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### **Time share and hotels**

Timeshare accommodation is residential property whether it relates to a separate property, say a self contained flat, or it is in relation to part of a hotel. It covers both rights to use only specific accommodation and rights that whilst attached to specific accommodation permit use of that or any other accommodation. So, for example, it covers both rights to, say, a two week holiday for 25 years in a hotel in Majorca and rights to a two week holiday for 25 years in a flat in Florida that can be exchanged for a holiday in other accommodation anywhere in the world.

If a pension scheme owns the entirety of a hotel or is a joint owner of all of the hotel then this does not constitute residential property. Hotels, inns and similar accommodation are only residential property where the interest which the person holds directly is part only of the hotel accommodation (that is ownership or joint ownership of a part of the hotel rather than the whole hotel) and is one of the following,

- the person holds part only of the hotel accommodation, or any estate, interest, right or power in or over such a part and as a result, any person has a right to use or occupy that or any other part of the hotel accommodation,
- the person has a right to use, or participate in the arrangements relating to the use of, part only of the hotel accommodation or a description of property to which that part belongs.

For example this would include a person that buys a 99 year lease on a single hotel room and as a result has the right to stay in the hotel at a reduced or free rate. It does not matter whether the right to stay in the hotel relates only to the specific leased room or to stay in any of the other hotel rooms.

It will also include the situation where a person has timeshare rights in the hotel, for example the right to stay in the hotel for two weeks every August.

If the person holds an interest in the entire hotel that will not be residential property. This applies whether the **pension scheme** owns all of the property itself or if the pension scheme is a joint owner of all of the hotel. In this situation the hotel is treated as commercial property.