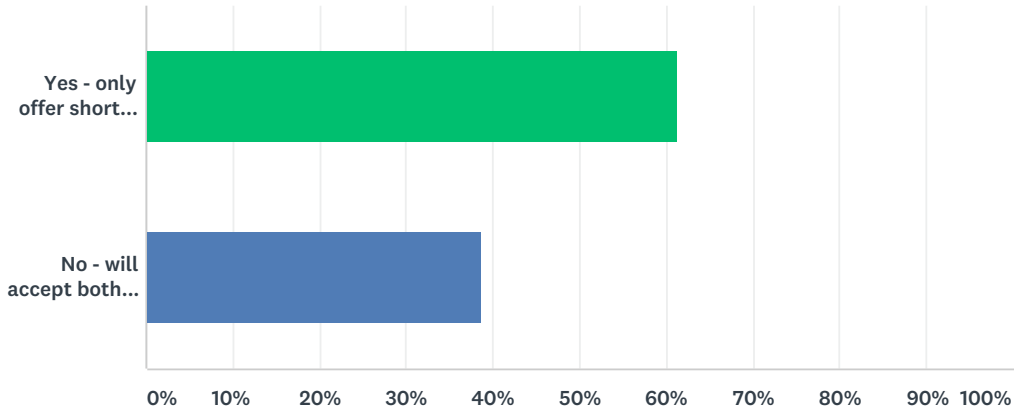
Answered: 520 Skipped: 167



ANSWER CHOICES	RESPONSES	
Yes - there are more claims for residential lettings	16.73%	87
Yes - there are more claims for holiday lettings	11.92%	62
No - No change	48.85%	254
Don't know	22.50%	117
TOTAL		520

Q10 In your experience do those using rent-a-room relief offer accommodation for either short or long term lets - but not a mixture of the two?

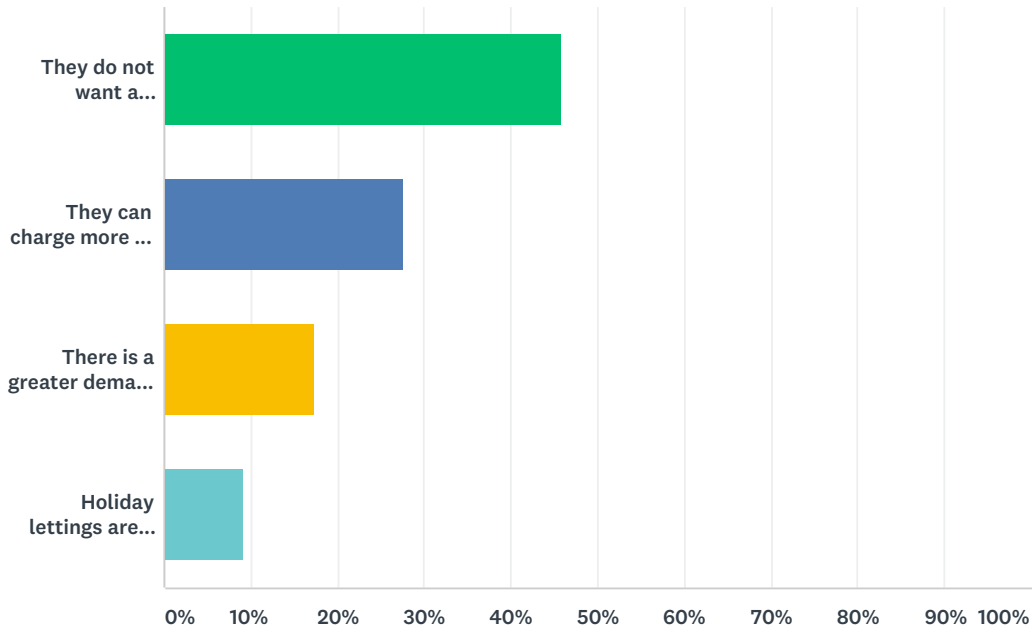
Answered: 480 Skipped: 207



ANSWER CHOICES	RESPONSES	
Yes - only offer short term holiday/guest accommodation or longer term lodging	61.25%	294
No - will accept both longer and short term lettings	38.75%	186
TOTAL		480

Q11 Where an individual claiming rent-a-room relief is only offering holiday/guest accommodation is it because:

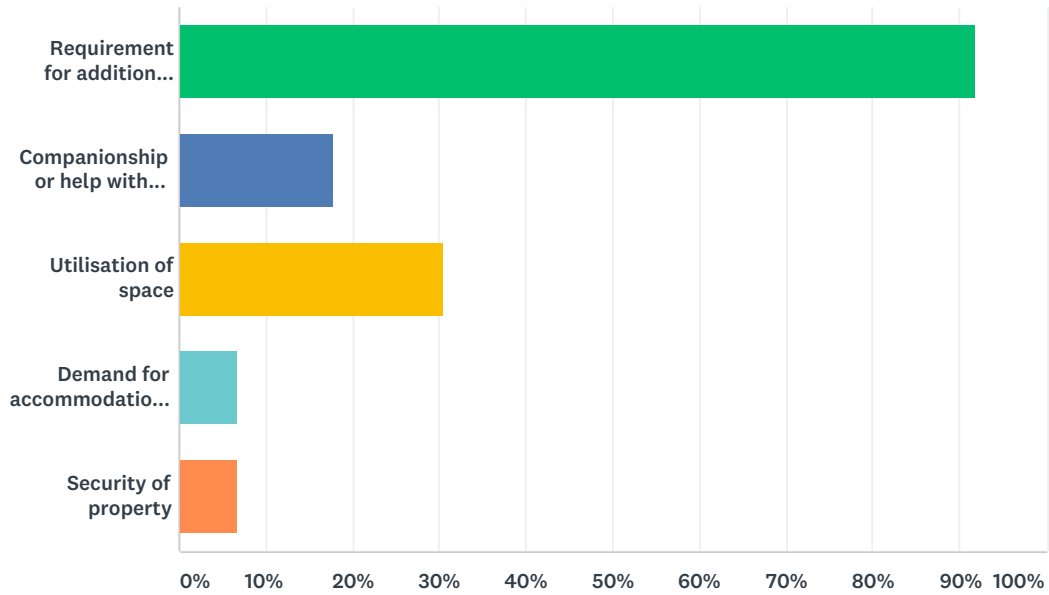
Answered: 293 Skipped: 394



ANSWER CHOICES	RESPONSES	
They do not want a full-time lodger	45.73%	134
They can charge more for a holiday letting	27.65%	81
There is a greater demand for holiday lettings compared with longer term residential lettings	17.41%	51
Holiday lettings are easier to source	9.22%	27
TOTAL		293

Q12 What are the main factors driving the decision to let a room? Please select the top two from the following:

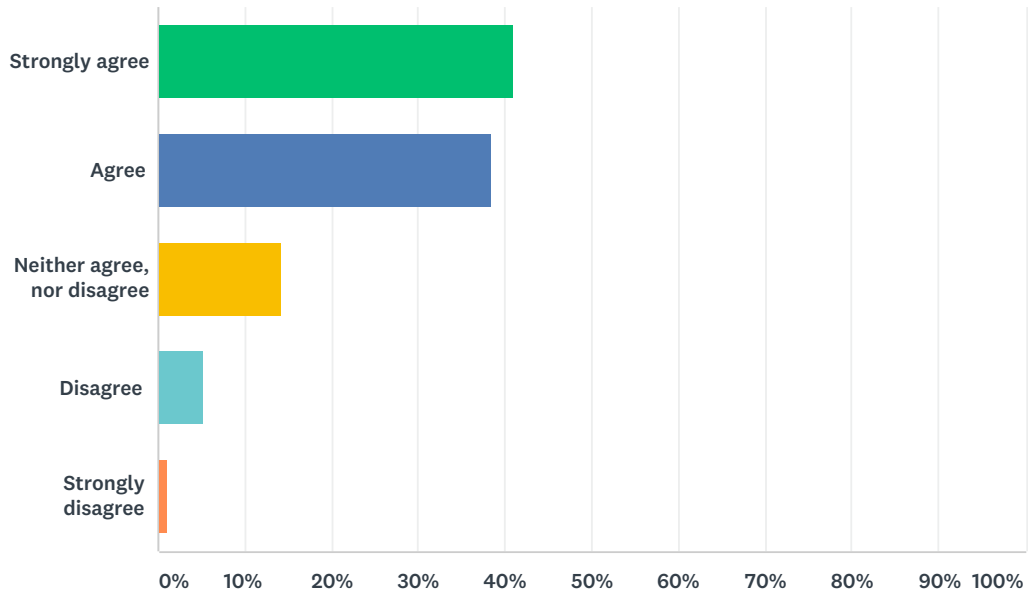
Answered: 501 Skipped: 186



ANSWER CHOICES	RESPONSES	
Requirement for additional income	91.82%	460
Companionship or help with household tasks	17.76%	89
Utilisation of space	30.54%	153
Demand for accommodation for local events	6.79%	34
Security of property	6.79%	34
Total Respondents: 501		

Q13 The existence of rent-a-room relief provides an incentive to let out rooms or take in a lodger.

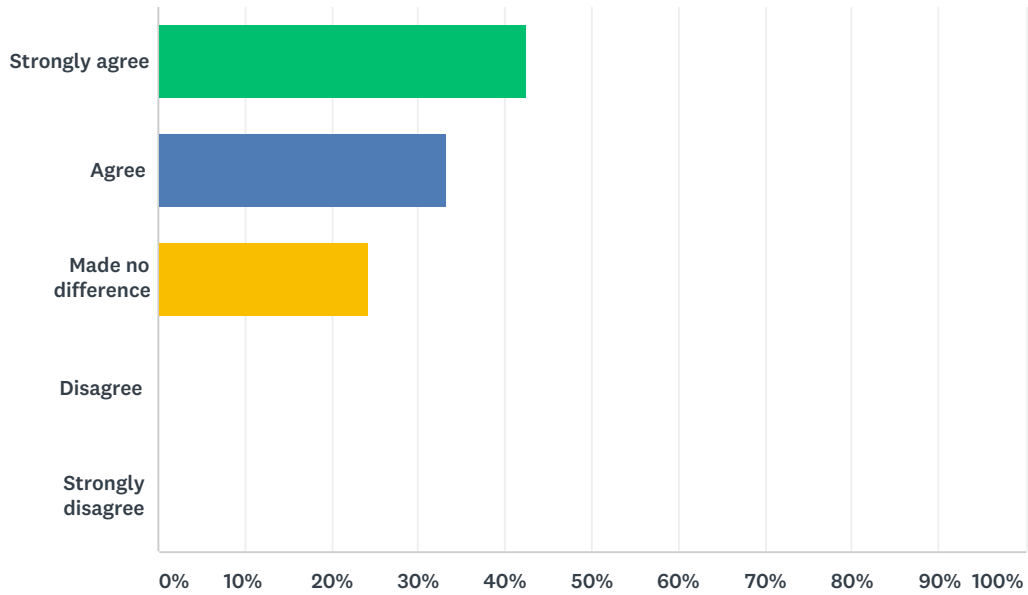
Answered: 539 Skipped: 148



ANSWER CHOICES	RESPONSES	
Strongly agree	41.00%	221
Agree	38.40%	207
Neither agree, nor disagree	14.29%	77
Disagree	5.19%	28
Strongly disagree	1.11%	6
TOTAL		539

Q14 The raising of the limit for rent-a-room relief from £4,250 to £7,500 in April 2016 increased the incentive to let out rooms or take on a lodger.

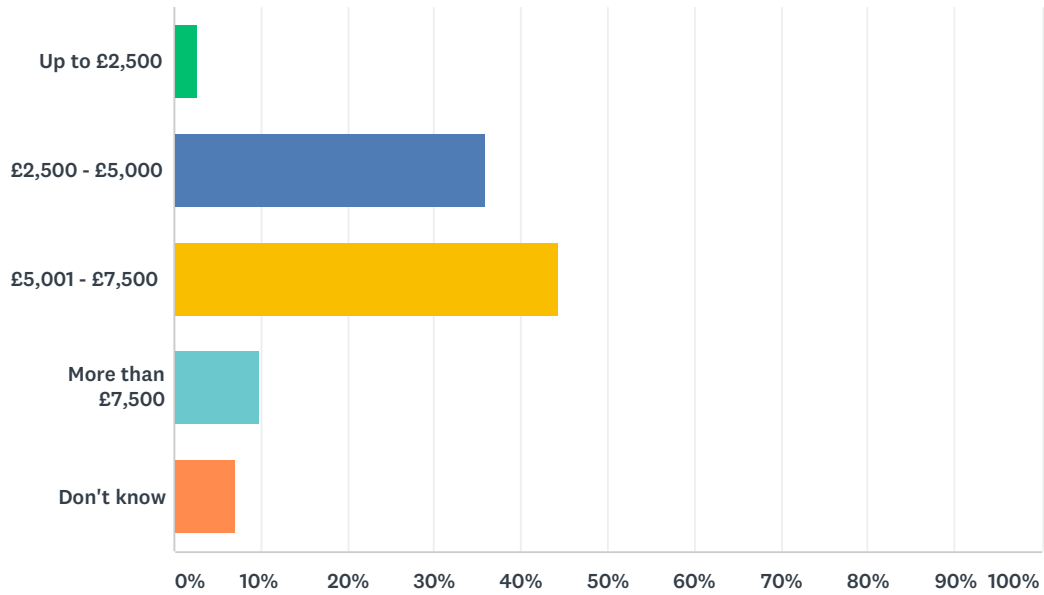
Answered: 536 Skipped: 151



ANSWER CHOICES	RESPONSES	
Strongly agree	42.54%	228
Agree	33.21%	178
Made no difference	24.25%	130
Disagree	0.00%	0
Strongly disagree	0.00%	0
TOTAL		536

Q15 What is the typical amount of annual income on which you or your client claim rent-a-room relief?

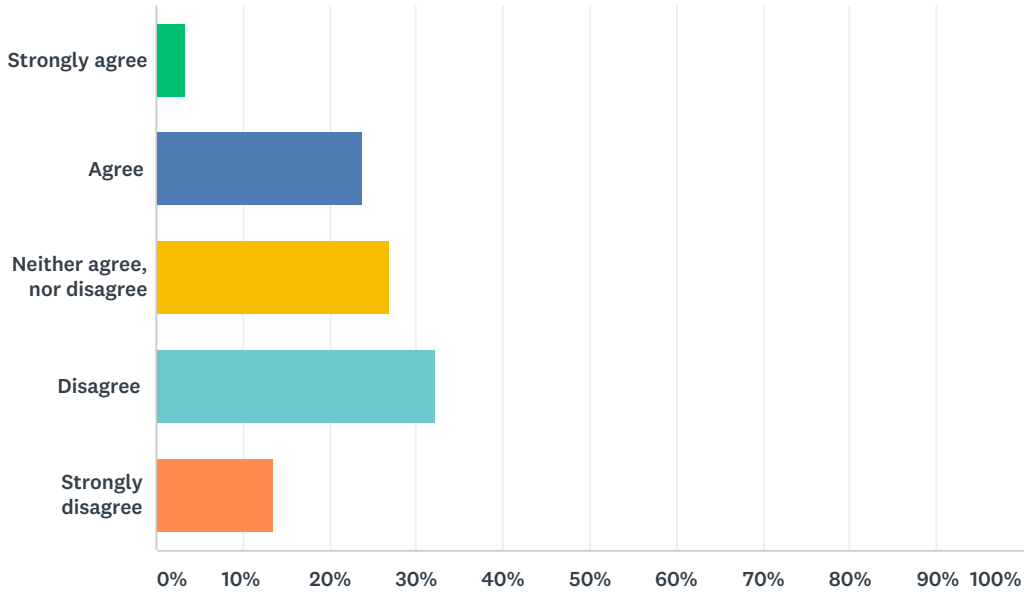
Answered: 508 Skipped: 179



ANSWER CHOICES	RESPONSES	
Up to £2,500	2.76%	14
£2,500 - £5,000	36.02%	183
£5,001 - £7,500	44.29%	225
More than £7,500	9.84%	50
Don't know	7.09%	36
TOTAL		508

Q16 Current users of rent-a-room relief would still take in a lodger if the relief did not exist and only the £1,000 property allowance were available to use against letting income.

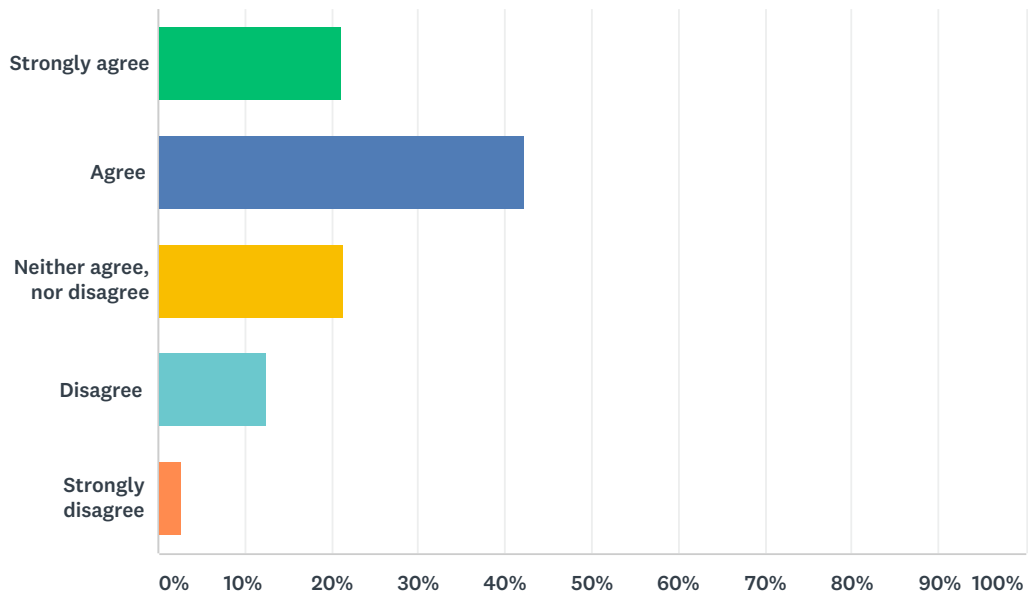
Answered: 531 Skipped: 156



ANSWER CHOICES	RESPONSES	
Strongly agree	3.39%	18
Agree	23.92%	127
Neither agree, nor disagree	26.93%	143
Disagree	32.20%	171
Strongly disagree	13.56%	72
TOTAL		531

Q17 Rent-a-room relief in its current form supports the Government’s objective for a diverse supply of housing options.

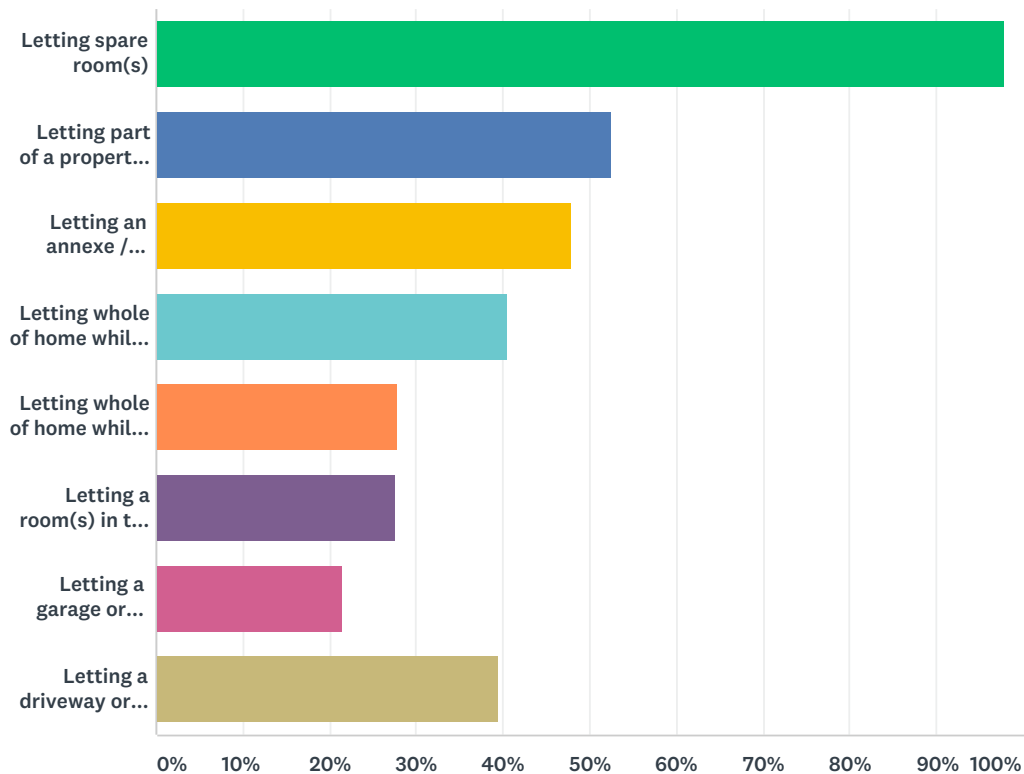
Answered: 530 Skipped: 157



ANSWER CHOICES	RESPONSES	
Strongly agree	21.13%	112
Agree	42.26%	224
Neither agree, nor disagree	21.32%	113
Disagree	12.64%	67
Strongly disagree	2.64%	14
TOTAL		530

Q18 Which of the following types of letting activity should in your view be able to benefit from rent-a-room relief?[Tick all that apply]

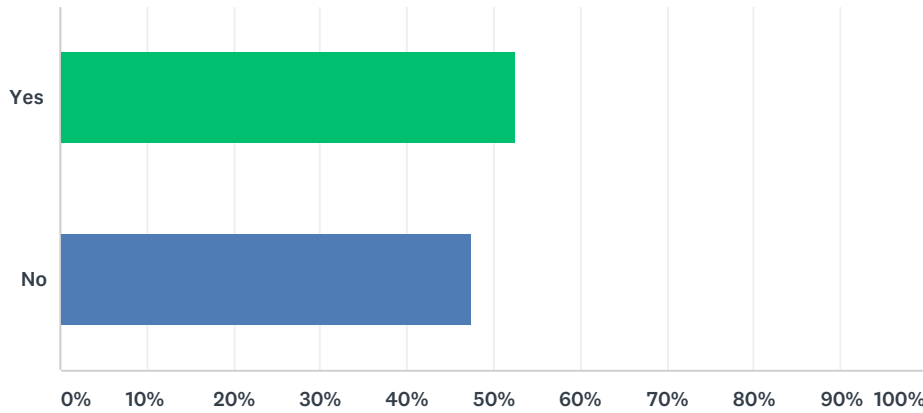
Answered: 526 Skipped: 161



ANSWER CHOICES	RESPONSES	
Letting spare room(s)	97.91%	515
Letting part of a property which has been temporarily divided into a separate residence	52.47%	276
Letting an annexe / self-contained flat which is attached to the main residence	47.91%	252
Letting whole of home whilst owner away for a temporary period (e.g. holiday)	40.68%	214
Letting whole of home whilst owner away for a prolonged period (e.g. working away)	27.76%	146
Letting a room(s) in the main home for use by a business	27.57%	145
Letting a garage or outbuilding for commercial purposes	21.48%	113
Letting a driveway or other space (e.g. to provide off street parking to commuters)	39.54%	208
Total Respondents: 526		

Q19 Do you think that rent-a-room relief should continue to apply to holiday/guest accommodation?

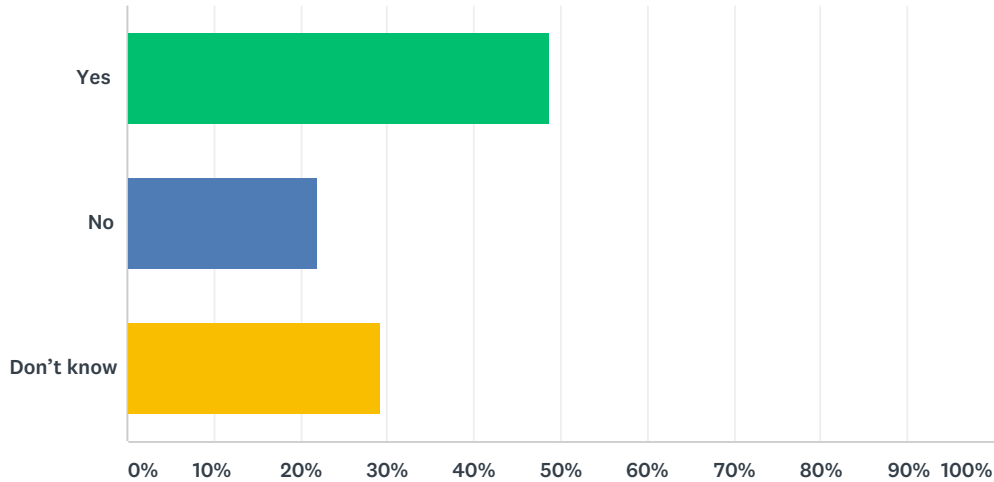
Answered: 523 Skipped: 164



ANSWER CHOICES	RESPONSES	
Yes	52.58%	275
No	47.42%	248
TOTAL		523

Q20 If rent-a-room relief was restricted to longer term/residential lettings would this deter individuals from letting a room as holiday/guest accommodation?

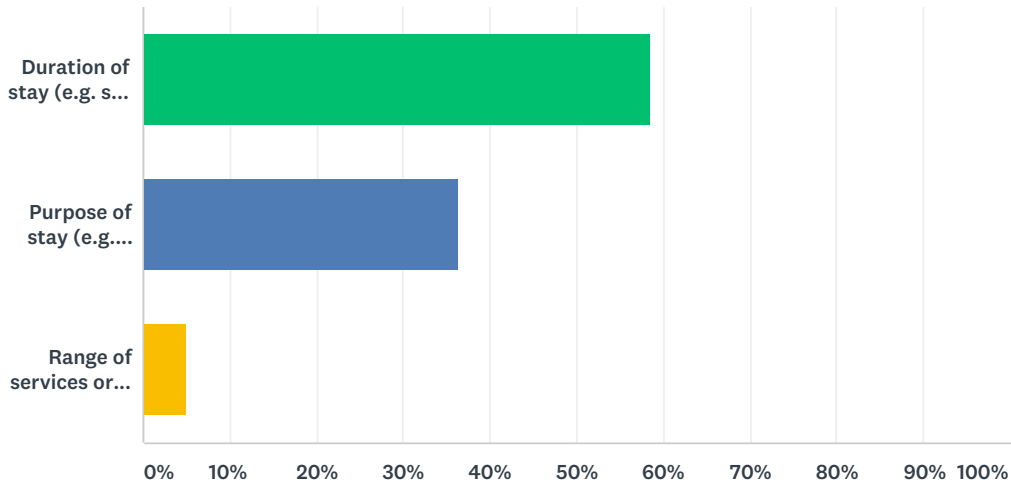
Answered: 523 Skipped: 164



ANSWER CHOICES	RESPONSES	
Yes	48.76%	255
No	21.99%	115
Don't know	29.25%	153
TOTAL		523

Q21 What do you think is the best way of determining whether a letting is residential as opposed to holiday letting?

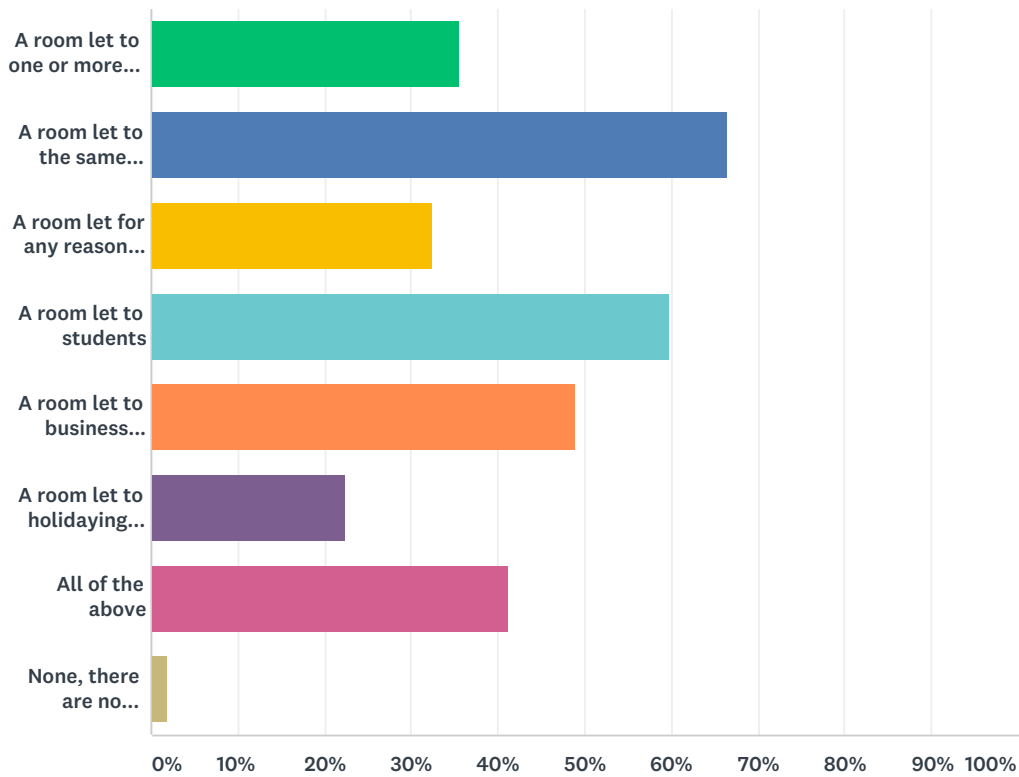
Answered: 511 Skipped: 176



ANSWER CHOICES	RESPONSES	
Duration of stay (e.g. stay must be 31 days or more)	58.51%	299
Purpose of stay (e.g. letting must be to students, business travellers, or longer term lodgers, and NOT holiday visitors)	36.40%	186
Range of services or facilities (e.g. provision of meals or laundry services)	5.09%	26
TOTAL		511

Q22 Which of the following do you think should be eligible for rent-a-room relief?[Tick all that apply]

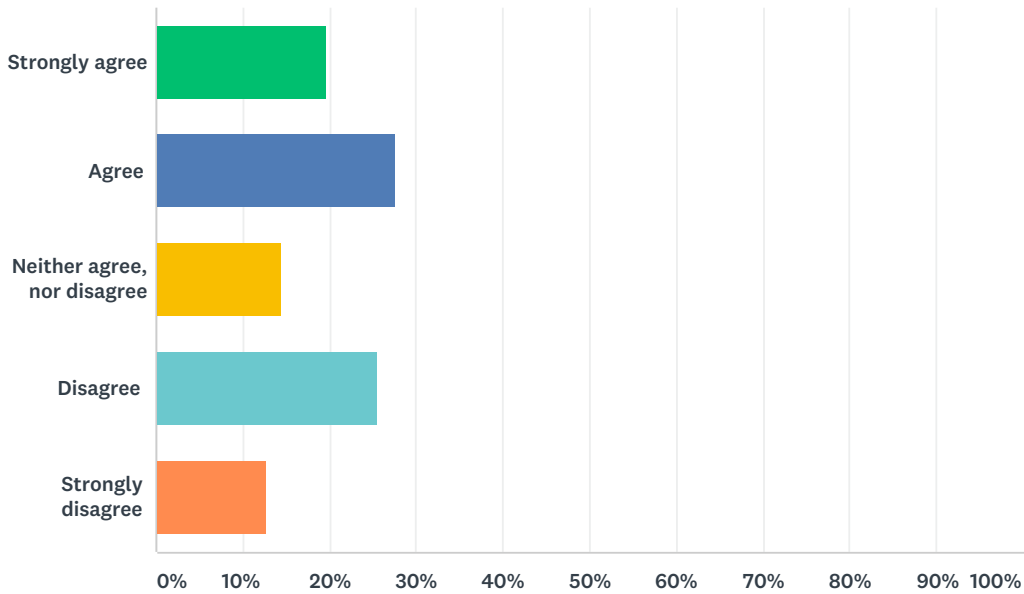
Answered: 520 Skipped: 167



ANSWER CHOICES	RESPONSES	
A room let to one or more individuals for any period for any reason	35.58%	185
A room let to the same individual for 31 days or more for any reason	66.54%	346
A room let for any reason including holidays, work or longer term residence	32.50%	169
A room let to students	59.81%	311
A room let to business visitors (e.g. those working away from home for all or part of the week)	49.04%	255
A room let to holidaying visitors	22.31%	116
All of the above	41.15%	214
None, there are no circumstances in which rent-a-room relief should apply	1.92%	10
Total Respondents: 520		

Q23 Homeowners should only be eligible to claim rent-a-room relief where they are offering a room for let on a longer-term basis (e.g. 31 days or more).

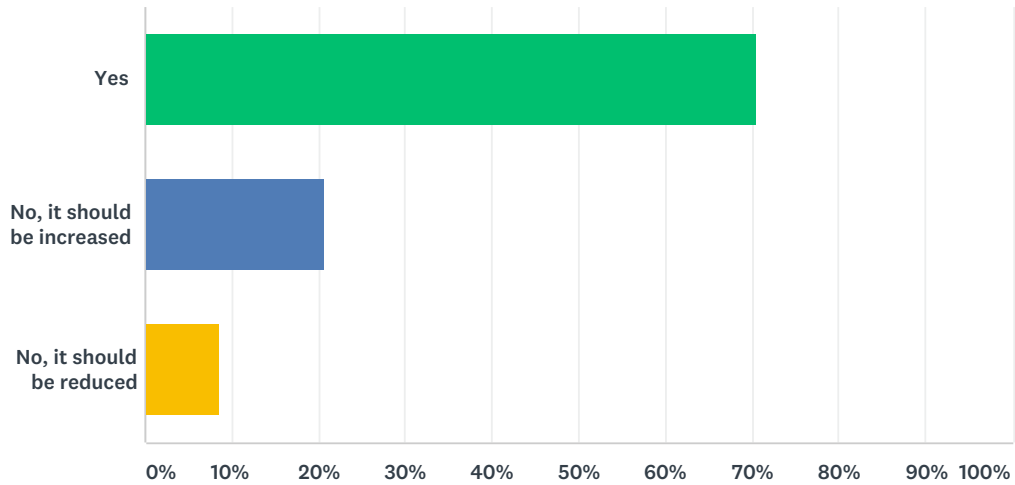
Answered: 516 Skipped: 171



ANSWER CHOICES	RESPONSES	
Strongly agree	19.57%	101
Agree	27.71%	143
Neither agree, nor disagree	14.34%	74
Disagree	25.58%	132
Strongly disagree	12.79%	66
TOTAL		516

Q24 Assuming rent-a-room relief is retained in its current form, do you think the current limit of £7,500 is an appropriate limit?

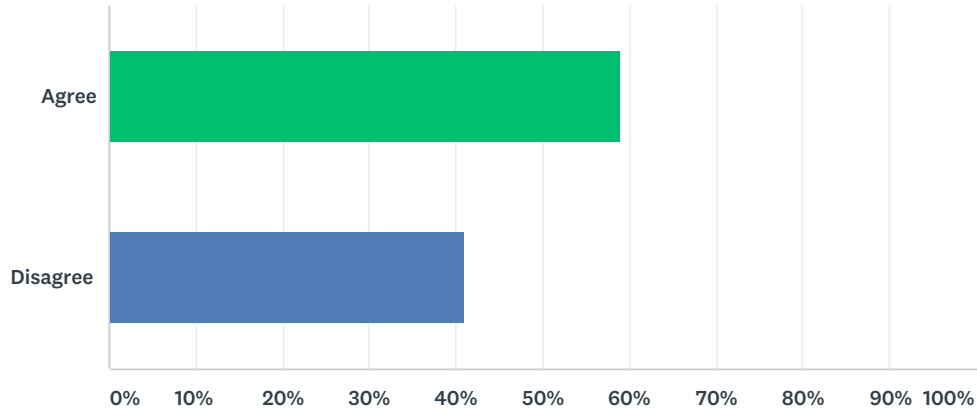
Answered: 520 Skipped: 167



ANSWER CHOICES	RESPONSES	
Yes	70.58%	367
No, it should be increased	20.77%	108
No, it should be reduced	8.65%	45
TOTAL		520

Q25 Rent-a-room relief and the £1,000 property allowance should be merged into one single relief for lettings of the individual's only or main residence.

Answered: 506 Skipped: 181



ANSWER CHOICES	RESPONSES	
Agree	58.89%	298
Disagree	41.11%	208
TOTAL		506

Q26 Do you have knowledge of other systems for taxing rent-a-room type income outside the UK? If yes, please provide details below. Please say whether you think that the other system is simpler, fairer or more effective than UK rent-a-room relief.

Answered: 58 Skipped: 629

Q27 Do you have any further ideas or evidence about how the UK might reform rent-a-room relief?

Answered: 99 Skipped: 588

Q28 Are there any areas of rent-a-room relief which cause difficulties in practice or where guidance could be improved?

Answered: 102 Skipped: 585