



Housing Act 1980

1980 CHAPTER 51

PART I

PUBLIC SECTOR TENANTS

CHAPTER I

THE RIGHT TO BUY

1 Right to acquire freehold or long lease

- (1) A secure tenant has the right—
 - (a) if the dwelling-house is a house, to acquire the freehold of the dwelling-house;
 - (b) if the dwelling-house is a flat, to be granted a long lease of the dwelling-house ; and
 - (c) in either case, to leave the whole or part of the aggregate amount mentioned in section 9(1) outstanding on the security of a first mortgage of the dwelling-house or, if the landlord is a housing association, to have the whole or part of that amount advanced to him on that security by the Housing Corporation ;in the circumstances and subject to the conditions and exceptions stated in the following provisions of this Chapter.
- (2) In this Chapter the right mentioned in subsection (1)(a) and (b) above is referred to as the right to buy and that mentioned in subsection (1)(c) above as the right to a mortgage.
- (3) The right to buy only arises after the secure tenant has been a secure tenant for a period of not less than three years or for periods amounting together to not less than three years; but—
 - (a) neither the landlord nor the dwelling-house need have been the same during the whole of that period; and
 - (b) any period during which the secure tenant was a tenant of a body specified in subsection (1) or (2) of section 2 shall be left out of account; and

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- (c) this subsection is subject to subsections (4) to (7) below.
- (4) In determining whether the condition in subsection (3) above is satisfied a person who, as a joint tenant under a secure tenancy, occupied a dwelling-house as his only or principal home shall be treated as the secure tenant under that tenancy; and where the secure tenancy is a joint tenancy that condition need be satisfied with respect to one only of the joint tenants.
- (5) Where the secure tenant became a secure tenant on the death of his spouse, and at the time of the death they occupied the same dwelling-house as their only or principal home, any period during which the deceased spouse was a secure tenant is to be counted for the purposes of subsection (3) above unless excluded by paragraph (b) of that subsection.
- (6) In determining whether the condition in subsection (3) above is satisfied in the case of a person who is, or of persons one of whom is, a previous purchaser, a period counts as a period during which the previous purchaser or his spouse was a secure tenant only if it fell after the completion of the previous purchase or, if more than one, the last of them.
- (7) In subsection (6) above " previous purchaser" means a person who has exercised the right to buy or the right to purchase conferred by Part I of the Tenants' Rights, Etc. (Scotland) Act 1980 on a previous occasion (whether he has exercised it alone or jointly with another person) and " previous purchase " has a corresponding meaning.
- (8) References in this Chapter to the purchase price include references to the consideration for the grant of a long lease.

2 Exceptions to right to buy

- (1) The right to buy does not arise if the landlord is a housing trust which is a charity within the meaning of the Charities Act 1960.
- (2) The right to buy does not arise if the landlord is a housing association which either—
 - (a) is a charity (within the meaning of the Charities Act 1960); or
 - (b) falls within paragraph (d) of section 15(3) of the 1977 Act (certain societies registered under the Industrial and Provident Societies Act 1965); or
 - (c) has at no time received a grant under section 119(3) of the 1957 Act, section 29, 31, 32 or 33 of the 1974 Act or under any enactment mentioned in paragraph 2 of Schedule 2 to that Act.
- (3) The right to buy does not arise unless the landlord owns the freehold.
- (4) Subject to subsection (5) below, the right to buy—
 - (a) does not arise in any of the circumstances mentioned in Part I of Schedule 1 to this Act, and
 - (b) cannot be exercised in any of the circumstances mentioned in Part II of that Schedule.
- (5) The Secretary of State may by order enable the right to buy to be exercised in relation to dwelling-houses held by local authorities otherwise than under Part V of the 1957 Act or such descriptions of such dwelling-houses as may be specified in the order; and any such order may contain such supplementary provisions, including provisions modifying the following provisions of this Chapter, as appear to the Secretary of State necessary or expedient

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3 Meaning of "house", "flat", "dwelling-house" and "relevant time "

- (1) The following provisions apply to the interpretation of "house", "flat", "dwelling-house" and "relevant time" when used in this Chapter.
- (2) A dwelling-house is a house if, and only if, it (or so much of it as does not consist of land included by virtue of section 50(2) of this Act) is a structure reasonably so called; so that—
 - (a) where a building is divided horizontally, the flats or other units into which it is divided are not houses; and
 - (b) where a building is divided vertically, the units into which it is divided may be houses; and
 - (c) where a building is not structurally detached it is not a house if a material part of it lies above or below the remainder of the structure.
- (3) Any dwelling-house which is not a house is a flat.
- (4) There shall be treated as included in the dwelling-house any land used for the purposes of the dwelling-house which the landlord and the tenant agree to include.
- (5) The relevant time is the date on which the tenant's notice claiming to exercise the right to buy is served; except that, if that notice is served within six months of the commencement of this Chapter, the relevant time is the date on which this Act is passed.

4 Joint tenants and members of family occupying dwelling-house otherwise than as joint tenants

- (1) Where a secure tenancy is a joint tenancy then, whether or not each of the joint tenants occupies the dwelling-house as his only or principal home, the right to buy and the right to a mortgage belong jointly to all of them or to such one or more of them as may be validly agreed between them; and the agreement is not valid unless the person or at least one of the persons to whom the right to buy is to belong occupies the dwelling-house as his only or principal home.
- (2) A secure tenant may, in his notice under section 5 claiming to exercise the right to buy, require that not more than three members of his family who are not joint tenants but occupy the dwelling-house as their only or principal home should share the right to buy with him ; but he may validly do so in the case of any such member only if—
 - (a) that member is his spouse or has been residing with him throughout the period of twelve months ending with the giving of the notice; or
 - (b) the landlord consents.
- (3) Where by such a notice any members of the tenant's family are validly required to share the right to buy with the tenant, both the right to buy and the right to a mortgage belong to the tenant and those members jointly and he and they shall be treated for the purposes of this Chapter as joint tenants.

5 Notice claiming exercise of right to buy

- (1) Where a secure tenant serves on the landlord a written notice claiming to exercise the right to buy, the landlord shall (unless the notice is withdrawn) serve on the tenant, within four weeks, or in a case falling within subsection (2) below, eight weeks, either—

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- (a) a written notice admitting the tenant's right; or
 - (b) a written notice denying the tenant's right and stating the reasons why, in the opinion of the landlord, the tenant does not have the right to buy.
- (2) A case falls within this subsection if the periods counting towards the three years required by section 1(3) above include a period during which the landlord was not the landlord on which the tenant's notice under subsection (1) above is served.
- (3) A tenant's notice under subsection (1) above may be withdrawn at any time by notice in writing served on the landlord.

6 Purchase price

- (1) The price payable for a dwelling-house on a conveyance or grant in pursuance of this Chapter is—
- (a) the amount which, under this section, is to be taken as its value at the relevant time; less
 - (b) the discount to which the purchaser is entitled under this Chapter.
- (2) The value of a dwelling-house at the relevant time shall be taken to be the price which, at that time, it would realise if sold on the open market by a willing vendor on the assumptions stated, for a conveyance, in subsection (3) below and, for a grant, in subsection (4) below, and disregarding any improvements made by any of the persons specified in subsection (5) below and any failure by any of those persons to keep the dwelling-house in good internal repair.
- (3) For a conveyance the assumptions are that—
- (a) the vendor was selling for an estate in fee simple with vacant possession;
 - (b) neither the tenant nor a member of his family residing with him wanted to buy; and
 - (c) the dwelling-house was to be conveyed with the same rights and subject to the same burdens as it would be in pursuance of this Chapter.
- (4) For the grant of a lease the assumptions are that—
- (a) the vendor was granting a lease for 125 years with vacant possession (subject to paragraph 11(2) of Schedule 2 to this Act);
 - (b) neither the tenant nor a member of his family residing with him wanted to take the lease ;
 - (c) the ground rent would not exceed £10 per annum ; and
 - (d) the grant was to be made with the same rights and subject to the same burdens as it would be in pursuance of this Chapter.
- (5) The persons mentioned in subsection (2) above are—
- (a) the secure tenant;
 - (b) any person who under the same tenancy was a secure tenant before him ; and
 - (c) any member of his family who, immediately before the secure tenancy was granted, was a secure tenant of the same dwelling-house under another tenancy.

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7 Discount

- (1) A person exercising the right to buy is entitled to a discount equal, subject to the following provisions of this section, to the following percentage of the price before discount, that is to say—
 - (a) if the period to be taken into account under subsection (5) below is less than four years, 33 per cent.; and
 - (b) if that period is four years or more, 33 per cent, plus one per cent, for each complete year by which that period exceeds three years, but not together exceeding 50 per cent.
- (2) The discount shall not reduce the price below the amount which, in accordance with any determination made by the Secretary of State, is to be taken as representing so much of the costs incurred in respect of the dwelling-house as, in accordance with the determination, is to be treated as incurred after 31st March 1974 and as relevant for the purposes of this subsection ; and if the price before discount is below that amount, there shall be no discount.
- (3) A determination under subsection (2) above may make different provision for different cases or descriptions of case, including different provision for different areas, and may provide for exceptions from the requirements of that subsection.
- (4) The discount shall not in any case reduce the price by more than such sum as the Secretary of State may by order prescribe.
- (5) The period to be taken into account for the purposes of the discount is, subject to the following provisions of this section, the aggregate of the periods during which, before the service of the notice claiming to exercise the right to buy.—
 - (a) the secure tenant or his spouse or deceased spouse was either a secure tenant or the spouse of a secure tenant; or
 - (b) the secure tenant occupied accommodation provided for him as a member of the regular armed forces of the Crown or the secure tenant's spouse occupied accommodation so provided for the secure tenant's spouse.
- (6) A period shall be taken into account under subsection (5)(a) above whether or not the dwelling-house or the landlord was the same as at the time of the service of the notice claiming to exercise the right to buy, unless the landlord was then a body specified in subsection (1) or (2) of section 2 of this Act; but—
 - (a) no period during which the tenant's spouse was a secure tenant or the spouse of a secure tenant shall be so taken into account unless both the secure tenant and his spouse occupied the dwelling-house as their only or principal home at the time of the service of the notice; and
 - (b) no period during which the tenant's deceased spouse was a secure tenant or the spouse of a secure tenant shall be so taken into account unless the tenant became the secure tenant on the death of his spouse and at the time of the death both occupied the dwelling-house as their only or principal home; and
 - (c) a period during which either the tenant or his spouse or deceased spouse was the spouse of a secure tenant shall be taken into account only if during that period the spouses occupied the same dwelling-house as their only or principal home; and
 - (d) subsection (5)(b) above applies only if the secure tenant or, as the case may be, his spouse was a member of the regular armed forces of the Crown on or after 21st December 1979.

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- (7) For the purposes of subsections (5) and (6) above a person who, as a joint tenant under a secure tenancy, occupied a dwelling-house as his only or principal home shall be treated as the secure tenant under that tenancy; and where the right to buy is exercised by joint tenants those subsections shall be construed as if for the secure tenant there were substituted that one of the joint tenants whose substitution will produce the largest discount.
- (8) Where the person or one of the persons exercising the right to buy, or the spouse or deceased spouse of that person or of any of those persons, is or was a previous purchaser, a period shall be taken into account as a period during which the previous purchaser was, or was the spouse of, a secure tenant or during which he or his spouse occupied accommodation provided for him or his spouse as a member of the regular armed forces of the Crown, only if it falls after the completion of the previous purchase or, if more than one, the last of them.
- (9) Subsections (5) to (8) above shall have effect as if—
- (a) the references to a secure tenancy included a tenancy which either was a secure tenancy within the meaning of the Tenants' Rights, Etc. (Scotland) Act 1980 or would have been such a tenancy if Part II of that Act had been in force and the bodies mentioned in section 10(2) of that Act had included the predecessor of any such body; and
 - (b) the references to a secure tenant included the tenant under such a tenancy as is mentioned in paragraph (a) above, except when the landlord was a body specified in paragraph (e) or (g) of section 10(2) of the Act of 1980, and also included a tenant of the Northern Ireland Housing Executive or of a predecessor of that Executive.
- (10) In subsection (8) above " previous purchaser " and " previous purchase " have the same meaning as in section 1(6) above,
- (11) In this section " regular armed forces of the Crown " has the same meaning as in section 1 of the House of Commons Disqualification Act 1975.

8 Repayment of discount on early disposal of freehold or lease

- (1) A conveyance of the freehold or grant of a lease in pursuance of this Chapter shall (unless there is no discount) contain a covenant binding on the secure tenant and his successors in title to pay to the landlord on demand the amount specified in subsection (2) below if, within a period of five years, there is a disposal falling within subsection (3) below; but if there is more than one such disposal, then only on the first of them.
- (2) The amount payable under the covenant is an amount equal to the discount to which the secure tenant was entitled, but reduced by 20 per cent, of that discount for each complete year which elapses after the conveyance or grant and before the disposal.
- (3) A disposal falls within this subsection if it is—
- (a) a further conveyance of the freehold or an assignment of the lease; or
 - (b) the grant of a lease or sub-lease for a term of more than twenty-one years otherwise than at a rack rent;

whether the disposal is of the whole or part of the dwelling-house ; but a disposal in pursuance of an order under section 24 of the Matrimonial Causes Act 1973 or under section 2 of the Inheritance (Provision for Family and Dependents) Act 1975

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or a vesting in a person taking under a will or on an intestacy is not a disposal falling within this subsection.

- (4) The liability that may arise under the covenant required by subsection (1) above shall be a charge on the dwelling-house—
 - (a) taking effect as if it had been created by deed expressed to be by way of legal mortgage ; and
 - (b) having priority immediately after any legal charge securing any amount left outstanding by the tenant in exercising the right to buy or advanced to him by a body specified in subsection (5) below for the purpose of enabling him to exercise it or further advanced to him by that body.
- (5) The bodies referred to in subsection (4)(b) above are—
 - (a) the Housing Corporation;
 - (b) any building society ; and
 - (c) any of the bodies specified in paragraph 6, 7 or 8 of the Schedule to the Home Purchase Assistance and Housing Corporation Guarantee Act 1978.
- (6) A charge taking effect by virtue of subsection (4) above shall, notwithstanding subsection (5) of section 59 of the Land Registration Act 1925, be a land charge for the purposes of that section, and subsection (2) of that section shall apply accordingly with respect to its protection and realisation.
- (7) The reference in subsection (3) above to a lease or sublease does not include a mortgage term.
- (8) In this section " building society " means a building society within the meaning of the Building Societies Act 1962 or the Building Societies Act (Northern Ireland) 1967; and for the purposes of this section the grant of an option enabling a person to call for a disposal falling within subsection (3) above shall be treated as such a disposal.

9 Right to a mortgage-amount to be secured

- (1) The amount which a secure tenant exercising the right to a mortgage is entitled to leave outstanding, or have advanced to him, on the security of the dwelling-house is, subject to the limit imposed by this section, the aggregate of—
 - (a) the purchase price;
 - (b) so much of the costs incurred by the landlord or the Housing Corporation as is chargeable to the tenant under section 21 ; and
 - (c) any costs incurred by the tenant and defrayed on his behalf by the landlord or the Housing Corporation.
- (2) The amount mentioned in subsection (1) above is subject to the limit that it does not exceed the amount to be taken into account, in accordance with regulations under this section, as the tenant's available annual income multiplied by such factor as, under the regulations, is appropriate to it.
- (3) Where the right to a mortgage belongs to more than one person the limit is the aggregate of the amounts to be taken into account in accordance with the regulations as the available annual income of each of them, after multiplying each of those amounts by the factor appropriate to it under the regulations.

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- (4) The Secretary of State may by regulations make provision for calculating the amount which is to be taken into account under this section as a person's available annual income and for specifying a factor appropriate to it; and the regulations —
- (a) may provide for arriving at a person's available annual income by deducting from the sums taken into account as his annual income sums related to his needs and commitments, and may exclude sums from those to be taken into account as a person's annual income; and
 - (b) may (without prejudice to the generality of section 151(3) of this Act) specify different amounts and different factors for different circumstances.
- (5) Where the amount which a secure tenant is entitled to leave outstanding on the security of the dwelling-house is reduced by the limit imposed by this section, the landlord may, if it thinks fit and the tenant agrees, treat him as entitled to leave outstanding on that security such amount exceeding the limit but not exceeding the aggregate mentioned in subsection (1) above as the landlord may determine.

10 Notice of purchase price and right to a mortgage

- (1) Where a secure tenant has claimed to exercise the right to buy and that right has been established (whether by the landlord's admission or otherwise) the landlord shall, as soon as practicable, serve on the tenant a notice describing the dwelling-house and stating—
- (a) the price at which, in the opinion of the landlord, the tenant is entitled to have the freehold conveyed or, as the case may be, the long lease granted to him; and
 - (b) the provisions which, in the opinion of the landlord, should be contained in the conveyance or grant.
- (2) The notice shall, for the purpose of showing how the price has been arrived at, state—
- (a) the value at the relevant time ;
 - (b) the discount to which the tenant is entitled, stating—
 - (i) the period to be taken into account under section 7(5); and, where applicable,
 - (ii) the amount mentioned in section 7(2) or (4); and
 - (c) the improvements disregarded in pursuance of section 6.
- (3) The notice shall also inform the tenant—
- (a) of his right under section 11 to have the value at the relevant time determined or re-determined by the district valuer;
 - (b) of the right to a mortgage ; and
 - (c) of the effect of section 12 and section 16(4) below ;
- and shall be accompanied by a form for use by the tenant in exercising the right to a mortgage.

11 Right of tenant to have value determined by district valuer

- (1) Any question arising under this Chapter as to the value of a dwelling-house at the relevant time shall be determined by the district valuer in accordance with this section.

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- (2) A tenant may require that value to be determined or, as the case may be, re-determined by a notice in writing served on the landlord not later than three months after the service on him of the notice under section 10 ; except that—
 - (a) if proceedings are then pending between the landlord and the tenant for the determination of any other question arising under this Chapter, the notice may be served at any time within three months of the final determination of the proceedings, and
 - (b) if such proceedings are begun after a previous determination under this section the notice may be served within four weeks of the final determination of the proceedings and, whether or not such a notice is served, the landlord may at any time within those four weeks require the district valuer to re-determine the value of the dwelling-house at the relevant time.
- (3) Where the landlord requires a re-determination to be made in pursuance of subsection (2)(b) above it shall serve on the tenant a notice stating that the requirement is being or has been made.
- (4) Before making a determination or re-determination in pursuance of this section the district valuer shall consider any representation made to him by the landlord or the tenant within 4 weeks from the service of the tenant's notice under this section or, as the case may be, from the service of the landlord's notice under subsection (3) above.
- (5) As soon as practicable after a determination or re-determination has been made in pursuance of this section the landlord shall serve on the tenant a notice stating the effect of the determination or re-determination and the matters mentioned in subsections (1) and (2) of section 10.
- (6) A notice under subsection (5) above shall inform the tenant of the right to a mortgage and of the effect of section 12 below and shall be accompanied by a form to be used by the tenant in exercising the right to a mortgage.

12 Claim to a mortgage

- (1) A secure tenant cannot exercise his right to a mortgage unless he claims to exercise it by notice in writing served on the landlord or, if the landlord is a housing association, on the Housing Corporation, within the period of three months beginning with the service on the tenant of the relevant notice, or within that period as extended under subsection (2) below.
- (2) Where there are reasonable grounds for doing so, the landlord or, as the case may be, the Housing Corporation, shall by notice in writing served on the tenant extend (or further extend) the period within which the tenant's notice claiming to exercise his right to a mortgage must be served ; and if it fails to do so the county court may by order extend or further extend that period until such date as may be specified in the order.
- (3) The relevant notice is—
 - (a) if the tenant exercises his right under section 11, the notice served under subsection (5) of that section; and
 - (b) if he does not exercise that right, the notice served under section 10 above.
- (4) As soon as practicable after the service on it of a notice under subsection (1) above the landlord or Housing Corporation shall serve on the tenant a notice in writing stating—

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- (a) the amount which, in the opinion of the landlord or Housing Corporation, the tenant is entitled to leave outstanding or have advanced on the security of the dwelling-house; and
 - (b) how that amount has been arrived at; and
 - (c) the provisions which, in the opinion of the landlord or Housing Corporation, should be contained in the deed by which the mortgage is to be effected.
- (5) The notice shall also inform the tenant of the effect of section 16(8) below and shall be accompanied by a form for use by the tenant in claiming, in accordance with section 16(4)(c) below, to be entitled to defer completion.
- (6) The Housing Corporation shall send to the landlord a copy of any notice served by it on the tenant under subsection (4) above.

13 Change of secure tenant after notice claiming right to buy

- (1) Where, after a secure tenant (in this section referred to as "the former tenant") has given a notice claiming the right to buy, another person (in this section referred to as "the new tenant") becomes the secure tenant—
- (a) under the same secure tenancy ; or
 - (b) under a periodic tenancy arising by virtue of section 29 of this Act on the coming to an end of the secure tenancy;
- the new tenant shall be in the same position as if the notice had been given by him and he had been the secure tenant at the time it was given.
- (2) If a notice under section 10 of this Act has been served on the former tenant, the landlord shall serve on the new tenant a further form for his use in exercising the right to a mortgage and the new tenant may then serve a notice under section 12(1) within the period of three months beginning with the service on him of that form or within that period as extended under subsection (3) below.
- (3) Where there are reasonable grounds for doing so the landlord or, as the case may be, the Housing Corporation shall by notice in writing served on the new tenant extend (or further extend) the period within which his notice claiming to exercise the right to a mortgage may be served; and if it fails to do so the county court may by order extend or further extend that period until such date as may be specified in the order.
- (4) The preceding provisions of this section do not confer any right on a person required in pursuance of section 4(2) to share the right to buy unless he could have been validly so required had the notice claiming to exercise the right to buy been given by the new tenant.
- (5) The preceding provisions of this section apply with the necessary modifications if there is a further change in the person who is the secure tenant.

14 Change of landlord after notice claiming right to buy or right to a mortgage

Where, after a secure tenant has given a notice claiming to exercise the right to buy or the right to a mortgage, the freehold of the dwelling-house passes from the landlord to another body, all parties shall be in the same position as if the other body had become the landlord before the notice was given and had been given that notice and any further notice given by the tenant to the landlord and had taken all steps which the landlord had taken.

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15 Children succeeding parents

- (1) Where the secure tenant of a dwelling-house (in this section referred to as " the former tenant ") dies or otherwise ceases to be a secure tenant of the dwelling-house, and thereupon a child of his who occupies the dwelling-house as his only or principal home (in this section referred to as " the new tenant ") becomes the secure tenant of the dwelling-house (whether under the same or under another secure tenancy), the landlord may, if it thinks fit, count the whole or part of any period qualifying under this section—
 - (a) for the purposes of section 1(3) above ; or
 - (b) towards the period to be taken into account under section 7(5) above for the purposes of discount;or both (and may count different periods under paragraphs (a) and (b) above).
- (2) A period qualifies under this section if it is a period during which the new tenant, since reaching the age of sixteen, occupied as his only or principal home a dwelling-house of which a parent of his was the secure tenant or one of joint tenants under a secure tenancy, and either—
 - (a) it was the period at the end of which he became the secure tenant; or
 - (b) it was a period ending not earlier than two years before another period qualifying under this section.
- (3) For the purposes of this section two persons shall be treated as parent and child if they would be so treated under paragraphs (a) and (b) of section 50(3) of this Act.
- (4) This section has effect, whether or not the former tenant and the new tenant are also the former tenant and the new tenant within the meaning of section 13 above.

16 Completion

- (1) Where a secure tenant has claimed to exercise the right to buy and that right has been established, the landlord shall be bound, subject to the following provisions of this section, to make to the tenant—
 - (a) if the dwelling-house is a house, a grant of the dwelling house for an estate in fee simple absolute; and
 - (b) if the dwelling-house is a flat, a grant of a lease of the dwelling-house for a term of not less than 125 years (subject to paragraph 11(2) of Schedule 2 to this Act);as soon as all matters relating to the grant and to the amount to be left outstanding or advanced on the security of the dwelling-house have been agreed or determined.
- (2) If, after all those matters have been agreed or determined, the tenant does not take all steps necessary to complete the transaction, the landlord may serve on him a notice requiring him to complete the transaction within a period stated in the notice, but the period stated in the notice shall not be less than 28 days.
- (3) A notice under subsection (2) above shall not be served earlier than whichever of the following is applicable, that is to say—
 - (a) if the tenant has not claimed to exercise the right to a mortgage, three months after the end of the period within which a notice claiming it could have been served by him;

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- (b) if he has claimed the right to a mortgage, but is not entitled to defer completion, three months after the service of the notice under section 12(4); and
 - (c) if he is entitled to defer completion, two years after the service of his notice under section 5 claiming the exercise of the right to buy or, if later, three months after the service of the notice under section 12(4) above.
- (4) A tenant is entitled to defer completion if—
- (a) he has claimed the right to a mortgage; and
 - (b) the amount which he is entitled, or is treated as being entitled, to leave outstanding or have advanced on the security of the dwelling-house is less than the aggregate mentioned in section 9(1) above ; and
 - (c) he has, within the period of three months beginning with the service on him of the notice under section 12(4) above or within that period as extended under subsection (5) below, served a notice on the landlord claiming to be entitled to defer completion and has, within the same period, deposited the sum of £100 with the landlord.
- (5) Where there are reasonable grounds for doing so the landlord shall extend (or further extend) the period within which a notice under subsection (4)(c) above must be served and the sum of £100 deposited; and if it fails to do so the county court may by order extend or further extend that period until such date as may be specified in the order.
- (6) If the tenant does not comply with the notice under subsection (2) above, the notice claiming to exercise the right to buy shall be deemed to have been withdrawn at the end of the period stated in the notice under that subsection and no further notice claiming to exercise the right to buy shall have effect if served by the tenant on the landlord within twelve months of the end of that period.
- (7) If, in pursuance of a notice under subsection (4)(c) above, the tenant deposits the sum of £100 with the landlord, then—
- (a) if he completes the transaction, that sum shall be treated as having been paid towards the purchase price; and
 - (b) if he has claimed the right to a mortgage, but is not notice claiming to exercise the right to buy or is, by virtue of subsection (6) above, deemed to have withdrawn it, the sum deposited shall be returned to him.
- (8) A tenant who is entitled to defer completion may, at any time before the service on him of a notice under subsection (2) above, serve a further notice under subsection (1) of section 12 and, if he does so, subsection (4) and (where applicable) subsection (6) of that section shall then apply accordingly.
- (9) If the tenant has failed to pay the rent or any other payment due from him as a tenant for a period of four weeks after it has been lawfully demanded from him, then, while the whole or part of it remains outstanding—
- (a) the landlord shall not be bound to complete ; and
 - (b) if a notice under subsection (2) above has been served on the tenant, the tenant shall be deemed not to comply with the notice.
- (10) The duty imposed on the landlord by subsection (1) above shall be enforceable by injunction.
- (11) On the grant to a secure tenant of an estate in fee simple or of a lease in pursuance of this Chapter the secure tenancy of the dwelling-house shall come to an end and, if

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there is then a subtenancy, section 139 of the Law of Property Act 1925 shall apply as on a merger or surrender.

17 Conveyance of freehold and grant of lease

A conveyance of the freehold executed in pursuance of this Chapter shall conform with Parts I and II of Schedule 2 to this Act and a grant of a lease so executed with Parts I and III of that Schedule; and Part IV of that Schedule applies in relation to certain charges.

18 Right to a mortgage-terms of mortgage deed

The deed by which a mortgage is effected in pursuance of this Chapter shall, unless otherwise agreed between the parties, conform with the following provisions—

- (a) it shall provide for repayment of the amount secured in equal instalments of principal and interest combined;
- (b) the period over which repayment is to be made shall be 25 years or, at the option of the mortgagor, a shorter period, but shall be capable of being extended by the mortgagee; and
- (c) it may contain such other terms as may be agreed between the mortgagor and the mortgagee or as may be determined by the county court to be reasonably required by the mortgagor or the mortgagee;

but the Secretary of State may by order prescribe additional terms to be contained in any such deed or vary the provisions of paragraphs (a) and (b) above, but only in relation to deeds executed after the order comes into force.

19 Dwelling-houses in National Parks and areas of outstanding natural beauty, etc.

- (1) Where a conveyance or grant executed in pursuance of this Chapter is of a dwelling-house situated in a National Park, or an area designated under section 87 of the National Parks and Access to the Countryside Act 1949 as an area of outstanding natural beauty, or an area designated by order of the Secretary of State as a rural area, and it is executed by a local authority (as denned in section 50 of this Act), a county council, the Development Board for Rural Wales or a housing association ("the landlord") the conveyance or grant may contain a covenant limiting the freedom of the tenant and his successors in title to dispose of the dwelling-house in the manner specified below.
- (2) The limitation is, subject to subsection (4), that, until such time (if any) as may be notified in writing by the landlord to the tenant or his successors in title there will be no disposal falling within subsection (8) below without the written consent of the landlord; but that consent shall not be withheld if the disposal is to a person satisfying the condition stated in subsection (3) below.
- (3) The condition is that the person to whom the disposal is made (or, if it is made to more than one person, at least one of them) has, throughout the period of three years immediately preceding the application for consent, either—
 - (a) had his place of work in a designated region which or part of which is comprised in the National Park or area; or
 - (b) had his only or principal home in such a region ;or has had the one in part or parts of that period and the other in the remainder; but the region need not have been the same throughout the whole of the period.

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- (4) If the Secretary of State or, where the landlord is a housing association, the Housing Corporation, consents, the limitation specified in subsection (2) above may be replaced by the following limitation, that is to say, that until the end of the period of ten years beginning with the conveyance or grant there will be no disposal falling within subsection (8) below unless—
- (a) the tenant (or his successor in title) has offered to reconvey the dwelling-house or, as the case may be, surrender the lease, to the landlord for a consideration equal (subject to subsection (7) below) to the amount agreed between the parties or determined by the district valuer as being the amount which under subsection (6) below is to be taken as the value of the dwelling-house at the time the offer is made ; and
 - (b) the landlord has refused the offer or has failed to accept it within one month after it was made.
- (5) The consent of the Secretary of State or of the Housing Corporation under subsection (4) may be given subject to such conditions as he or, as the case may be, the Housing Corporation thinks fit.
- (6) The value of the dwelling-house at the time the offer is made shall be taken to be the price which, at that time, it would realise if sold on the open market by a willing vendor on assumptions corresponding to those in subsection (3) or, as the case may require, subsection (4) of section 6 of this Act (but without the disregards required by subsection (2) of that section).
- (7) If the landlord accepts the offer mentioned in subsection (4) above, and the offer was made within five years of the conveyance or grant to the tenant, the consideration shall be reduced by such amount as would fall to be paid on demand on a disposal made at the time the offer was made and falling within subsection (3) of section 8 of this Act; and no payment shall be required in pursuance of that section.
- (8) A disposal falls within this subsection if it is—
- (a) a further conveyance of the freehold or an assignment of the lease; or
 - (b) the grant of a lease or sub-lease for a term of more than twenty-one years otherwise than at a rack rent;
- whether the disposal is of the whole or part of the dwelling-house; but a disposal in pursuance of an order under section 24 of the Matrimonial Causes Act 1973 or under section 2 of the Inheritance (Provision for Family and Dependents) Act 1975 or a vesting in a person taking under a will or on an intestacy is not a disposal falling within this subsection.
- (9) Any disposal in breach of such a covenant as is mentioned in subsection (1) above shall be void.
- (10) Where such a covenant imposes the limitation specified in subsection (2) above, the limitation shall be a local land charge and the Chief Land Registrar shall enter the appropriate restriction on the register of title as if application therefor had been made under section 58 of the Land Registration Act 1925.
- (11) The reference in subsection (8) above to a lease or sublease does not include a mortgage term,
- (12) In this section "designated region" means an area designated for the purposes of this section by order of the Secretary of State ; and for the purposes of this section the grant of an option enabling a person to call for a disposal falling within subsection (8)

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above shall be treated as such a disposal made to him and a consent to such a grant as a consent to a disposal made in pursuance of the option.

20 Registration of title

- (1) Section 123 of the Land Registration Act 1925 (compulsory registration of title) shall apply in relation to the conveyance of a freehold or grant of a lease in pursuance of this Chapter whether or not the dwelling-house is in an area in which an Order in Council under section 120 of that Act is for the time being in force.
- (2) If the dwelling-house is not registered land, the landlord shall give the tenant a certificate stating that the landlord is entitled to convey the freehold or make the grant subject only to such incumbrances, rights and interests as are stated in the conveyance or grant or summarised in the certificate.
- (3) A certificate under subsection (2) above—
 - (a) shall be in a form approved by the Chief Land Registrar ; and
 - (b) shall be signed by such officer of the landlord or such other person as may be approved by the Chief Land Registrar.
- (4) The Chief Land Registrar shall, for the purpose of the registration of title, accept such a certificate as sufficient evidence of the facts stated in it; but if, as a result, he has to meet a claim against him under the Land Registration Acts 1925 to 1971, the landlord shall be liable to indemnify him.

21 Costs

- (1) Any agreement between a tenant exercising the right to buy and the landlord shall be void in so far as it purports to oblige the tenant to bear any part of the costs incurred by the landlord in connection with the tenant's exercise of that right, other than costs chargeable to the tenant under subsection (2) below.
- (2) Where the tenant exercising the right to buy also exercises the right to a mortgage, the landlord or, as the case may be, the Housing Corporation, may charge to him the costs incurred by it in connection with the tenant's exercise of the right to a mortgage, but only to the extent that they do not exceed such amount as the Secretary of State may by order specify.

22 Notices

- (1) The Secretary of State may by regulations prescribe the form of any notice under this Chapter and the particulars to be contained in any such notice.
- (2) Any notice under this Chapter may be served by sending it by post.
- (3) Where the landlord is a housing association, any notice to be served by the tenant on the landlord under this Chapter may be served by leaving it at or sending it to the principal office of the association or the office of the association with which the tenant usually deals.

23 Secretary of State's power to intervene

- (1) Where it appears to the Secretary of State that tenants generally, or a tenant or tenants of a particular landlord, or tenants of a description of landlords have or may have

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- difficulty in exercising the right to buy effectively and expeditiously, he may, after giving the landlord or landlords notice in writing of his intention to do so and while the notice is in force, use his powers under the following provisions of this section; and any such notice shall be deemed to be given 72 hours after it has been sent.
- (2) Where a notice under subsection (1) above has been given to a landlord or landlords no step taken by the landlord or any of the landlords while the notice is in force or before it was given shall have any effect in relation to the exercise by a secure tenant of the right to buy or the right to a mortgage, except in so far as the notice otherwise provides.
 - (3) While a notice under subsection (1) above is in force the Secretary of State may do all such things as appear to him necessary or expedient to enable secure tenants of the landlord or landlords to which the notice was given to exercise the right to buy and the right to a mortgage, and he shall not be bound to take the steps which the landlord would have been bound to take under this Chapter.
 - (4) Where, in consequence of the exercise by a secure tenant of the right to a mortgage a landlord becomes a mortgagee of a dwelling-house whilst a notice under subsection (1) above is in force in relation to the landlord and to the dwelling-house, then, while the notice remains in force—
 - (a) the Secretary of State may, on behalf of the mortgagee, receive any sums due to it and exercise all powers and do all things which the mortgagee could have exercised or done; and
 - (b) the mortgagee shall not receive any such sum, exercise any such power or do any such thing except with the consent of the Secretary of State, which may be given subject to such conditions as the Secretary of State thinks fit.
 - (5) Where it appears to the Secretary of State necessary or expedient for the exercise of his powers under this section, he may by notice in writing to a landlord require it within such period as may be specified in the notice or such longer period as he may allow, to produce any document or supply any information ; and any officer of the landlord designated in the notice for that purpose or having custody or control of the document or in a position to give the information shall, without instructions from the landlord, take all reasonable steps to ensure that the notice is complied with.
 - (6) A notice under subsection (1) above may be withdrawn by a further notice in writing, either completely or in relation to a particular landlord or a particular case or description of case; and the further notice may give such directions as the Secretary of State may think fit for the completion of any transaction begun before the further notice was given.
 - (7) Directions contained in a notice under subsection (6) above shall be binding on the landlord and may require the taking of steps different from those which the landlord would have been required to take if the Secretary of State's powers under this section had not been used.
 - (8) Where, in consequence of the exercise of his powers under this section, the Secretary of State receives any sums due to a landlord he may retain them while a notice under subsection (1) above is in force in relation to the landlord, and he shall not be bound to account to the landlord for any interest accruing on any such sums.
 - (9) Where the Secretary of State exercises his powers under this section with respect to any secure tenants of a landlord he may calculate, in such manner and on such assumptions as he may determine, the costs incurred by him in doing so and certify a sum as representing those costs; and any sum so certified shall be a debt from the

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landlord to the Secretary of State payable on demand, together with interest at a rate determined by the Secretary of State from the date the sum was certified.

- (10) Any sum payable under subsection (9) above may, without prejudice to any other method of recovery, be recovered from the landlord by the withholding of any sum due from the Secretary of State, including any sum payable to the landlord and received by the Secretary of State in consequence of his exercise of his powers under this section.
- (11) The references in subsections (5) to (10) above to a landlord and to the powers of the Secretary of State with respect to the secure tenants of a landlord include respectively references to a body which has become a mortgagee in consequence of the exercise by a secure tenant of the right to a mortgage and to the powers of the Secretary of State to act on behalf of such a mortgagee.

24 Vesting orders

- (1) For the purpose of conveying a freehold or granting a lease in the exercise of his powers under section 23 the Secretary of State may execute a document, to be known as a vesting order, containing such provisions as he may determine; and for the purposes of stamp duty the vesting order shall be treated as a document executed by the landlord.
- (2) A vesting order shall have the like effect, except so far as it otherwise provides, as a conveyance or grant duly executed in pursuance of this Chapter, and, in particular, shall bind the landlord and the tenant and their successors in title to the same extent as if the covenants contained in it and expressed to be made on their behalf respectively had been entered into by them.
- (3) If the dwelling-house in respect of which a vesting order is made is not registered land the vesting order shall contain a certificate stating that the freehold conveyed or grant made by it is subject only to such incumbrances, rights and interests as are stated elsewhere in the vesting order or summarised in the certificate.
- (4) The Chief Land Registrar shall, on a vesting order being presented to him, register the tenant as proprietor of the title concerned ; and if the title has not been previously registered he shall so register him with an absolute title, and for the purpose of the registration the Chief Land Registrar shall accept any such certificate as is mentioned in subsection (3) above as sufficient evidence of the facts stated in it.
- (5) Where the dwelling-house with respect to which the right to buy is exercised is registered land the Chief Land Registrar shall, if so requested by the Secretary of State, supply him (on payment of the appropriate fee) with an office copy of any document required by the Secretary of State for the purpose of executing a vesting order with respect to the dwelling-house and shall (notwithstanding section 112 of the Land Registration Act 1925) allow any person authorised by the Secretary of State to inspect and make copies of and extracts from any register or document which is in the custody of the Chief Land Registrar and relates to the dwelling-house.
- (6) If any person suffers loss in consequence of a registration under this section in circumstances in which he would have been entitled to be indemnified under section 83 of the Land Registration Act 1925 by the Chief Land Registrar had the registration of the tenant as proprietor of the title been effected otherwise than under this section, he shall instead be entitled to be indemnified by the Secretary of State and section 23(9) shall apply accordingly.

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25 Statutory declarations

A landlord, the Housing Corporation or the Secretary of State may, if the landlord, Corporation or Secretary of State thinks fit, accept any statutory declaration made for the purposes of this Chapter as sufficient evidence of the matters declared in it.

26 Power to repeal or amend local Acts

- (1) The Secretary of State may by order repeal or amend any provision of a local Act passed before this Act where it appears to him that the provision is inconsistent with any provision of this Chapter.
- (2) Before making an order under this section the Secretary of State shall consult any local authority appearing to him to be concerned.
- (3) An order made under this section may contain such transitional, incidental or supplementary provisions as the Secretary of State considers appropriate.

27 Interpretation of Chapter I

- (1) In this Chapter expressions used in Chapter II have, subject to subsections (2) and (3) below, the same meanings as in that Chapter.
- (2) In this Chapter—
 - " district valuer ", in relation to any dwelling-house, means an officer of the Commissioners of Inland Revenue who is for the time being appointed by the Commissioners to be, in relation to the valuation list for the area in which the dwelling-house is situated, the valuation officer or deputy valuation officer, or one of the valuation officers or deputy valuation officers;
 - " flat ", " house " and " relevant time " have the meanings given by section 3, and " dwelling-house " the extended meaning given by subsection (4) of that section ;
 - " landlord ", except in subsections (1) and (2) of section 2, does not include any body specified in those subsections ; and
 - " the right to buy " and " the right to a mortgage " have the meanings given by section 1 (2).
- (3) References in this Chapter to a secure tenancy or a secure tenant are, in relation to any time before the commencement of Chapter II, references to a tenancy which would have been a secure tenancy if Chapter II had then been in force or to a person who would then have been a secure tenant; and for the purpose of determining whether a person would have been a secure tenant and his tenancy a secure tenancy—
 - (a) an authority not within the definition of " local authority " in section 50(1) shall be deemed to have been a local authority within that definition if it was the predecessor of such an authority; and
 - (b) a housing association shall be deemed to have been registered under Part II of the 1974 Act if it was so registered at the commencement of Chapter II.