

Rent Pooling

Part 09-01-06

This document should be read in conjunction with Tax and Duty Manual

[Part 04-08-14](#)

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[Part 04-08-14](#) of the Tax and Duty Manuals deals with “rent pooling”, which may arise in the context of property-based tax incentive schemes such as the student accommodation scheme and the scheme for nursing home residential units.

Rent pooling is the amalgamation of rents and expenses for several properties to arrive at a single net profit or loss figure for tax purposes.

Promoters of property schemes may use rent pooling as a convenient mechanism to facilitate the collection and distribution of rent among multiple investors in proportion to their share of the overall expenditure on a particular development.

Rent pooling will provide the “right” answer – as in, the correct income computation for Case V purposes - in most cases, but not in all. It is specifically disallowed by the Tax Acts which require that separate rental computations be done for each individual property.

Part 04-08-14 considers rent pooling in the context of different structures and shows how certain types of structure involving management companies may allow a form of rent pooling that does not contravene the Tax Acts.