



# Capital Allowances Act 2001

## 2001 CHAPTER 2

### PART 10

#### ASSURED TENANCY ALLOWANCES

### CHAPTER 4

#### QUALIFYING DWELLING-HOUSES

#### **504 Requirements relating to the landlord**

- (1) A dwelling-house is a qualifying dwelling-house only if the landlord is—
- (a) a company, and
  - (b) the person who—
    - (i) incurred the qualifying expenditure on the building in which the dwelling-house is comprised, or
    - (ii) is for the time being entitled to the relevant interest in the dwelling-house.
- (2) The requirement that the landlord must be a company does not apply in relation to expenditure incurred—
- (a) before 5th May 1983, or
  - (b) on or after that date pursuant to a contract entered into before that date, unless a person other than a company became entitled to the relevant interest on or after that date.

#### **505 Qualifying dwelling-houses: exclusions**

- (1) A dwelling-house is not a qualifying dwelling-house if any of the exclusions given below apply.

##### *Exclusion 1*

The landlord under the tenancy is—

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*Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, Chapter 4. (See end of Document for details)*

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- (a) a housing association which is approved for the purposes of [F1Chapter 7 of Part 13 of CTA 2010] , or
- (b) a self-build society within the meaning of the Housing Associations Act 1985 (c. 69).

*Exclusion 2*

The landlord and the tenant are connected persons.

*Exclusion 3*

The tenant is a director of a company which is or is connected with the landlord.

*Exclusion 4*

The landlord is a close company and the tenant is, for the purposes of Part XI of ICTA—

- (a) a participator in that company, or
- (b) an associate of such a participator.

*Exclusion 5*

The tenancy is entered into as part of a mutual arrangement for avoidance.

- (2) In exclusion 5, a “mutual arrangement for avoidance” means an arrangement—
  - (a) between the landlords (or owners) of different dwelling-houses, and
  - (b) under which one landlord takes a person as a tenant in circumstances in which, if that person was the tenant of a dwelling-house let by the other landlord, that dwelling-house would not be a qualifying dwelling-house because of exclusion 2, 3 or 4.

**Textual Amendments**

- F1** Words in s. 505(1) substituted (1.4.2010) (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 1 para. 358](#) (with [Sch. 2](#))

**506 Dwelling-house ceasing to be qualifying dwelling-house**

- (1) If a dwelling-house ceases to be a qualifying dwelling-house otherwise than on a sale of the relevant interest in the dwelling-house, this Part has effect as if—
  - (a) the relevant interest in the dwelling-house had been sold at that time, and
  - (b) the net proceeds of the sale were equal to the market value of that interest at that time.
- (2) For the purposes of this Part—
  - (a) a dwelling-house is not to be regarded as ceasing altogether to be used merely because it falls temporarily out of use, and
  - (b) if, immediately before any period of temporary disuse, a dwelling-house is a qualifying dwelling-house, it is to be regarded as continuing to be a qualifying dwelling-house during the period of temporary disuse.

**Changes to legislation:**

There are currently no known outstanding effects for the Capital Allowances Act 2001, Chapter 4.