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STATUTORY INSTRUMENTS

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**2002 No. 1100**

**The Value Added Tax (Reduced Rate) Order 2002**

**5. In Group 7—**

- (a) change the title of the Group to “RESIDENTIAL RENOVATIONS AND ALTERATIONS”;
- (b) in each of items 1 and 2 for “a single household dwelling” substitute “qualifying residential premises”;
- (c) in paragraph (b) of item 2 for “the dwelling concerned or its immediate site” substitute “the premises concerned or their immediate site”;
- (d) for paragraph 2 of the Notes, substitute—

“Meaning of “alteration” and “qualifying residential premises”

**2.—(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).”;

(e) in paragraph 3 of the Notes—

(i) in the heading, for “dwelling has” substitute “premises have”,

(ii) for sub-paragraph (1) substitute—

“(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.”;

(iii) for sub-paragraph (2) substitute

“(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 3 years ending with the commencement of the relevant works.”, and

(iv) in sub-paragraph (4)(b) for “the dwelling concerned or its immediate site” substitute “the premises concerned or their immediate site”;

(f) after paragraph 3 of the Notes insert—

“Items 1 and 2 apply to related garage works

**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.”;

(g) after paragraph 4 of the Notes insert—

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

**4A.**—(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.”; and

(h) in paragraph 5 of the Notes for “dwelling” substitute “premises” in each place where that word occurs.