

Changes to legislation: Leasehold Reform, Housing and Urban Development Act 1993, Cross Heading: Valuation of freehold and leasehold interests is up to date with all changes known to be in force on or before 18 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

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 VI

VALUATION ETC. OF OTHER INTERESTS WITH NEGATIVE VALUES

Valuation of freehold and leasehold interests

- 18 (1) Where—
- (a) the value of any freehold interest (as determined in accordance with paragraph 11(1)), or
 - (b) the value of any leasehold interest (as determined in accordance with paragraph 11(2)),
- is a negative amount, the value of the interest for the relevant purposes shall be nil.
- (2) Where, in the case of any property, sub-paragraph (1) applies to any leasehold interest in the property whose value is a negative amount (“the negative interest”), then for the relevant purposes any interests in the property superior to the negative interest and having a positive value shall, if they are interests which are to be acquired by the nominee purchaser, be reduced in value—
- (a) beginning with the interest which is nearest to the negative interest and continuing (if necessary) with any such other superior interests in order of proximity to the negative interest;
 - (b) until the aggregate amount of the reduction is equal to the negative amount in question; and
 - (c) without reducing the value of any interest to less than nil.
- (3) In a case where sub-paragraph (1) applies to two or more leasehold interests in any property whose values are negative amounts, sub-paragraph (2) shall apply separately in relation to each of those interests—
- (a) beginning with the interest which is inferior to every other of those interests and then in order of proximity to that interest; and
 - (b) with any reduction in the value of any interest for the relevant purposes by virtue of any prior application of sub-paragraph (2) being taken into account.
- (4) For the purposes of sub-paragraph (2) an interest has a positive value if (apart from that sub-paragraph) its value for the relevant purposes is a positive amount.

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- (5) In this Part of this Schedule “the relevant purposes”—
- (a) as respects any freehold interest, means the purposes of paragraph 10(1)(a);
and
 - (b) as respects any leasehold interest, means the purposes of paragraph 10(2)(a).

Changes to legislation:

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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)