



Leasehold Reform Act 1967

1967 CHAPTER 88

PART I

ENFRANCHISEMENT AND EXTENSION OF LONG LEASEHOLDS

Extension

15 Terms of tenancy to be granted on extension.

- (1) Subject to the provisions of this Part of this Act, the new tenancy to be granted under section 14 above shall be a tenancy on the same terms as the existing tenancy as those terms apply at the relevant time, but with such modifications as may be required or appropriate to take account—
 - (a) of the omission from the new tenancy of property comprised in the existing tenancy; or
 - (b) of alterations made to the property demised since the grant of the existing tenancy; or
 - (c) in a case where the existing tenancy derives (in accordance with section 3(6) above) from more than one separate tenancies, of their combined effect and of the differences (if any) in their terms.
- (2) The new tenancy shall provide that as from the original term date the rent payable for the house and premises shall be a rent ascertained or to be ascertained as follows:—
 - (a) the rent shall be a ground rent in the sense that it shall represent the letting value of the site (without including anything for the value of buildings on the site) for the uses to which the house and premises have been put since the commencement of the existing tenancy, other than uses which by the terms of the new tenancy are not permitted or are permitted only with the landlord's consent;
 - (b) the letting value for this purpose shall be in the first instance the letting value at the date from which the rent based on it is to commence, but as from the expiration of twenty-five years from the original term date the letting value at

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- the expiration of those twenty-five years shall be substituted, if the landlord so requires, and a revised rent become payable accordingly;
- (c) the letting value at either of the times mentioned shall be determined not earlier than twelve months before that time (the reasonable cost of obtaining a valuation for the purpose being borne by the tenant), and there shall be no revision of the rent as provided by paragraph (b) above unless in the last of the twenty-five years there mentioned the landlord gives the tenant written notice claiming a revision.
- (3) Where during the continuance of the new tenancy the landlord will be under any obligation for the provision of services, or for repairs, maintenance or insurance, the rent payable in accordance with subsection (2) above shall be in addition to any sums payable (whether as rent or otherwise) in consideration of those matters or in respect of the cost thereof to the landlord; and if the terms of the existing tenancy include no provision for the making of any such payments by the tenant, or provision only for the payment of a fixed amount, the terms of the new tenancy shall make, as from the time when rent becomes payable in accordance with subsection (2) above, such provision as may be just for the making by the tenant of payments related to the cost from time to time to the landlord, and for the tenant's liability to make those payments to be enforceable by [^{F1}re-entry or otherwise (subject to section 85 of the Tribunals, Courts and Enforcement Act 2007)] in like manner as the liability for the rent.
- (4) Subject to subsection (5) below, provision shall be made by the terms of the new tenancy or by an instrument collateral thereto for the continuance with any suitable adaptations of any agreement collateral to the existing tenancy.
- (5) For purposes of subsections (1) and (4) above, there shall be excluded any term of the existing tenancy or any agreement collateral thereto in so far as that term provides for or relates to the renewal of the tenancy, or confers any option to purchase or right of pre-emption in relation to the house and premises, or provides for the termination of the tenancy before the term date otherwise than in the event of a breach of its terms; and there shall be made in the terms of the new tenancy or any instrument collateral thereto such modifications as may be required or appropriate to take account of the exclusion of any such term as aforesaid.
- (6) Where the new tenancy is granted after the original term date, the first reference in subsection (2) above to that date shall have effect as a reference to the grant of the new tenancy; but on the grant of the new tenancy there shall be payable by the tenant to the landlord as an addition to the rent payable under the existing tenancy any amount by which for the period since the relevant time or the original term date (whichever is the later) the sums payable to the landlord in respect of the house and premises (after making any necessary apportionment) for rent and matters referred to in subsection (3) above fall short in total of the sums that would have been payable for rent and matters so referred to under the new tenancy, and section 14(3)(a) above shall apply accordingly.
- (7) Subsections (1) to (6) above shall have effect subject to any agreement between the landlord and tenant as to the terms of the new tenancy or any agreement collateral thereto; and either of them may require that for purposes of the new tenancy there shall be excluded or modified any term of the existing tenancy or an agreement collateral thereto which it would be unreasonable in the circumstances to include unchanged in the new tenancy in view of the date at which the existing tenancy commenced and of changes since that date which affect the suitability at the relevant time of the provisions of that tenancy.

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- (8) The new tenancy shall make provision in accordance with section 16(4) below, and shall reserve to the landlord the right to resume possession in accordance with section 17.
- [^{F2}(9) In granting the new tenancy, the landlord shall not be bound to enter into any covenant for title beyond—
- (a) those implied from the grant, and
 - (b) those implied under Part I of the Law of Property (Miscellaneous Provisions) Act 1994 in a case where a disposition is expressed to be made with limited title guarantee, but not including (in the case of a sub-tenancy) the covenant in section 4(1)(b) of that Act (compliance with terms of lease);
- and in the absence of agreement to the contrary the landlord shall be entitled to be indemnified by the tenant in respect of any costs incurred by him in complying with the covenant implied by virtue of section 2(1)(b) of that Act (covenant for further assurance).
- (9A) A person entering into any covenant required of him as landlord (under subsection (9) or otherwise) shall be entitled to limit his personal liability to breaches of that covenant for which he is responsible.]
- (10) Nothing in this section shall affect the rights or obligations of the landlord under section 35 of and Schedule 1 to the ^{M1}Sexual Offences Act 1956 (which apply where the tenant or occupier of any premises is convicted of permitting the whole or part of them to be used as a brothel).

Textual Amendments

- F1** Words in s. 15(3) substituted (6.4.2014) by [Tribunals, Courts and Enforcement Act 2007 \(c. 15\)](#), s. 148, [Sch. 14 para. 29](#) (with s. 89); S.I. 2014/768, art. 2(1)(b)
- F2** S. 15(9) substituted for s. 15(9)(9A) (1.7.1995) by [1994 c. 36](#), s. 21(1), [Sch. 1 para. 5\(2\)](#) (with s. 20); S.I. 1995/1317, [art. 2](#)
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Marginal Citations

- M1** [1956 c. 69](#).

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