



# Landlord and Tenant Act 1987

## 1987 CHAPTER 31

### PART IV

#### VARIATION OF LEASES

##### *Applications relating to flats*

#### **35 Application by party to lease for variation of lease**

- (1) Any party to a long lease of a flat may make an application to the court for an order varying the lease in such manner as is specified in the application.
- (2) The grounds on which any such application may be made are that the lease fails to make satisfactory provision with respect to one or more of the following matters, namely—
  - (a) the repair or maintenance of—
    - (i) the flat in question, or
    - (ii) the building containing the flat, or
    - (iii) any land or building which is let to the tenant under the lease or in respect of which rights are conferred on him under it;
  - (b) the insurance of the flat or of any such building or land as is mentioned in paragraph (a)(ii) or (iii);
  - (c) the repair or maintenance of any installations (whether they are in the same building as the flat or not) which are reasonably necessary to ensure that occupiers of the flat enjoy a reasonable standard of accommodation;
  - (d) the provision or maintenance of any services which are reasonably necessary to ensure that occupiers of the flat enjoy a reasonable standard of accommodation (whether they are services connected with any such installations or not, and whether they are services provided for the benefit of those occupiers or services provided for the benefit of the occupiers of a number of flats including that flat);

- (e) the recovery by one party to the lease from another party to it of expenditure incurred or to be incurred by him, or on his behalf, for the benefit of that other party or of a number of persons who include that other party;
  - (f) the computation of a service charge payable under the lease.
- (3) For the purposes of subsection (2)(c) and (d) the factors for determining, in relation to the occupiers of a flat, what is a reasonable standard of accommodation may include—
- (a) factors relating to the safety and security of the flat and its occupiers and of any common parts of the building containing the flat; and
  - (b) other factors relating to the condition of any such common parts.
- (4) For the purposes of subsection (2)(f) a lease fails to make satisfactory provision with respect to the computation of a service charge payable under it if—
- (a) it provides for any such charge to be a proportion of expenditure incurred, or to be incurred, by or on behalf of the landlord or a superior landlord; and
  - (b) other tenants of the landlord are also liable under their leases to pay by way of service charges proportions of any such expenditure; and
  - (c) the aggregate of the amounts that would, in any particular case, be payable by reference to the proportions referred to in paragraphs (a) and (b) would exceed the whole of any such expenditure.
- (5) Rules of court shall make provision—
- (a) for requiring notice of any application under this Part to be served by the person making the application, and by any respondent to the application, on any person who the applicant, or (as the case may be) the respondent, knows or has reason to believe is likely to be affected by any variation specified in the application, and
  - (b) for enabling persons served with any such notice to be joined as parties to the proceedings.
- (6) For the purposes of this Part a long lease shall not be regarded as a long lease of a flat if the demised premises consist of or include—
- (a) the flat and one or more other flats, or
  - (b) the flat and any common parts of the building containing the flat.
- (7) This Part does not apply to a long lease of a flat if it constitutes a tenancy to which Part II of the Landlord and Tenant Act 1954 applies (other than an assured tenancy as defined in section 56(1) of the Housing Act 1980).
- (8) In this section "service charge" has the meaning given by section 18(1) of the 1985 Act.

### **36 Application by respondent for variation of other leases**

- (1) Where an application ("the original application") is made under section 35 by any party to a lease, any other party to the lease may make an application to the court asking it, in the event of its deciding to make an order effecting any variation of the lease in pursuance of the original application, to make an order which effects a corresponding variation of each of such one or more other leases as are specified in the application.
- (2) Any lease so specified—
- (a) must be a long lease of a flat under which the landlord is the same person as the landlord under the lease specified in the original application; but

- (b) need not be a lease of a flat which is in the same building as the flat let under that lease, nor a lease drafted in terms identical to those of that lease.
- (3) The grounds on which an application may be made under this section are—
- (a) that each of the leases specified in the application fails to make satisfactory provision with respect to the matter or matters specified in the original application; and
  - (b) that, if any variation is effected in pursuance of the original application, it would be in the interests of the person making the application under this section, or in the interests of the other persons who are parties to the leases specified in that application, to have all of the leases in question (that is to say, the ones specified in that application together with the one specified in the original application) varied to the same effect.

### **37 Application by majority of parties for variation of leases**

- (1) Subject to the following provisions of this section, an application may be made to the court in respect of two or more leases for an order varying each of those leases in such manner as is specified in the application.
- (2) Those leases must be long leases of flats under which the landlord is the same person, but they need not be leases of flats which are in the same building, nor leases which are drafted in identical terms.
- (3) The grounds on which an application may be made under this section are that the object to be achieved by the variation cannot be satisfactorily achieved unless all the leases are varied to the same effect.
- (4) An application under this section in respect of any leases may be made by the landlord or any of the tenants under the leases.
- (5) Any such application shall only be made if—
  - (a) in a case where the application is in respect of less than nine leases, all, or all but one, of the parties concerned consent to it; or
  - (b) in a case where the application is in respect of more than eight leases, it is not opposed for any reason by more than 10 per cent. of the total number of the parties concerned and at least 75 per cent. of that number consent to it.
- (6) For the purposes of subsection (5)—
  - (a) in the case of each lease in respect of which the application is made, the tenant under the lease shall constitute one of the parties concerned (so that in determining the total number of the parties concerned a person who is the tenant under a number of such leases shall be regarded as constituting a corresponding number of the parties concerned); and
  - (b) the landlord shall also constitute one of the parties concerned.

#### *Orders varying leases*

### **38 Orders by the court varying leases**

- (1) If, on an application under section 35, the grounds on which the application was made are established to the satisfaction of the court, the court may (subject to subsections (6)

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and (7)) make an order varying the lease specified in the application in such manner as is specified in the order.

(2) If—

- (a) an application under section 36 was made in connection with that application, and
- (b) the grounds set out in subsection (3) of that section are established to the satisfaction of the court with respect to the leases specified in the application under section 36,

the court may (subject to subsections (6) and (7)) also make an order varying each of those leases in such manner as is specified in the order.

(3) If, on an application under section 37, the grounds set out in subsection (3) of that section are established to the satisfaction of the court with respect to the leases specified in the application, the court may (subject to subsections (6) and (7)) make an order varying each of those leases in such manner as is specified in the order.

(4) The variation specified in an order under subsection (1) or (2) may be either the variation specified in the relevant application under section 35 or 36 or such other variation as the court thinks fit.

(5) If the grounds referred to in subsection (2) or (3) (as the case may be) are established to the satisfaction of the court with respect to some but not all of the leases specified in the application, the power to make an order under that subsection shall extend to those leases only.

(6) The court shall not make an order under this section effecting any variation of a lease if it appears to the court—

- (a) that the variation would be likely substantially to prejudice—
  - (i) any respondent to the application, or
  - (ii) any person who is not a party to the application,and that an award under subsection (10) would not afford him adequate compensation, or
- (b) that for any other reason it would not be reasonable in the circumstances for the variation to be effected.

(7) The court shall not, on an application relating to the provision to be made by a lease with respect to insurance, make an order under this section effecting any variation of the lease—

- (a) which terminates any existing right of the landlord under its terms to nominate an insurer for insurance purposes; or
- (b) which requires the landlord to nominate a number of insurers from which the tenant would be entitled to select an insurer for those purposes; or
- (c) which, in a case where the lease requires the tenant to effect insurance with a specified insurer, requires the tenant to effect insurance otherwise than with another specified insurer.

(8) The court may, instead of making an order varying a lease in such manner as is specified in the order, make an order directing the parties to the lease to vary it in such manner as is so specified; and accordingly any reference in this Part (however expressed) to an order which effects any variation of a lease or to any variation effected by an order shall include a reference to an order which directs the parties to a lease

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to effect a variation of it or (as the case may be) a reference to any variation effected in pursuance of such an order.

- (9) The court may by order direct that a memorandum of any variation of a lease effected by an order under this section shall be endorsed on such documents as are specified in the order.
- (10) Where the court makes an order under this section varying a lease the court may, if it thinks fit, make an order providing for any party to the lease to pay, to any other party to the lease or to any other person, compensation in respect of any loss or disadvantage that the court considers he is likely to suffer as a result of the variation.

### **39 Effect of orders varying leases: applications by third parties**

- (1) Any variation effected by an order under section 38 shall be binding not only on the parties to the lease for the time being but also on other persons (including any predecessors in title of those parties), whether or not they were parties to the proceedings in which the order was made or were served with a notice by virtue of section 35(5).
- (2) Without prejudice to the generality of subsection (1), any variation effected by any such order shall be binding on any surety who has guaranteed the performance of any obligation varied by the order; and the surety shall accordingly be taken to have guaranteed the performance of that obligation as so varied.
- (3) Where any such order has been made and a person was, by virtue of section 35(5), required to be served with a notice relating to the proceedings in which it was made, but he was not so served, he may—
  - (a) bring an action for damages for breach of statutory duty against the person by whom any such notice was so required to be served in respect of that person's failure to serve it;
  - (b) apply to the court for the cancellation or modification of the variation in question.
- (4) The court may, on an application under subsection (3)(b) with respect to any variation of a lease—
  - (a) by order cancel that variation or modify it in such manner as is specified in the order, or
  - (b) make such an order as is mentioned in section 38(10) in favour of the person making the application,as it thinks fit.
- (5) Where a variation is cancelled or modified under paragraph (a) of subsection (4)—
  - (a) the cancellation or modification shall take effect as from the date of the making of the order under that paragraph or as from such later date as may be specified in the order, and
  - (b) the court may by order direct that a memorandum of the cancellation or modification shall be endorsed on such documents as are specified in the order;

and, in a case where a variation is so modified, subsections (1) and (2) above shall, as from the date when the modification takes effect, apply to the variation as modified.

*Applications relating to dwellings other than flats*

**40 Application for variation of insurance provisions of lease of dwelling other than a flat**

- (1) Any party to a long lease of a dwelling may make an application to the court for an order varying the lease, in such manner as is specified in the application, on the grounds that the lease fails to make satisfactory provision with respect to any matter relating to the insurance of the dwelling, including the recovery of the costs of such insurance.
- (2) Sections 36 and 38 shall apply to an application under subsection (1) subject to the modifications specified in subsection (3).
- (3) Those modifications are as follows—
  - (a) in section 36—
    - (i) in subsection (1), the reference to section 35 shall be read as a reference to subsection (1) above, and
    - (ii) in subsection (2), any reference to a flat shall be read as a reference to a dwelling; and
  - (b) in section 38—
    - (i) any reference to an application under section 35 shall be read as a reference to an application under subsection (1) above, and
    - (ii) any reference to an application under section 36 shall be read as a reference to an application under section 36 as applied by subsection (2) above.
- (4) For the purposes of this section a long lease shall not be regarded as a long lease of a dwelling if the demised premises consist of or include the dwelling and one or more other dwellings; and this section does not apply to a long lease of a dwelling if it constitutes a tenancy to which Part II of the Landlord and Tenant Act 1954 applies (other than an assured tenancy as defined in section 56(1) of the Housing Act 1980).
- (5) In this section "dwelling" means a dwelling other than a flat.