

SCHEDULE 5

HIGHER RATES RESIDENTIAL PROPERTY TRANSACTIONS

PART 3

BUYER IS AN INDIVIDUAL: MULTIPLE DWELLING TRANSACTIONS

Buyer has a major interest in other dwelling

- 15 (1) This paragraph applies if—
- (a) only one of the purchased dwellings is a qualifying dwelling, and
 - (b) at the end of the day that is the effective date of the transaction—
 - (i) the buyer has a major interest in a dwelling other than one of the purchased dwellings, and
 - (ii) that interest has a market value of £40,000 or more.
- (2) But this paragraph does not apply if the interest described in sub-paragraph (1)(b) is reversionary on a lease which—
- (a) is not held by a person connected with the buyer, and
 - (b) has an unexpired term of more than 21 years.
- (3) Where the buyer is jointly entitled with one or more persons to the major interest referred to in sub-paragraph (1)(b)(i), the reference in sub-paragraph (1)(b)(ii) to the market value of the interest is to the market value of the buyer’s beneficial share in the interest as determined in accordance with sub-paragraph (4) or (5).
- (4) Where the buyer is beneficially entitled as a tenant in common, the market value of the buyer’s beneficial share is equal to—

$$MV \times PI$$

Figure 6

where—

MV is the market value of the major interest, and

PI is—

- (a) the percentage of the interest to which the buyer is entitled, or
- (b) where—
 - (i) the buyer and the buyer’s spouse or civil partner are living together on the effective date of the transaction (for the meaning of “living together”, see paragraph 25(3)), and
 - (ii) taken together the buyer and the buyer’s spouse or civil partner are entitled as tenants in common,the percentage of the interest to which the buyer and the buyer’s spouse or civil partner are so entitled.

- (5) Where the buyer is beneficially entitled as a joint tenant, the market value of the buyer’s beneficial share is equal to—

$$\frac{MV}{JI}$$

Figure 7

where—

MV is the market value of the major interest, and

JT is the number of joint tenants entitled to the interest.

- (6) For the purpose of sub-paragraph (5), the buyer and the buyer’s spouse or civil partner are to be treated as one joint tenant if—
- (a) they are living together on the effective date of the transaction (for the meaning of “living together”, see paragraph 25(3)), and
 - (b) they are beneficially entitled as joint tenants to the interest.
- (7) This paragraph applies subject to the exceptions provided for in—
- (a) paragraph 16 (interest in same main residence exception), and
 - (b) paragraph 17 (replacement of main residence exception).