

## **LONG LEASES (SCOTLAND) ACT 2012**

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### **EXPLANATORY NOTES**

#### **PART 4: COMPENSATION FOR LOSS OF LANDLORD'S RIGHTS**

##### *Overview of Part 4 of the Act*

183. **Part 4** sets out a scheme under which the landlord of a lease converting to ownership under Part 1 may claim compensation. A landlord may claim a general payment for the loss of rights. This is termed a compensatory payment and is based on the capitalised value of the rent (see sections 45 to 49).
184. Exceptionally a compensatory payment may not be enough. In certain cases, therefore, a landlord may claim a further payment, termed an “additional payment”, for the loss of the right in question (see sections 50 to 55).
185. **Part 4** also contains provisions in relation to the landlord serving a preliminary notice where a claim is likely to exceed £500 (see section 56); the tenant making payments by instalments when the amount due is £50 or more (see section 57) and the disclosure of information (see sections 58 and 59).