

SCHEDULE 15

RELIEF FOR CERTAIN TRANSACTIONS RELATING TO SOCIAL HOUSING

PART 3

SHARED OWNERSHIP LEASES

Shared ownership lease: election for market value treatment

- 3 (1) This paragraph applies where—
- (a) a lease is granted—
 - (i) by a qualifying body, or
 - (ii) in pursuance of the preserved right to buy,
 - (b) the conditions in sub-paragraph (2) are met, and
 - (c) the buyer elects for tax to be charged in accordance with this paragraph.
- (2) The conditions are—
- (a) that the lease must be of a dwelling;
 - (b) that the lease must give the tenant exclusive use of the dwelling;
 - (c) that the lease must provide for the tenant to acquire the reversion;
 - (d) that the lease must be granted partly in consideration of rent and partly in consideration of a premium calculated by reference to—
 - (i) the market value of the dwelling, or
 - (ii) a sum calculated by reference to that value;
 - (e) that the lease must contain a statement of—
 - (i) the market value of the dwelling, or
 - (ii) the sum calculated by reference to that value,by reference to which the premium is calculated.
- (3) An election for tax to be charged under this paragraph—
- (a) must be included in the return made in respect of the grant of the lease (or in an amendment to that return), and
 - (b) is irrevocable, so that the return may not be amended so as to withdraw the election.
- (4) Where this paragraph applies the chargeable consideration for the grant of the lease is taken to be the amount stated in the lease in accordance with sub-paragraph (2)(e)(i) or (ii).
- (5) Where this paragraph applies no account is taken for the purposes of land transaction tax of the rent mentioned in sub-paragraph (2)(d).
- (6) Section 70 (meaning of market value) does not apply to this paragraph.