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**Changes to legislation:** Leasehold Reform, Housing and Urban Development Act 1993, Part III is up to date with all changes known to be in force on or before 22 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

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## SCHEDULES

### SCHEDULE 6

#### PURCHASE PRICE PAYABLE BY NOMINEE PURCHASER

##### Commencement Information

**II** Sch. 6 wholly in force at 1.11.1993 see s. 188(2) and [S.I. 1993/2134, art. 5](#)

### PART III

#### INTERMEDIATE LEASEHOLD INTERESTS

##### *Price payable for intermediate leasehold interests*

- 6 (1) Where the nominee purchaser is to acquire one or more intermediate leasehold interests—
- (a) a separate price shall be payable for each of those interests, and
  - (b) (subject to the provisions of this paragraph) that price shall be the aggregate of—
    - (i) the value of the interest as determined in accordance with paragraph 7, and
    - (ii) any amount of compensation payable to the owner of that interest in accordance with paragraph 8.
- (2) Where in the case of any intermediate leasehold interest the amount arrived at in accordance with sub-paragraph (1)(b) is a negative amount, the price payable by the nominee purchaser for the interest shall be nil.

##### *Value of intermediate leasehold interests*

- 7 (1) Subject to sub-paragraph (2), paragraph 3 shall apply for determining the value of any intermediate leasehold interest for the purposes of paragraph 6(1)(b)(i) with such modifications as are appropriate to relate that paragraph to a sale of the interest in question subject (where applicable) to any leases intermediate between that interest and any lease held by a qualifying tenant of a flat contained in the specified premises.
- [<sup>F1</sup>(1A) In its application in accordance with sub-paragraph (1), paragraph 3(1A) shall have effect with the addition after paragraph (a) of—  
 (“ an owner of a freehold interest in the specified premises, or”)]
- [<sup>F2</sup>(2) The value of an intermediate leasehold interest which is the interest of the tenant under a minor intermediate lease is to be calculated in accordance with regulations made by the appropriate national authority instead of in accordance with sub-paragraph (1).]

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- (3) “A minor intermediate lease” means a lease complying with the following requirements, namely—
- (a) it must have an expectation of possession of not more than one month, and
  - (b) the profit rent in respect of the lease must be not more than £5 per year;
- and, in the case of a lease which is in immediate reversion on two or more leases, those requirements must be complied with in connection with each of the sub-leases.
- (4) Where a minor intermediate lease is in immediate reversion on two or more leases—
- (a) the [<sup>F3</sup>calculation method mentioned in sub-paragraph (2)] shall be applied in relation to each of those sub-leases (and sub-paragraphs (5) and (6) shall also so apply); and
  - (b) the value of the interest of the tenant under the minor intermediate lease shall accordingly be the aggregate of the amounts calculated [<sup>F4</sup>in accordance with that method].
- (5) “Profit rent” means an amount equal to that of the rent payable under the lease on which the minor intermediate lease is in immediate reversion, less that of the rent payable under the minor intermediate lease.
- (6) Where the minor intermediate lease or that on which it is in immediate reversion comprises property other than a flat held by a qualifying tenant, then in sub-paragraph (5) the reference to the rent payable under it means so much of that rent as is apportioned to any such flat.
- <sup>F5</sup>(7) .....
- <sup>F5</sup>(8) .....
- (9) For the purposes of this paragraph the expectation of possession carried by a lease in relation to a lease (“the sub-lease”) on which it is in immediate reversion is the expectation of possession which it carries at [<sup>F6</sup>the relevant date] after the sub-lease, on the basis that—
- (a) (subject to sub-paragraph (10)) where the sub-lease is a lease held by a qualifying tenant of a flat contained in the specified premises, it terminates at [<sup>F6</sup>the relevant date] if its term date fell before then, or else it terminates on its term date; and
  - (b) in any other case, the sub-lease terminates on its term date.
- (10) In a case where before the relevant date for the purposes of this Chapter the landlord of any such qualifying tenant as is mentioned in sub-paragraph (9)(a) had given notice to quit terminating the tenant’s sub-lease on a date earlier than that date, the date specified in the notice to quit shall be substituted for the date specified in that provision.
- [<sup>F7</sup>(11) In sub-paragraph (2) “appropriate national authority” means—
- (a) in relation to a leasehold interest of land in England, the Secretary of State;
  - (b) in relation to a leasehold interest of land in Wales, the Welsh Ministers.]

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#### Textual Amendments

**F1** Sch. 6 para. 7(1A) inserted (1.10.1996) by 1996 c. 52, s. 109(4); S.I. 1996/2212, art. 2(2) (with saving in Sch.)

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- F2** Sch. 6 para. 7(2) substituted (12.5.2016) by [Housing and Planning Act 2016 \(c. 22\)](#), s. 216(1)(c), [Sch. 10 para. 4\(2\)](#) (with [Sch. 10 para. 4\(6\)](#))
- F3** Words in Sch. 6 para. 7(4) substituted (12.5.2016) by [Housing and Planning Act 2016 \(c. 22\)](#), s. 216(1)(c), [Sch. 10 para. 4\(3\)\(a\)](#) (with [Sch. 10 para. 4\(6\)](#))
- F4** Words in Sch. 6 para. 7(4) substituted (12.5.2016) by [Housing and Planning Act 2016 \(c. 22\)](#), s. 216(1)(c), [Sch. 10 para. 4\(3\)\(b\)](#) (with [Sch. 10 para. 4\(6\)](#))
- F5** Sch. 6 para. 7(7)(8) omitted (12.5.2016) by virtue of [Housing and Planning Act 2016 \(c. 22\)](#), s. 216(1)(c), [Sch. 10 para. 4\(4\)](#) (with [Sch. 10 para. 4\(6\)](#))
- F6** Words in Sch. 6 substituted (28.2.2005 for E., 31.5.2005 for W.) by [Commonhold and Leasehold Reform Act 2002 \(c. 15\)](#), [ss. 126\(1\)](#), 181(1); [S.I. 2004/3056](#), art. 3(a) (with [art. 4\(1\)\(1A\)](#)) (as amended by [S.I. 2005/193](#), art. 2); [S.I. 2005/1353](#), art. 2(a) (with [art. 3\(2\)](#))
- F7** Sch. 6 para. 7(11) inserted (12.5.2016) by [Housing and Planning Act 2016 \(c. 22\)](#), s. 216(1)(c), [Sch. 10 para. 4\(5\)](#) (with [Sch. 10 para. 4\(6\)](#))

### *Compensation for loss on acquisition of interest*

- <sup>F8</sup>18 (1) Where the owner of the intermediate leasehold interest will suffer any loss or damage to which this paragraph applies, there shall be payable to him such amount as is reasonable to compensate him for that loss or damage.
- (2) This paragraph applies to—
- (a) any diminution in value of any interest of the owner of the intermediate leasehold interest in other property resulting from the acquisition of his interest in the specified premises; and
  - (b) any other loss or damage which results therefrom to the extent that it is referable to his ownership of any interest in other property.
- (3) Without prejudice to the generality of paragraph (b) of sub-paragraph (2), the kinds of loss falling within that paragraph include loss of development value in relation to the specified premises to the extent that it is referable as mentioned in that paragraph.
- (4) In sub-paragraph (3) “development value”, in relation to the specified premises, means any increase in the value of the interest in the premises of the owner of the intermediate leasehold interest which is attributable to the possibility of demolishing, reconstructing or carrying out substantial works of construction on, the whole or a substantial part of the premises.]

#### **Textual Amendments**

- F8** Sch. 6 para. 8 substituted (1.10.1996) by [1996 c. 52](#), s. 107, [Sch. 10 para. 18\(6\)](#); [S.I. 1996/2212](#), [art. 2\(2\)](#) (with savings in [Sch.](#))

### *Owners of intermediate interests entitled to part of marriage value*

- 9 (1) This paragraph applies where [<sup>F9</sup>paragraph 2 applies and]—
- (a) the price payable for the freehold of the specified premises includes an amount in respect of the freeholder’s share of the marriage value, and
  - (b) the nominee purchaser is to acquire any intermediate leasehold interests.
- (2) The amount payable to the freeholder in respect of his share of the marriage value shall be divided between the freeholder and the owners of the intermediate leasehold interests in proportion to the value of their respective interests in the specified

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premises (as determined for the purposes of paragraph 2(1)(a) or paragraph 6(1)(b)(i), as the case may be).

- (3) Where the owner of an intermediate leasehold interest is entitled in accordance with sub-paragraph (2) to any part of the amount payable to the freeholder in respect of the freeholder's share of the marriage value, the amount to which he is so entitled shall be payable to him by the freeholder.

#### Textual Amendments

**F9** Words in Sch. 6 para. 9(1) inserted (1.10.1996) by 1996 c. 52, s. 107, **Sch. 10 para. 18(7)**; S.I. 1996/2212, **art. 2(2)** (with saving in **Sch.**)

- <sup>F10</sup>9A (1) This paragraph applies where paragraph 5A applies and—
- (a) the price payable for the freehold of a part of the specified premises includes an amount in respect of the freeholder's share of the marriage value, and
  - (b) the nominee purchaser is to acquire any intermediate leasehold interests which subsist in that part.
- (2) The amount payable to the freeholder of the part in respect of his share of the marriage value shall be divided between the freeholder and the owners of the intermediate leasehold interests which subsist in that part in proportion to the value of their respective interests in the part (as determined for the purposes of paragraph 5A(2)(a) or paragraph 6(1)(b)(i), as the case may be).
- (3) Where an intermediate leasehold interest subsists not only in the part of the specified premises in which the freeholder's interest subsists ("the relevant part") but also in another part of those premises—
- (a) the value of the intermediate leasehold interest as determined for the purposes of paragraph 6(1)(b)(i) shall be apportioned between the relevant part and the other part of the specified premises in which it subsists, and
  - (b) sub-paragraph (2) shall have effect as if the reference to the value of the intermediate leasehold interest in the relevant part as determined for the purposes of paragraph 6(1)(b)(i) were to the value of that interest as determined on an apportionment in accordance with paragraph (a).
- (4) Where the owner of an intermediate leasehold interest is entitled in accordance with sub-paragraph (2) to any part of the amount payable to the freeholder in respect of the freeholder's share of the marriage value, the amount to which he is so entitled shall be payable to him by the freeholder.]

#### Textual Amendments

**F10** Sch. 6 para. 9A inserted (1.10.1996) by 1996 c. 52, s. 107, **Sch. 10 para. 18(8)**; S.I. 1996/2212, **art. 2(2)** (with saving in **Sch.**)

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 12A and cross-heading inserted by [2002 c. 15 s. 123\(1\)](#)
- s. 12A(3)(a)(b) words substituted by [S.I. 2009/1941 Sch. 1 para. 140\(5\)](#)
- s. 12A(4)(a) words substituted by [S.I. 2009/1941 Sch. 1 para. 140\(5\)](#)
- s. 12A(4)(c) words substituted by [S.I. 2009/1941 Sch. 1 para. 140\(5\)](#)
- s. 13(2ZA) inserted by [2002 c. 15 s. 121\(3\)](#)
- s. 13(2ZB) inserted by [2002 c. 15 s. 123\(2\)](#)
- s. 13(5A) inserted by [2002 c. 15 Sch. 8 para. 6\(3\)](#)
- s. 29(4A) inserted by [2002 c. 15 Sch. 8 para. 18\(2\)](#)
- s. 29(4A) words added by [S.I. 2003/2096 Sch. para. 20\(b\)](#)
- s. 29(4A)(a) words omitted by [S.I. 2003/2096 Sch. para. 20\(a\)](#)
- s. 29(4A)(d) words substituted by [S.I. 2009/1941 Sch. 1 para. 140\(6\)](#)
- s. 70(15) inserted by [2023 asc 3 Sch. 13 para. 166\(b\)](#)
- s. 78(5A)-(5C) inserted by [2008 c. 17 Sch. 12 para. 15\(3\)](#)
- s. 78(7) inserted by [2008 c. 17 Sch. 12 para. 15\(4\)](#)
- s. 79(2)(2A) substituted for s. 79(2) by [2002 c. 15 Sch. 10 para. 16\(3\)](#)
- s. 156(4) repealed by [2014 asp 14 sch. 2 para. 7](#)
- Sch. 20 para. 5(1A) inserted by [2008 c. 29 Sch. 9 para. 5\(2\)](#)