

## SCHEDULE 15

### RELIEF FOR CERTAIN TRANSACTIONS RELATING TO SOCIAL HOUSING

#### PART 3

##### SHARED OWNERSHIP LEASES

*Shared ownership lease: election for market value treatment of premium where staircasing allowed*

- 5 (1) This paragraph applies where—
- (a) a lease is granted—
    - (i) by a qualifying body, or
    - (ii) in pursuance of the preserved right to buy,
  - (b) the conditions in sub-paragraph (2) are met, and
  - (c) the buyer elects for tax to be charged in accordance with this paragraph.
- (2) The conditions are—
- (a) that the lease must be of a dwelling;
  - (b) that the lease must give the tenant exclusive use of the dwelling;
  - (c) that the lease must provide that the tenant may, on the payment of a sum, require the terms of the lease to be varied so that the rent payable under it is reduced;
  - (d) that the lease must be granted partly in consideration of rent and partly in consideration of a premium calculated by reference to—
    - (i) the premium obtainable on the open market for the grant of a lease containing the same terms as the lease but with the substitution of the minimum rent for the rent payable under the lease, or
    - (ii) a sum calculated by reference to that premium;
  - (e) that the lease must contain a statement of the minimum rent and of—
    - (i) the premium obtainable on the open market, or
    - (ii) the sum calculated by reference to that premium,by reference to which the premium is calculated.
- (3) An election for tax to be charged in accordance with this paragraph—
- (a) must be included in the return made in respect of the grant of the lease (or in an amendment to that return), and
  - (b) is irrevocable, so that the return may not be amended so as to withdraw the election.
- (4) Where an election is made under this paragraph the chargeable consideration for the grant other than rent is taken to be the amount stated in the lease in accordance with sub-paragraph (2)(e)(i) or (ii).
- (5) In this paragraph, the “minimum rent” means the lowest rent which could become payable under the lease if it were varied as mentioned in sub-paragraph (2)(c) at the date when the lease is granted.