

SCHEDULES

FIFTEENTH SCHEDULE

PROVISIONS RELATING TO PERPETUALLY RENEWABLE LEASES AND UNDERLEASES

Conversion of fines into additional rent.

- 12 (1) Where, under the lease, underlease, or otherwise, any fine or other money, including a heriot, is payable by the lessee or underlessee on renewal, then and in every such case [^{F1}an amount to be ascertained as hereinafter provided] shall, save as in this Act provided and unless commuted, become payable to the lessor as additional rent, during the subsistence of the term or subterm created by this Act, by as nearly as may be equal yearly instalments the first instalment to be paid at the end of one year from the commencement of this Act; but no sums payable for costs of examination of the lessee's or underlessee's title or of granting a new lease or underlease or of any other work which is rendered unnecessary by this Act shall be taken into account in ascertaining the additional rent.
- [^{F2}(2) In default of agreement and unless the [^{F3}Secretary of State], having regard to the practice and other circumstances of the case, otherwise directs, the following provisions shall have effect for the purpose of ascertaining the annual instalments of additional rent:—
- (a) the additional rent shall be ascertained on the basis of the fines and other payments which would have been payable on the occasion of the first renewal after the commencement of this Act, if this Act had not been passed;
 - (b) where the lessee or underlessee has a right to renew at different times, the occasion of the first renewal shall be such date as he may, by notice in writing given to the lessor within one year after the commencement of this Act, select from among the dates at which he would have been entitled to renew his lease or underlease had it remained renewable, or, in default of such notice, the last day on which he would have been entitled to renew, regard being had to the date of the last renewal];
- (3) But where the time at or within which the said fine or other money must be paid is not definitely fixed by or ascertainable from the lease or underlease the same shall, for the purpose of ascertaining the amount of the annual instalments of additional rent, be deemed to have been payable on such date as may, within one year from the commencement of this Act, be agreed between the lessor and the lessee or underlessee [^{F1}or in default] of such agreement, as may be fixed by the [^{F3}Secretary of State]
- (4) The additional rent shall be deemed part of the rent reserved by the lease or underlease for all purposes, including any covenant for payment of rent or proviso for re-entry contained in the lease or underlease.
- (5) Subject to any order by the [^{F3}Secretary of State] or the court to the contrary, and in default of agreement, the amount of each annual instalment of additional rent

Changes to legislation: There are currently no known outstanding effects for the Law of Property Act 1922, Paragraph 12. (See end of Document for details)

shall be ascertained by [^{F1}an actuary, regard being had to the interval or average interval occurring between the dates of renewal and to any circumstances affecting the amount payable on renewal.]

- (6) If the lessee or underlessee is liable to forfeit his right of renewal if he makes default in payment of a fine or other money or in doing any other act or thing within a time ascertainable by the dropping of a life, but not otherwise, then [^{F1}such percentage as the [^{F3}Secretary of State] may generally or in any particular instance with a view to maintaining any existing practice, prescribe] of the annual value of the land (ascertained as provided by this Act in the case of enfranchised land for the extinguishment of manorial incidents) shall be treated as added to the fines and other money payable by the lessee or underlessee on renewal for the purpose of ascertaining the amount of the annual instalment of additional rent, and as compensation to the lessor for loss of his right of re-entry (present or future) which would have accrued by reason of any failure to exercise the right of renewal.

Textual Amendments

- F1** Words substituted by [Law of Property \(Amendment\) Act 1924 \(15 & 16 Geo. 5 c. 5\)](#), [Sch. 2 para. 5](#)
- F2** [Para 12\(2\)](#) substituted by [Law of Property \(Amendment\) Act 1924 \(15 & 16 Geo. 5 c. 5\)](#), [Sch. 2 para. 5](#)
- F3** Words in [Sch. 15 para. 12\(2\)\(3\)\(5\)\(6\)](#) substituted (27.3.2002) by [S.I. 2002/794](#), art. 5(1), [Sch. 1 para. 1\(c\)](#) (with arts. 5(3), 6)

Changes to legislation:

There are currently no known outstanding effects for the Law of Property Act 1922, Paragraph 12.