



Leasehold (Enlargement and Extension) Act (Northern Ireland) 1971

1971 CHAPTER 7

20^{F1} Compensation for loss of right to extension of lease or to acquire fee simple.

- (1) Where the Lands Tribunal is satisfied that a lessee would, but for the provisions of section 19(1), be entitled to obtain an extension of his leasehold estate in the land the subject of his lease or to enlarge that estate into a fee simple, and an order has been made under section 19(1) permitting the lessor to resume possession of the land, then compensation shall be paid by the immediate lessor to the lessee in accordance with this section.
- (2) The amount of compensation payable to a lessee by virtue of an order made under section 19(1) shall be the amount which, if the said section 19(1) had not been enacted, the land, if sold in the open market by a willing vendor, might at the date when the order is to take effect be expected to realise, on the assumption that the vendor was selling the leasehold estate, and was selling—
 - (a) subject to the rights of any person who will on the determination of the lease be entitled to retain possession as against the immediate lessor, but otherwise with vacant possession; and
 - (b) subject to any subsisting rights, equities or obligations which will not terminate with the lease and for which during the currency of the lease the lessee is liable without having a right to be indemnified by the immediate lessor, but otherwise free of incumbrances; and
 - (c) subject to any restriction which would be required (in addition to any imposed by the terms of the lease) to limit the user of the land to that to which it had been put since the commencement of the lease and to preclude the erection on the land of any new dwelling-house or any other building not ancillary to the buildings on the land and used, in whole or in part, as a dwelling-house;and the compensation shall be calculated as if the lease had been extended under section 18 but there shall be left out of account any value attaching to the right to acquire the fee simple in the land under this Act.

Changes to legislation: There are currently no known outstanding effects for the Leasehold (Enlargement and Extension) Act (Northern Ireland) 1971, Section 20. (See end of Document for details)

- (3) The compensation payable to a lessee under this section shall become due and payable on the occurrence of whichever of the following events is the later, that is to say, the expiration of one month after the amount of the compensation is fixed or on the date on which the lessee's lease terminates either by effluxion of time or by agreement between the parties to it.
- (4) Where compensation is payable to a lessee under this section and his estate in the land comprised in the lease is subject to a mortgage the mortgage shall attach to the compensation and any person who is liable to pay compensation and who has notice of the mortgage shall pay the compensation in accordance with the joint direction of the lessee and the mortgagee or, in default of such direction, in accordance with the directions of the Lands Tribunal.
- (5) Where compensation awarded by the Lands Tribunal under this section is not paid within the time specified in subsection (3) or within such extended time as the Tribunal may allow, the following provisions shall have effect—
- (a) the lessee shall, notwithstanding section 19(4), be entitled to obtain from the lessor an extension of his leasehold estate or to obtain the grant to himself of the fee simple interest therein;
 - (b) the provisions of section 19(1) and (4) shall not apply to the land;
 - (c) the granting of the extension of the lease or of the fee simple shall operate as a discharge of the said award of compensation; and
 - (d) the Tribunal may make an order for the payment by the lessor of such damages as the Tribunal considers proper for the loss which the lessee has suffered as a direct consequence of the lessor having obtained an order permitting him to resume possession of the land.

Changes to legislation:

There are currently no known outstanding effects for the Leasehold (Enlargement and Extension) Act (Northern Ireland) 1971, Section 20 .