



Housing Act 1974

1974 CHAPTER 44

PART IX

MISCELLANEOUS

118 Rateable value limits for enfranchisement or extension under Leasehold Reform Act 1967.

^{F1}(1)

(2) In any case where, by virtue only of the amendments of section 1 of the ^{M1}Leasehold Reform Act 1967 effected by subsection (1) above, the right specified in subsection (1) of that section is conferred on a tenant, section 19 of that Act (retention of management powers for general benefit of neighbourhood) shall have effect in relation to the house and premises to which the tenant's right applies as if for the reference in subsection (1) of that section to an application made within two years beginning with the commencement of Part I of that Act there were substituted a reference to an application made within two years beginning with the date on which this Act is passed.

^{X1}(3) After subsection (4) of section 1 of the Leasehold Reform Act 1967 there shall be inserted—

“(4A) At any time the tenant may take the action provided in Schedule 8 to the Housing Act 1974 for his rateable value to be adjusted and in all such cases the agreed rateable value or that determined by the Court or District Valuer shall be the rateable value for the purposes of that Act.”

^{X1}(4) In section 9 of the Leasehold Reform Act 1967 (purchase price of enfranchisement) there shall be inserted after subsection (1):—

“(1A) Notwithstanding, the foregoing subsection, the price payable for a house and premises, the rateable value of which is above £1,000 in Greater London and £500 elsewhere, on a conveyance under section 8 above, shall be the amount which at the relevant time the house and premises, if sold in the open market by a willing seller, might be expected to realise on the following assumptions :
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Changes to legislation: There are currently no known outstanding effects for the Housing Act 1974, Section 118. (See end of Document for details)

- (a) on the assumption that the vendor was selling for an estate in fee simple, subject to the tenancy, but on the assumption that this Part of this Act conferred no right to acquire the freehold ;
- (b) on the assumption that at the end of the tenancy the tenant had the right to remain in possession of the house and premises under the provisions of Part I of the Landlord and Tenant Act 1954 ;
- (c) on the assumption that the tenant has no liability to carry out any repairs, maintenance or redecorations under the terms of the tenancy or Part I of the Landlord and Tenant Act 1954;
- (d) on the assumption that the price be diminished by the extent to which the value of the house and premises has been increased by any improvement carried out by the tenant or his predecessors in title at their own expense ;
- (e) on the assumption that (subject to paragraph (a) above) the vendor was selling subject, in respect of rentcharges and other rents to which section 11(2) below applies, to the same annual charge as the conveyance to the tenant is to be subject to, but the purchaser would otherwise be effectively exonerated until the termination of the tenancy from any liability or charge in respect of tenant's incumbrances ; and
- (f) on the assumption that (subject to paragraphs (a) and (b) above) the vendor was selling with and subject to the rights and burdens with and subject to which the conveyance to the tenant is to be made, and in particular with and subject to such permanent or extended rights and burdens as are to be created in order to give effect to section 10 below.

(1B) For the purpose of determining whether the rateable value of the house and premises is above £1,000 in Greater London, or £500 elsewhere, the rateable value shall be adjusted to take into account any tenant's improvements in accordance with Schedule 8 to the Housing Act 1974.”

(5) This section shall come into force on the passing of this Act.

Editorial Information

X1 The text of Ss. 11, 118(3)(4), Sch. 13 paras. 42(1)(b)(2)(3), 43(1)(a)(c), 43(2)–(4), 44–46 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1. 2. 1991.

Textual Amendments

F1 S. 118(1) repealed by [Housing \(Consequential Provisions\) Act 1985 \(c. 71, SIF 61\)](#), s. 3, **Sch. 1 Pt. 1**

Marginal Citations

M1 1967 c. 88.

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