

Changes to legislation: There are currently no known outstanding effects for the Value Added Tax Act 1994, Group 7 — RESIDENTIAL RENOVATIONS AND ALTERATIONS. (See end of Document for details)

SCHEDULES

^{F1}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 7 — [^{F1}RESIDENTIAL RENOVATIONS AND ALTERATIONS]

Textual Amendments

- F1** Sch. 7A Pt. 2 Group 7 Title substituted (1.6.2002) by virtue of [The Value Added Tax \(Reduced Rate\) Order 2002 \(S.I. 2002/1100\)](#), **art. 5(a)**

ITEM NO.

- 1 The supply, in the course of the renovation or alteration of [^{F2}qualifying residential premises], of qualifying services related to the renovation or alteration.

Textual Amendments

- F2** Words in Sch. 7A Pt. 2 Group 7 Item 1 substituted (1.6.2002) by [The Value Added Tax \(Reduced Rate\) Order 2002 \(S.I. 2002/1100\)](#), **art. 5(b)**

- 2 The supply of building materials if—
- (a) the materials are supplied by a person who, in the course of the renovation or alteration of [^{F3}qualifying residential premises], is supplying qualifying services related to the renovation or alteration, and

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- (b) those services include the incorporation of the materials in [^{F4}the premises concerned or their immediate site].

NOTES:

Textual Amendments

- F3** Words in Sch. 7A Pt. 2 Group 7 Item 2 substituted (1.6.2002) by [The Value Added Tax \(Reduced Rate\) Order 2002 \(S.I. 2002/1100\)](#), **art. 5(b)**
- F4** Words in Sch. 7A Pt. 2 Group 7 Item 2(b) substituted (1.6.2002) by [The Value Added Tax \(Reduced Rate\) Order 2002 \(S.I. 2002/1100\)](#), **art. 5(c)**

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.

Meaning of “alteration” and “qualifying residential premises”

[^{F52}

- (1) For the purposes of this Group—
 “alteration” includes extension;
 “qualifying residential premises” means—
 (a) a single household dwelling,
 (b) a multiple occupancy dwelling, or
 (c) a building, or part of a building, which, when it was last lived in, was used for a relevant residential purpose.
- (2) Where a building, when it was last lived in, formed part of a relevant residential unit then, to the extent that it would not be so regarded otherwise, the building shall be treated as having been used for a relevant residential purpose.
- (3) A building forms part of a relevant residential unit at any time when—
 (a) it is one of a number of buildings on the same site, and
 (b) the buildings are used together as a unit for a relevant residential purpose.
- (4) The following expressions have the same meaning in this Group as they have in Group 6—
 “multiple occupancy dwelling”(paragraph 4(2) of the Notes to that Group);
 “single household dwelling”(paragraph 4(1) of the Notes);
 “use for a relevant residential purpose”(paragraph 6 of the Notes).]

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Textual Amendments

F5 Sch. 7A Pt. 2 Group 7 Note 2 substituted (1.6.2002) by [The Value Added Tax \(Reduced Rate\) Order 2002 \(S.I. 2002/1100\)](#), [art. 5\(d\)](#)

Items 1 and 2 only apply where [^{F6}premises have] been empty for at least [^{F7}2 years]

- 3 [^{F8}(1) Item 1 or 2 does not apply to a supply unless—
- (a) the first empty home condition is satisfied, or
 - (b) if the premises are a single household dwelling, either of the empty home conditions is satisfied.]
- [^{F9}(2) The first “empty home condition” is that neither—
- (a) the premises concerned, nor
 - (b) where those premises are a building, or part of a building, which, when it was last lived in, formed part of a relevant residential unit, any of the other buildings that formed part of the unit,
- have been lived in during the period of [^{F7}2 years] ending with the commencement of the relevant works.]
- (3) The second “empty home condition” is that—
- (a) the dwelling was not lived in during a period of at least [^{F7}2 years];
 - (b) the person, or one of the persons, whose beginning to live in the dwelling brought that period to an end was a person who (whether alone or jointly with another or others) acquired the dwelling at a time—
 - (i) no later than the end of that period, and
 - (ii) when the dwelling had been not lived in for at least [^{F7}2 years];
 - (c) no works by way of renovation or alteration were carried out to the dwelling during the period of [^{F7}2 years] ending with the acquisition;
 - (d) the supply is made to a person who is—
 - (i) the person, or one of the persons, whose beginning to live in the property brought to an end the period mentioned in paragraph (a), and
 - (ii) the person, or one of the persons, who acquired the dwelling as mentioned in paragraph (b); and
 - (e) the relevant works are carried out during the period of one year beginning with the day of the acquisition.
- (4) In this paragraph “the relevant works” means—
- (a) where the supply is of the description set out in item 1, the works that constitute the services supplied;
 - (b) where the supply is of the description set out in item 2, the works by which the materials concerned are incorporated in [^{F10}the premises concerned or their immediate site].
- (5) In sub-paragraph (3), references to a person acquiring a dwelling are to that person having a major interest in the dwelling granted, or assigned, to him for a consideration.

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Textual Amendments

- F6** Words in Sch. 7A Pt. 2 Group 7 Note 3 heading substituted (1.6.2002) by [The Value Added Tax \(Reduced Rate\) Order 2002 \(S.I. 2002/1100\)](#), [art. 5\(e\)\(i\)](#)
- F7** Words in Sch. 7A Pt. 2 Group 7 Note 3 substituted (1.1.2008) by [The Value Added Tax \(Reduced Rate\) \(No. 2\) Order 2007 \(S.I. 2007/3448\)](#), [arts. 1, 3, 4](#)
- F8** Sch. 7A Pt. 2 Group 7 Note 3(1) substituted (1.6.2002) by [The Value Added Tax \(Reduced Rate\) Order 2002 \(S.I. 2002/1100\)](#), [art. 5\(e\)\(ii\)](#)
- F9** Sch. 7A Pt. 2 Group 7 Note 3(2) substituted (1.6.2002) by [The Value Added Tax \(Reduced Rate\) Order 2002 \(S.I. 2002/1100\)](#), [art. 5\(e\)\(iii\)](#)
- F10** Words in Sch. 7A Pt. 2 Group 7 Note 3(4)(b) substituted (1.6.2002) by [The Value Added Tax \(Reduced Rate\) Order 2002 \(S.I. 2002/1100\)](#), [art. 5\(e\)\(iv\)](#)

Items 1 and 2 apply to related garage works

[^{F11}3A

- (1) For the purposes of this Group a renovation or alteration of any premises includes any garage works related to the renovation or alteration.
- (2) In this paragraph “garage works” means—
 - (a) the construction of a garage,
 - (b) the conversion of a building, or of a part of a building, that results in a garage, or
 - (c) the renovation or alteration of a garage.
- (3) For the purposes of sub-paragraph (1), garage works are “related” to a renovation or alteration if—
 - (a) they are carried out at the same time as the renovation or alteration of the premises concerned, and
 - (b) the garage is intended to be occupied with the premises.]

Textual Amendments

- F11** Sch 7A Pt. 2 Group 7 Note 3A inserted (1.6.2002) by [The Value Added Tax \(Reduced Rate\) Order 2002 \(S.I. 2002/1100\)](#), [art. 5\(f\)](#)

Items 1 and 2 only apply if planning consent and building control approval obtained

- 4 (1) Item 1 or 2 does not apply to a supply unless any statutory planning consent needed for the renovation or alteration has been granted.
- (2) Item 1 or 2 does not apply to a supply unless any statutory building control approval needed for the renovation or alteration has been granted.

Items 1 and 2 only apply if building used for relevant residential purpose is subsequently used solely for that purpose

[^{F12}4A

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- (1) Item 1 or 2 does not apply to a supply if the premises in question are a building, or part of a building, which, when it was last lived in, was used for a relevant residential purpose unless—
- (a) the building or part is intended to be used solely for such a purpose after the renovation or alteration, and
 - (b) before the supply is made the person to whom it is made has given to the person making it a certificate stating that intention.
- (2) Where a number of buildings on the same site are—
- (a) renovated or altered at the same time, and
 - (b) intended to be used together as a unit solely for a relevant residential purpose, then each of those buildings, to the extent that it would not be so regarded otherwise, shall be treated as intended for use solely for a relevant residential purpose.]

Textual Amendments

F12 Sch. 7A Pt. 2 Group 7 Note 4A inserted (1.6.2002) by [The Value Added Tax \(Reduced Rate\) Order 2002 \(S.I. 2002/1100\)](#), [art. 5\(g\)](#)

Meaning of “supply of qualifying services”

- 5 (1) “Supply of qualifying services” means a supply of services that consists in—
- (a) the carrying out of works to the fabric of the [^{F13}premises], or
 - (b) the carrying out of works within the immediate site of the [^{F13}premises] that are in connection with—
 - (i) the means of providing water, power, heat or access to the [^{F13}premises],
 - (ii) the means of providing drainage or security for the [^{F13}premises], or
 - (iii) the provision of means of waste disposal for the [^{F13}premises].
- (2) In sub-paragraph (1)(a), the reference to the carrying out of works to the fabric of the [^{F13}premises] does not include the incorporation, or installation as fittings, in the [^{F13}premises] of any goods that are not building materials.

Textual Amendments

F13 Word in Sch. 7A Pt. 2 Group 7 Note 5 substituted (1.6.2002) by [The Value Added Tax \(Reduced Rate\) Order 2002 \(S.I. 2002/1100\)](#), [art. 5\(h\)](#)

Meaning of “building materials”

- 6 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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