

SCHEDULE 14

RELIEF FOR CERTAIN ACQUISITIONS OF DWELLINGS

PART 2

RELIEF FOR CERTAIN ACQUISITIONS OF DWELLINGS

Acquisition by property trader from individual where chain of transactions breaks down

- 4 (1) Where a property trader acquires a dwelling (“the old dwelling”) from an individual (whether alone or with other individuals), the acquisition is relieved from tax if the following conditions are met (but see sub-paragraph (4) for provision about partial relief).
- (2) The conditions are—
- (a) that the individual has made arrangements to sell the old dwelling and acquire another dwelling (“the second dwelling”),
 - (b) that the arrangements to sell the old dwelling fail,
 - (c) that the acquisition of the old dwelling is made for the purpose of enabling the individual’s acquisition of the second dwelling to proceed,
 - (d) that the acquisition is made in the course of a business that consists of or includes acquiring dwellings from individuals in those circumstances,
 - (e) that the individual—
 - (i) occupied the old dwelling as the individual’s only or main residence at some time in the period of 2 years ending with the date of its acquisition by the property trader, and
 - (ii) intends to occupy the second dwelling as the individual’s only or main residence,
 - (f) that the property trader does not intend—
 - (i) to spend more than the permitted amount on refurbishment of the old dwelling,
 - (ii) to grant a lease or licence of the old dwelling, or
 - (iii) to permit any of its principals or employees (or any person connected with any of its principals or employees) to occupy the old dwelling, and
 - (g) that the area of land acquired by the property trader does not exceed the permitted area.
- (3) Sub-paragraph (2)(f)(ii) does not apply to the grant of a lease or licence to the individual for a period of no more than 6 months.
- (4) Where the conditions in sub-paragraph (2)(a) to (f) are met but the area of land acquired exceeds the permitted area, the chargeable consideration for the acquisition is taken to be the amount calculated by deducting the market value of the permitted area from the market value of the old dwelling.
- (5) In this paragraph—
- (a) references to the acquisition of the second dwelling are to the acquisition, by way of grant or transfer, of a major interest in the dwelling,

Status: This is the original version (as it was originally enacted).

- (b) references to the acquisition of the old dwelling are to the acquisition, by way of transfer, of a major interest in the dwelling, and
- (c) references to the market value of the old dwelling and of the permitted area are to the market value of that major interest in the dwelling and of that interest so far as it relates to that area.