



Building Societies Act 1986

1986 CHAPTER 53

[^{F1}PART III

ADVANCES, LOANS AND OTHER ASSETS]

Other commercial assets

[^{F1}17 **Power to hold and develop land as commercial asset.**

- (1) Subject to subsections (2), (9) and (11) below, a building society may acquire, hold and dispose of land in the United Kingdom for purposes other than those for which it may acquire, hold or dispose of land under section 6 or 10.
- (2) Land may not be acquired or held or disposed of by way of lease under this section except where the land is or is to be used—
 - (a) primarily for residential purposes, or
 - (b) for purposes incidental to the use of adjoining land held or to be held by the society which is or is to be used primarily for residential purposes.
- (3) A building society may develop or participate in developing for use for residential purposes or purposes connected with the residential use of land any land it holds under this section.
- (4) If land acquired under this section ceases to be used for the purposes authorised by subsection (2) above the society shall sell its estate or interest in the land as soon as it is conveniently practicable without undue loss to the society.
- (5) Land held under this section constitutes a class 3 asset for the purposes of the requirements of this Part for the structure of commercial assets and accordingly the aggregate value of all land so held counts in accordance with section 20 towards the limits applicable to class 3 assets under that section.
- (6) Premises held under section 6, by virtue of subsection (5) of that section, shall, in prescribed circumstances, be treated in their entirety (and regardless of their use) as

Status: Point in time view as at 01/12/1997.

Changes to legislation: Building Societies Act 1986, Section 17 is up to date with all changes known to be in force on or before 23 January 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

land held under this section for the purposes of the requirements of this Part for the structure of commercial assets and subsection (5) above applies accordingly.

- (7) The Commission, with the consent of the Treasury, may by order made by statutory instrument make such provision for the purposes of subsection (6) above as it thinks fit and in that subsection “prescribed” means prescribed in an order under this subsection.
- (8) An instrument containing an order under subsection (7) above shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (9) Except as provided in subsection (10) below, the powers conferred by this section are not available to a building society which does not for the time being have a qualifying asset holding, but the cessation of their availability does not require the disposal of any property or rights.
- (10) A building society which does not for the time being have a qualifying asset holding may acquire, hold and dispose of land which is or is to be used for residential purposes if the purpose of the acquisition and holding of the land is to enable the society to make advances on the security of equitable interests in the land in the circumstances authorised by an order under section 10(6).
- (11) The powers conferred by this section on a building society, if available to it, must in order to be exercisable, be adopted by the society.]

Textual Amendments

- F1** Pt. III (ss. 10-23) repealed (1.12.1997 in specified cases and for specified purposes and otherwise in accordance with art. 2(2)(3)(5) of S.I. 1997/2668) by 1997 c. 32, ss. 12(1)(a), 46(2), 47(3), **Sch. 9**; S.I. 1997/2668, art. 2, Sch. Pts. I(b), **II(j)**

Modifications etc. (not altering text)

- C1** S. 17 extended by S.I. 1987/1942, **art. 3**
C2 S. 17(10) excluded by S.I. 1986/2099, **art. 8**

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