

SCHEDULE 15

RELIEF FOR CERTAIN TRANSACTIONS RELATING TO SOCIAL HOUSING

PART 4

SHARED OWNERSHIP TRUSTS

Shared ownership trusts: meaning of shared ownership trust and other key terms

- 10 (1) This paragraph applies to paragraphs 11 to 17.
- (2) A “shared ownership trust” means a trust of land within the meaning of section 1 of the [Trusts of Land and Appointment of Trustees Act 1996 \(c. 47\)](#) which satisfies the following conditions.
- (3) Condition 1 is that the trust property is—
- (a) a dwelling, and
 - (b) in Wales.
- (4) Condition 2 is that one of the beneficiaries (“the social landlord”) is a qualifying body.
- (5) Condition 3 is that the terms of the trust—
- (a) provide for one or more of the individual beneficiaries (“the buyer”) to have exclusive use of the trust property as the only or main residence of the buyer,
 - (b) require the buyer to make an initial payment to the social landlord (“the initial capital”),
 - (c) require the buyer to make additional payments to the social landlord by way of compensation under section 13(6)(a) of the [Trusts of Land and Appointment of Trustees Act 1996](#) (“the rent-equivalent payments”),
 - (d) enable the buyer to make other additional payments to the social landlord (“equity-acquisition payments”),
 - (e) determine the initial beneficial interests of the social landlord and of the buyer by reference to which the initial capital was calculated,
 - (f) specify a sum, equating or relating to the market value of the dwelling, by reference to which the initial capital was calculated, and
 - (g) provide for the buyer’s beneficial interest in the trust property to increase, and the social landlord’s to diminish or to be extinguished as equity-acquisition payments are made.
- (6) Section 70 (meaning of market value) does not apply to this paragraph.
- (7) In Condition 1, “dwelling” includes land which is to be used for the construction of a dwelling.
- (8) In Condition 2, “qualifying body” means—
- (a) a local housing authority within the meaning given by section 1 of the [Housing Act 1985 \(c. 68\)](#);
 - (b) a housing association within the meaning given by the [Housing Associations Act 1985 \(c. 69\)](#);

- (c) a housing action trust established under Part 3 of the [Housing Act 1988](#) (c. 50).