

### 9.2.2. Leasehold residential property with share of freehold

S contracts to sell for £425,000 a leasehold maisonette to B, together with S's one-half share in the freehold which is owned jointly by S and L, the lessee of the other maisonette in the building. S transfers his lease to B, and at the same time S and L transfer the freehold to L and B.

*Commentary:*

The sale of the leasehold interest is a standard transaction. An amount of the consideration should be apportioned to the share of the freehold and as this is a linked transaction all the consideration will be taxed at the 3% rate. Two SDLT1s need to be submitted as the codes in Box 2 are different<sup>964</sup> and Box 13 (linked transactions) completed on both. As it is the assignment of a single lease no SDLT4 is filed.

### 9.2.3. Leasehold commercial property – acquisition subject to occupational leases

S enters into a contract to sell a long leasehold parade of five shops, subject to and with the benefit of five separate under-leases of the shops to occupational tenants for £2.5 million. S has not elected to charge VAT. Completion takes place on the same day as exchange of contracts.

*Commentary:*

This is a standard transaction and completion of the SDLT1 is straightforward.

#### **Calculation of the SDLT:**

The SDLT payable will be:

$$£2,500,000 \times 4\% = £62,500$$

#### *Completion of SDLT1 in relation to the transaction:*

##### *Box 1 – Type of property*

Code 03 (non-residential)

##### *Box 2 – Description of transaction*

Code F (conveyance or transfer)

##### *Box 3 – Interest transferred or created*

Code LT (long lease subject to lease to an occupier)

##### *Box 4 – Effective Date*

The date of completion

##### *Box 10 – Total consideration*

2500000

<sup>964</sup> See page 23 of SDLT6 (September 2007)