

**Changes to legislation:** There are currently no known outstanding effects for the Value Added Tax Act 1994, Group 6 — Residential conversions. (See end of Document for details)

## SCHEDULES

### <sup>F1</sup>SCHEDULE 7A

#### CHARGE AT REDUCED RATE

##### Textual Amendments

- F1** Sch. 7A inserted (11.5.2001 with effect as mentioned in s. 99(7)(a) of the amending Act) by 2001 c. 9, s. 99(5)(7)(a), **Sch. 31 Pt. 1 para. 1**

### PART 2

#### THE GROUPS

##### Modifications etc. (not altering text)

- C1** Sch. 7A Pt. 2 modified (30.6.2008) by [The Value Added Tax \(Reduced Rate\) \(Smoking Cessation Products\) Order 2008 \(S.I. 2008/1410\)](#), arts. 13
- C1** [Sch. 7A Pt. 2](#) modifications by 2020 SI 728, art. 4 continued (with effect in accordance with s. 93(5)-(10) of the amending Act) by [Finance Act 2021 \(c. 26\)](#), **s. 93(1)**

#### GROUP 6 — RESIDENTIAL CONVERSIONS

##### ITEM NO.

- 1 The supply, in the course of a qualifying conversion, of qualifying services related to the conversion.
- 2 The supply of building materials if—
  - (a) the materials are supplied by a person who, in the course of a qualifying conversion, is supplying qualifying services related to the conversion, and
  - (b) those services include the incorporation of the materials in the building concerned or its immediate site.

##### NOTES:

##### *Supplies only partly within item 1*

- 1
  - (1) Sub-paragraph (2) applies where a supply of services is only in part a supply to which item 1 applies.
  - (2) The supply, to the extent that it is one to which item 1 applies, is to be taken to be a supply to which item 1 applies.
  - (3) An apportionment may be made to determine that extent.

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*Meaning of “qualifying conversion”*

- 2 (1) A “qualifying conversion” means—
- (a) a changed number of dwellings conversion (see paragraph 3);
  - (b) a house in multiple occupation conversion (see paragraph 5); or
  - (c) a special residential conversion (see paragraph 7).
- (2) Sub-paragraph (1) is subject to paragraphs 9 and 10.

*Meaning of “changed number of dwellings conversion”*

- 3 (1) A “changed number of dwellings conversion” is—
- (a) a conversion of premises consisting of a building where the conditions specified in this paragraph are satisfied, or
  - (b) a conversion of premises consisting of a part of a building where those conditions are satisfied.
- (2) The first condition is that after the conversion the premises being converted contain a number of single household dwellings that is—
- (a) different from the number (if any) that the premises contain before the conversion, and
  - (b) greater than, or equal to, one.
- (3) The second condition is that there is no part of the premises being converted that is a part that after the conversion contains the same number of single household dwellings (whether zero, one or two or more) as before the conversion.

*Meaning of “single household dwelling” and “multiple occupancy dwelling”*

- 4 (1) For the purposes of this Group “single household dwelling” means a dwelling—
- (a) that is designed for occupation by a single household, and
  - (b) in relation to which the conditions set out in sub-paragraph (3) are satisfied.
- (2) For the purposes of this Group “multiple occupancy dwelling” means a dwelling—
- (a) that is designed for occupation by persons not forming a single household,  
F1 . . .
  - [<sup>F2</sup>(aa) that is not to any extent used for a relevant residential purpose, and]
  - (b) in relation to which the conditions set out in sub-paragraph (3) are satisfied.
- (3) The conditions are—
- (a) that the dwelling consists of self-contained living accommodation,
  - (b) that there is no provision for direct internal access from the dwelling to any other dwelling or part of a dwelling,
  - (c) that the separate use of the dwelling is not prohibited by the terms of any covenant, statutory planning consent or similar provision, and
  - (d) that the separate disposal of the dwelling is not prohibited by any such terms.
- (4) For the purposes of this paragraph, a dwelling “is designed” for occupation of a particular kind if it is so designed—
- (a) as a result of having been originally constructed for occupation of that kind and not having been subsequently adapted for occupation of any other kind,  
 or

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- (b) as a result of adaptation.

**Textual Amendments**

- F1** Word in Sch. 7A Pt. 2 Group 6 Note 4(2)(a) omitted (1.6.2002) by virtue of [The Value Added Tax \(Reduced Rate\) Order 2002 \(S.I. 2002/1100\)](#), [art. 4\(a\)\(i\)](#)
- F2** Sch. 7A Pt. 2 Group 6 Note 4(2)(aa) inserted (1.6.2002) by [The Value Added Tax \(Reduced Rate\) Order 2002 \(S.I. 2002/1100\)](#), [art. 4\(a\)\(ii\)](#)

*Meaning of “house in multiple occupation conversion”*

- 5 (1) A “house in multiple occupation conversion” is—
- (a) a conversion of premises consisting of a building where the condition specified in sub-paragraph (2) below is satisfied, or
  - (b) a conversion of premises consisting of a part of a building where that condition is satisfied.
- (2) The condition is that—
- [<sup>F3</sup>(a) before the conversion the premises being converted do not contain any multiple occupancy dwellings,]
  - (b) after the conversion those premises contain only a multiple occupancy dwelling or two or more such dwellings, and
  - (c) the use to which those premises are intended to be put after the conversion is not to any extent use for a relevant residential purpose.

**Textual Amendments**

- F3** Sch. 7A Pt. 2 Group 6 Note 5(2)(a) substituted (1.6.2002) by [The Value Added Tax \(Reduced Rate\) Order 2002 \(S.I. 2002/1100\)](#), [art. 4\(b\)](#)

*Meaning of “use for a relevant residential purpose”*

- 6 For the purposes of this Group “use for a relevant residential purpose” means use as—
- (a) a home or other institution providing residential accommodation for children,
  - (b) a home or other institution providing residential accommodation with personal care for persons in need of personal care by reason of old age, disablement, past or present dependence on alcohol or drugs or past or present mental disorder,
  - (c) a hospice,
  - (d) residential accommodation for students or school pupils,
  - (e) residential accommodation for members of any of the armed forces,
  - (f) a monastery, nunnery or similar establishment, or
  - (g) an institution which is the sole or main residence of at least 90 per cent. of its residents,
- except use as a hospital, prison or similar institution or an hotel, inn or similar establishment.

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*Meaning of “special residential conversion”*

- 7 (1) A “special residential conversion” is a conversion of premises consisting of—
- (a) a building or two or more buildings,
  - (b) a part of a building or two or more parts of buildings, or
  - (c) a combination of—
    - (i) a building or two or more buildings, and
    - (ii) a part of a building or two or more parts of buildings,
 where the conditions specified in this paragraph are satisfied.
- [<sup>F4</sup>(2) The first condition is that—
- (a) the use to which the premises being converted were last put before the conversion was not to any extent use for a relevant residential purpose, and
  - (b) those premises are intended to be used solely for a relevant residential purpose after the conversion.]
- (3) <sup>F5</sup> .....
- (4) <sup>F6</sup> .....
- (5) <sup>F7</sup> .....
- (6) The [<sup>F8</sup>second] condition is that, where the relevant residential purpose [<sup>F9</sup>for which the premises are intended to be used] is an institutional purpose, the premises being converted must be intended to form after the conversion the entirety of an institution used for that purpose.
- (7) In sub-paragraph (6) “institutional purpose” means a purpose within paragraph 6(a) to (c), (f) or (g).

**Textual Amendments**

- F4** Sch. 7A Pt. 2 Group 6 Note 7(2) substituted (1.6.2002) by [The Value Added Tax \(Reduced Rate\) Order 2002 \(S.I. 2002/1100\)](#), [art. 4\(c\)\(i\)](#)
- F5** Sch. 7A Pt. 2 Group 6 Note 7(3) omitted (1.6.2002) by virtue of [The Value Added Tax \(Reduced Rate\) Order 2002 \(S.I. 2002/1100\)](#), [art. 4\(c\)\(ii\)](#)
- F6** Sch. 7A Pt. 2 Group 6 Note 7(4) omitted (1.6.2002) by virtue of [The Value Added Tax \(Reduced Rate\) Order 2002 \(S.I. 2002/1100\)](#), [art. 4\(c\)\(ii\)](#)
- F7** Sch. 7A Pt. 2 Group 6 Note 7(5) omitted (1.6.2002) by virtue of [The Value Added Tax \(Reduced Rate\) Order 2002 \(S.I. 2002/1100\)](#), [art. 4\(c\)\(ii\)](#)
- F8** Word in Sch. 7A Pt. 2 Group 6 Note 7(6) substituted (1.6.2002) by [The Value Added Tax \(Reduced Rate\) Order 2002 \(S.I. 2002/1100\)](#), [art. 4\(c\)\(iii\)\(a\)](#)
- F9** Words in Sch. 7A Pt. 2 Group 6 Note 7(6) inserted (1.6.2002) by [The Value Added Tax \(Reduced Rate\) Order 2002 \(S.I. 2002/1100\)](#), [art. 4\(c\)\(iii\)\(b\)](#)

*Special residential conversions: reduced rate only for supplies made to intended user of converted accommodation*

- 8 (1) This paragraph applies where the qualifying conversion concerned is a special residential conversion.
- (2) Item 1 or 2 does not apply to a supply unless—

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- (a) it is made to a person who intends to use the premises being converted for the relevant residential purpose, and
  - (b) before it is made, the person to whom it is made has given to the person making it a certificate that satisfies the requirements in sub-paragraph (3).
- (3) Those requirements are that the certificate—
  - (a) is in such form as may be specified in a notice published by the Commissioners, and
  - (b) states that the conversion is a special residential conversion.
- (4) In sub-paragraph (2)(a) “the relevant residential purpose” means the purpose within paragraph 6 for which the premises being converted are intended to be used after the conversion.

*“Qualifying conversion” includes related garage works*

- 9
- (1) A qualifying conversion includes any garage works related to the—
    - (a) changed number of dwellings conversion,
    - (b) house in multiple occupation conversion, or
    - (c) special residential conversion,concerned.
  - (2) In this paragraph “garage works” means—
    - (a) the construction of a garage, or
    - (b) a conversion of a non-residential building, or of a non-residential part of a building, that results in a garage.
  - (3) For the purposes of sub-paragraph (1), garage works are “related” to a conversion if—
    - (a) they are carried out at the same time as the conversion, and
    - (b) the resulting garage is intended to be occupied with—
      - (i) where the conversion concerned is a changed number of dwellings conversion, a single household dwelling that will after the conversion be contained in the building, or part of a building, being converted,
      - (ii) where the conversion concerned is a house in multiple occupation conversion, a multiple occupancy dwelling that will after the conversion be contained in the building, or part of a building, being converted, or
      - (iii) where the conversion concerned is a special residential conversion, the institution or other accommodation resulting from the conversion.
  - (4) In sub-paragraph (2) “non-residential” means neither designed, nor adapted, for use—
    - (a) as a dwelling or two or more dwellings, or
    - (b) for a relevant residential purpose.

*Conversion not “qualifying” if planning consent and building control approval not obtained*

- 10
- (1) A conversion is not a qualifying conversion if any statutory planning consent needed for the conversion has not been granted.

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- (2) A conversion is not a qualifying conversion if any statutory building control approval needed for the conversion has not been granted.

*Meaning of “supply of qualifying services”*

- 11 (1) In the case of a conversion of a building, “supply of qualifying services” means a supply of services that consists in—
- (a) the carrying out of works to the fabric of the building, or
  - (b) the carrying out of works within the immediate site of the building that are in connection with—
    - (i) the means of providing water, power, heat or access to the building,
    - (ii) the means of providing drainage or security for the building, or
    - (iii) the provision of means of waste disposal for the building.
- (2) In the case of a conversion of part of a building, “supply of qualifying services” means a supply of services that consists in—
- (a) the carrying out of works to the fabric of the part, or
  - (b) the carrying out of works to the fabric of the building, or within the immediate site of the building, that are in connection with—
    - (i) the means of providing water, power, heat or access to the part,
    - (ii) the means of providing drainage or security for the part, or
    - (iii) the provision of means of waste disposal for the part.
- (3) In this paragraph—
- (a) references to the carrying out of works to the fabric of a building do not include the incorporation, or installation as fittings, in the building of any goods that are not building materials;
  - (b) references to the carrying out of works to the fabric of a part of a building do not include the incorporation, or installation as fittings, in the part of any goods that are not building materials.

*Meaning of “building materials”*

- 12 In this Group “building materials” has the meaning given by Notes (22) and (23) of Group 5 to Schedule 8 (zero-rating of construction and conversion of buildings).

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