

Community Infrastructure levy **Exemptions for: Self-build properties, Annexes and Extensions**

In outline

The following exemptions are available to;

- Anybody who is building their own home or have commissioned a home from a contractor, house builder or sub-contractor. Individuals claiming the exemption must own the property.
- Community group self build projects also qualify for the exemption where they meet the required criteria.
- People who build residential annexes within the grounds of their own homes.
- Residential extensions (This type of development will automatically be granted exemption, no paperwork is required)

You can apply for a self build exemption at any time, as long as the development has not commenced.

The chargeable amount (i.e. the levy that would have been payable if the exemption had not been granted) will be registered as a 'local land charge' on self-build whole houses and annexes for three years from completion.

Self build exemptions can be revoked if a disqualifying event occurs.

How to claim exemption for

A. WHOLE HOUSES

1. Applicants wishing to claim must take two steps before commencing their development. Firstly, you must assume the liability to pay the CIL levy in relation to the development. This is done by completing the **Assumption of Liability form**. If the original levy liability was in the name of a developer, you must complete a **Transfer of Assumed Liability form** and submit this to the Council.

Secondly, you must certify that the scheme will meet the criteria to qualify as a 'self build' development. You must submit a **Self Build Exemption Claim Form – Part 1** to the Council. At this stage, the applicant must self certify:

2. On receipt of the form, the Council will notify you in writing as soon as practicable, confirming the amount of exemption granted.

3. Before commencing the development, you must submit a **Commencement Notice** to the Council. This must state the date on which the development will commence, the Council must receive the form on or before that date. If you fail to submit the commencement notice in time you will immediately become liable for the full levy charge.

The chargeable amount (i.e. the levy that would have been payable if the exemption had not been granted) will be registered as a 'local land charge' on the property for three years from completion.

4. Within six months of completing the home, you must submit a **Self Build Exemption Claim Form – part 2** as evidence to confirm that the project is self build. Completion for the purposes of the self build exemption is defined as the issuing of a compliance certificate for this development under either Regulation 17 of the Building Regulations 2010 or Section 51 of the Building Act 1984.

This evidence must comprise:

- Proof of the date of completion - a copy of the building completion or compliance certificate for the home issued by Building Control
- Proof of ownership – a copy of the title deeds (freehold or leasehold)
- Proof of occupation of the dwelling as the applicant's principal residence – a Council Tax certificate - and two further proofs of occupation of the home as a principal residence (a utility bill or bank statement or confirmation that the applicant is on the local electoral roll)

In addition to the above, you must also provide a copy of one of the following:

An approved claim from HM Revenue and Customs under 'VAT431 NB: VAT refunds for DIY housebuilders'; or

- Specialist Self Build Warranty; or
- An approved Self Build Mortgage from a bank or building society.

If the evidence is not submitted to the Council within the 6 month time period, the full levy charge becomes payable.

What is a self build warranty?

A Self Build Warranty is warranty and Certificate of Approval issued by a Warranty provider which provides a 'latent defects insurance' policy and which is accompanied by certified Stage Completion Certificates issued to the owner/occupier of the home.

What is a self build mortgage?

A Self Build Mortgage is an approved mortgage arranged to purchase land and/or fund the cost of erecting a house where the loan funds are paid out to the owner/occupier in stages as the building works progress to completion.

Multi-unit schemes?

For multi-unit schemes (for example, where a builder sells serviced plots or a community group works with a developer), applicants should consider applying for a phased planning permission, to allow each plot to be a separate chargeable development. This will prevent the charge being triggered for all plots within the wider development as soon as development commences on the first dwelling. This will also ensure that if a disqualifying event occurs affecting one unit, it does not trigger a requirement for all to repay the exemption. Schemes can be 'phased' for levy purposes even if they do not benefit from 'outline' planning permission.

Is self build communal development covered by this exemption?

Self build communal development benefits from the levy exemption if it is for the use of the occupants of more than one self build home. Such development may include, for example, shared facilities or guest accommodation. An exemption from the levy will not be granted to communal development for the use of the general public or for commercial development such as a retail unit.

How is the amount of exemption for self build communal development calculated?

The self build communal development exemption is calculated using the formula in Regulation 54A. The gross internal area of the communal development is apportioned to the individual self build units on the site, based on the gross internal floor space of the self build dwellings.

Disqualifying events

A self build exemption is revoked if a disqualifying event occurs during the three year occupancy period.

A disqualifying event for self build exemption is:

- any change in relation to the self build housing or self build communal development such that it ceases to meet the criteria set out in regulations;
- failure to comply with the evidence requirements on completion;
- the letting out of a whole dwelling or building that is self build housing or self build communal development; or
- the sale of the self build housing or self build communal development

What happens if a disqualifying event occurs?

If a disqualifying event occurs, you must notify the Council in writing within 14 days. Where this is not done, a surcharge equal to 20 per cent of the chargeable amount or £2,500, whichever is the lesser, may be applied in addition to the chargeable levy amount. A copy of the notification must be sent to all owners of material interests in the relevant land when it receives this notification.

The only exception is where the exemption fails to comply with the evidence requirements on completion. In such cases, the Council will give the claimant at least 28 days to submit the necessary form and evidence before taking any further action.

B. ANNEXES

If you intend to erect an annexe within the grounds of your own home you will be exempt from the levy, provided that it meets the following criteria:

- the main dwelling must be your principal residence, and you must have a material interest in it (as defined in Regulation 4(2));
- the residential annexe is exempt from the levy if it is built within the curtilage of the principal residence and comprises one new dwelling.

There is no requirement for the occupier of the annexe to be related to the owner of the main dwelling, or to commit to staying there for a specified period.

What evidence is required?

The applicant must submit a claim for the exemption to the council before development commences. The claim must be submitted on the **Self Build Annex or Extension Claim form**. Upon receipt of a valid application, the council will write to you and notify you of the amount of exemption that is granted, as soon as practicable.

In order to benefit from the exemption you must submit a **commencement notice** to the council before starting work on site.

The chargeable amount (i.e. the levy that would have been payable if the exemption had not been granted) will be registered as a 'local land charge' on the property for three years from completion.

Disqualifying events

In the case of exemptions for a residential annexe you will cease to be eligible if a commencement notice is not submitted to the Council at least one day before work begins on site. The annexe will also cease to qualify for a self-build exemption if any of the following disqualifying events occur within three years of completion:

- the main house is used for any purpose other than as a single dwelling
- the annexe is let, or
- either the main residence, or the annexe, is sold separately from the other

Completion for the purposes of this exemption is defined as the issuing of a compliance certificate for the annexe under either Regulation 17 of the Building Regulations 2010 or Section 51 of the Building Act 1984.

What happens if a disqualifying event occurs?

If there is a disqualifying event, from the exemption you must notify the Council in writing within 14 days. The exemption will be withdrawn and you will become liable for the levy charge specified by the Council that would have been payable at the time when the exemption was first claimed (or the amount of relief granted, if lower).

Rights of appeal

Is there a right of appeal?

An interested party may appeal against the grant of self-build relief for a residential annexe under Regulation 116A. Such appeals are submitted to the Valuation Office Agency.

www.voa.gov.uk/corporate/index.html

C. EXTENSIONS

If you intend to build an extension to your home you will be exempt from the levy, No paperwork is required.

Further guidance and necessary forms can be found on [the national Planning Portal website](#).