

SCHEDULE 14

RELIEF FOR CERTAIN ACQUISITIONS OF DWELLINGS

PART 2

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Acquisition by housebuilder from individual acquiring new dwelling

- 2 (1) Where a housebuilder acquires a dwelling (“the old dwelling”) from an individual (whether alone or with other individuals), the acquisition is relieved from tax if the following conditions are met (but see sub-paragraph (3) for provision about partial relief).
- (2) The conditions are—
- (a) that the individual (whether alone or with other individuals) acquires a new dwelling from the housebuilder,
 - (b) that the individual—
 - (i) occupied the old dwelling as the individual’s only or main residence at some time in the period of 2 years ending with the date of its acquisition by the housebuilder, and
 - (ii) intends to occupy the new dwelling as the individual’s only or main residence,
 - (c) that each acquisition is entered into in consideration of the other, and
 - (d) that the area of land acquired by the housebuilder does not exceed the permitted area.
- (3) Where the conditions in sub-paragraph (2)(a) to (c) are met but the area of land acquired by the housebuilder exceeds the permitted area, the chargeable consideration for the acquisition is taken to be the amount calculated by deducting the market value of the permitted area from the market value of the old dwelling.
- (4) In this paragraph—
- (a) references to the acquisition of the new dwelling are to the acquisition, by way of grant or transfer, of a major interest in the dwelling,
 - (b) references to the acquisition of the old dwelling are to the acquisition, by way of transfer, of a major interest in the dwelling, and
 - (c) references to the market value of the old dwelling and of the permitted area are to the market value of that major interest in the dwelling and of that interest so far as it relates to that area.