
EXPLANATORY NOTE

(This note is not part of the Order)

A person exercising the right to buy a house under Part V of the Housing Act 1985 (“the Act”) may be entitled under sections 129 to 131 of and Schedule 4 of the Act to a discount equal to a percentage of the price before discount.

The discount is a percentage calculated by reference to the qualifying period calculated in accordance with Schedule 4 of the Act up to a maximum percentage prescribed by the Secretary of State. This Order prescribes the maximum percentage discount in respect of houses as 70%.

Transitional provisions in Article 3 provide that the maximum percentage discount prescribed in this Order also applies where an application for the right to buy under section 122 of the Act was served before the date this Order came into force but the conveyance under Part V of the Act has not taken place on or before that date.

Article 3(2) provides that Article 3(1) does not apply where, within 21 days of the date of the Order coming into force, the tenant has given written notice to the landlord to state that the maximum percentage discount to be used to calculate their discount entitlement under section 129 is the maximum percentage discount which applied before the date this Order came into force.

Article 3(3) provides that where a section 125 notice was served on or before the date this Order comes into force but the conveyance under Part V of the Act has not taken place on or before that date and as originally served the price applicable due to the new maximum percentage discount in section 129 has changed then the landlord must, as soon as reasonably practicable, served an amended notice. The amended notice must reflect the new maximum percentage discount entitlement under section 129(2)(a).

Article 4 provides that, where section 136 of the Act applies and the former tenant wrote to their landlord pursuant to Article 3(2) stating that the discount entitlement under section 129 should be calculated by reference to the maximum percentage discount applicable before the date on which this Order came into force this notice has no effect and the new tenant’s discount entitlement is to be calculated using the higher percentage under section 129(2)(a).

An impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.