

SCHEDULE

Article 3

MODIFICATIONS TO PART V

1. In section 118 (the right to buy), for subsection (1) substitute—

“(1) A secure tenant has the right to buy, that is to say, the right, in the circumstances and subject to the conditions and exceptions stated in the following provisions of this Part, to acquire the freehold of the dwelling-house.”.
2. In section 122 (tenant’s notice claiming to exercise right to buy), omit subsection (3).
3. After section 122 (tenant’s notice claiming to exercise right to buy) insert the following section—

“Tenant’s notice to be served on superior landlords.

122A.—(1) Where a notice under section 122(1) (notice claiming to exercise right to buy) is served by the tenant, the landlord shall, as soon as practicable,—

- (a) serve a copy of the notice on the authority or body which is its landlord in relation to the dwelling-house, and
- (b) serve on the tenant a notice in writing that this has been done and of the name and address of that authority or body.

(2) If the authority or body referred to in subsection (1)(a) is an intermediate landlord, it shall in turn serve a copy of the notice on the authority or body which is its immediate landlord in relation to the dwelling-house (and so on, if that authority or body is also an intermediate landlord).

(3) The landlord and each of the intermediate landlords (if any) shall, at the same time as it serves on its landlord the copy of the tenant’s notice, notify that authority or body whether to its knowledge there are any reasons for denying the tenant’s right to buy and, if there are, state those reasons.

(4) When an intermediate landlord, in accordance with subsection (3), notifies its immediate landlord whether there are any reasons for denying the tenant’s right to buy, it shall send with that notification the notification or notifications under that subsection which it has received from the landlord or from any other intermediate landlord or landlords.

(5) An authority or body which serves a copy of the tenant’s notice on another authority or body in accordance with subsection (2) shall at the same time notify the landlord and the tenant that this has been done and the name and address of the other authority or body.”.

4. In section 123 (claim to share right to buy with members of family), in paragraph (b) of subsection (2), for the reference to the landlord substitute a reference to the freeholder.
5. For section 124(1) (landlord’s notice admitting or denying right to buy) substitute—

“124 Freeholder’s notice admitting or denying the right to buy.

(1) Where in pursuance of section 122A (tenant’s notice to be served on superior landlords) the freeholder receives a copy of the secure tenant’s notice under section 122 (notice claiming to exercise right to buy), and the notice has not been withdrawn, the freeholder shall serve on the tenant, within the period specified in subsection (2), a written notice either—

- (a) admitting his right, or

(1) Section 124(3) was repealed by Schedule 22 to the Leasehold Reform, Housing and Urban Development Act 1993.

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(b) denying it and stating why, in the opinion of the freeholder, the tenant does not have the right to buy.

(2) The period for serving a notice under subsection (1) is eight weeks beginning on the day after the date of the service on the freeholder of the copy of the tenant's notice claiming to exercise the right to buy.

(3) The freeholder shall, as soon as practicable, serve on the landlord and on each of the intermediate landlords (if any) a copy of the notice served on the tenant under subsection (1)."

6. After section 124 insert the following section—

“Withdrawal of a tenant’s notice.

124A.—(1) If the tenant wishes to withdraw a notice under section 122(1) (notice claiming to exercise right to buy) before he has received the freeholder’s notice under section 124(1) (notice admitting or denying right to buy), he may do so by notice in writing served on the landlord.

(2) Where the landlord receives the tenant’s notice of withdrawal under subsection (1) after it has served on its landlord a copy of the tenant’s notice under section 122(1) (notice claiming to exercise right to buy), it shall, as soon as practicable, serve on its landlord a copy of the notice of withdrawal.

(3) An intermediate landlord shall, in turn, similarly serve on its immediate landlord a copy of the tenant’s notice of withdrawal.

(4) If the tenant wishes to withdraw his notice claiming to exercise the right to buy after he has received the freeholder’s notice admitting or denying the right, he may do so by a notice in writing served on the freeholder.

(5) Where the tenant serves a notice of withdrawal on the freeholder, the freeholder shall, as soon as practicable, inform the landlord and the intermediate landlords (if any) of this fact.”.

7. In section 125 (landlord’s notice of purchase price and other matters)—

(a) for subsection (1) substitute—

“(1) Where a secure tenant has claimed to exercise the right to buy and that right has been established (whether by the freeholder’s admission or otherwise), the freeholder shall within twelve weeks serve on the tenant a notice complying with this section.”;

(b) in subsection (2)—

(i) for the reference to the landlord substitute a reference to the freeholder, and

(ii) omit the words “or, as the case may be, the lease granted to him”;

(c) in subsection (3)—

(i) for the reference to the landlord substitute a reference to the freeholder, and

(ii) omit the words “or grant”;

(d) in subsection (4)(2)—

(i) for the words “the landlord” substitute the words “the freeholder, an intermediate landlord or the landlord”;

(ii) omit the words “, or (b) improvement contributions,” and

(iii) omit the words “or 125B (improvement contributions)”;

(2) Subsection (4) was substituted by section 4(1) of the Housing and Planning Act 1986 (c. 63).

- (e) in subsection (4A)(3)—
 - (i) for the reference to the landlord substitute a reference to the freeholder,
 - (ii) omit the words “or the building in which it is situated”, and
 - (iii) omit the words “or lease”; and
- (f) in subsection (5)(4)—
 - (i) in paragraph (a), for the words “landlord’s notice” substitute the words “freeholder’s notice”, and
 - (ii) in paragraph (d), for the words “landlord’s notices” substitute the words “freeholder’s notices”.
- 8. In section 125A(5) (estimates and information about service charges)—
 - (a) in subsection (1)—
 - (i) for the references to landlord substitute references to freeholder, and
 - (ii) omit the words “(excluding, in the case of a flat, charges to which subsection (2) applies)”; and
 - (b) omit subsections (2) and (3).
- 9. Omit section 125B(6) (estimates and information about improvement contributions).
- 10. In section 125C(7) (reference period for purpose of s.125A)—
 - (a) in subsection (1)—
 - (i) omit the words “or 125B”,
 - (ii) in paragraph (a), for the reference to the landlord substitute a reference to the freeholder and omit the words “or the lease granted”, and
 - (iii) in paragraph (b), omit the words “or lease” and the words “or improvement contribution”; and
 - (b) in subsection (2), omit the words “or the lease granted”.
- 11. In section 125D(8) (tenant’s notice of intention), in subsection (1)(a), for the word “landlord” substitute the word “freeholder”.
- 12. In section 125E(9) (landlord’s notice in default), in subsections (1) and (2), for the references to the landlord substitute references to the freeholder.
- 13. In section 126 (purchase price)—
 - (a) in subsection (1), omit the words “or grant”; and
 - (b) omit subsection (2).
- 14. In section 127 (value of dwelling-house)—
 - (a) in subsection (1)—
 - (i) for paragraph (a) substitute—
 - “(a) on the assumptions stated in subsection (2),” and

(3) Subsection (4A) was inserted by paragraph 3 of Schedule 5 to the Housing and Planning Act 1986.

(4) Subsection (5) was substituted by section 104 of the Leasehold Reform, Housing and Urban Development Act 1993.

(5) Section 125A was inserted by section 4(2) of the Housing and Planning Act 1986.

(6) Section 125B was inserted by section 4(2) of the Housing and Planning Act 1986.

(7) Section 125C was inserted by section 4(2) of the Housing and Planning Act 1986.

(8) Section 125D was inserted by section 105(1) of the Leasehold Reform, Housing and Urban Development Act 1993.

(9) Section 125E was inserted by section 105(1) of the Leasehold Reform, Housing and Urban Development Act 1993.

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- (ii) in paragraph (c)(10), omit the words “or improvement contributions” and for the words “landlord’s notice” substitute the words “freeholder’s notice”;
 - (b) in subsection (2), omit the words “For a conveyance”; and
 - (c) omit subsection (3).
- 15.** In section 128 (determination of value by district valuer)—
- (a) in subsections (2) to (5), for the references to landlord, other than the third reference in subsection (2), substitute references to the freeholder; and
 - (b) in subsection (2), for the third reference to the landlord substitute the words “the freeholder, an intermediate landlord or the landlord”.
- 16.** In section 129 (discount), in subsection (2)(11), in paragraph (a), omit the words “in the case of a house”, and omit paragraph (b).
- 17.** In section 130 (reduction of discount where previous discount given), in subsection (2)(ab)(12), for the word “landlord’s” substitute the words “landlord’s or freeholder’s”.
- 18.** In section 136 (change of secure tenant after notice claiming right to buy)—
- (a) after subsection (1) insert the following subsections—
 - “(1A) On becoming aware of the change of secure tenant the landlord shall forthwith notify its landlord in writing of this fact.
 - (1B) An intermediate landlord so notified shall, in turn, similarly notify its immediate landlord.”; and
 - (b) in subsection (2)(13), for the word “landlord’s” substitute the word “freeholder’s”.
- 19.** In section 137(14) (change of landlord after notice claiming right to buy), for subsection (1), substitute—
- “(1) Where, after a secure tenant has given a notice claiming to exercise the right to buy, the interest of the landlord, an intermediate landlord or the freeholder in the dwelling-house passes from it to another person, or the interest comes to an end—
 - (a) the landlord, intermediate landlord or freeholder, as the case may be, shall forthwith notify its tenant of the change and a landlord or intermediate landlord shall similarly notify its landlord,
 - (b) an intermediate landlord so notified by its tenant shall, in turn, similarly notify its immediate landlord or, if so notified by its landlord, shall similarly notify its tenant, and
 - (c) subject to subsection (2), all parties shall be in the same position as if the change had occurred before the notice claiming to exercise the right to buy was given and all other notices given had been given by or to the appropriate parties and all steps had been taken by them.”.
- 20.** In section 138 (duty of landlord to convey freehold)—
- (a) for subsection (1)(15) substitute—

(10) Paragraph (c) was inserted by section 4(3) of the Housing and Planning Act 1986.

(11) Subsection (2) was amended by section 2(1) of the Housing and Planning Act 1986.

(12) Paragraph (ab) was inserted by paragraph 11 of Schedule 21 to the Leasehold Reform, Housing and Urban Development Act 1993.

(13) Subsection (2) was substituted by section 105(2) of the Leasehold Reform, Housing and Urban Development Act 1993.

(14) Section 137 was amended by paragraph 4 of Schedule 5 to the Housing and Planning Act 1986 and Schedule 22 to the Leasehold Reform, Housing and Urban Development Act 1993.

(15) Subsection (1) was partly repealed by Schedule 22 to the Leasehold Reform, Housing and Urban Development Act 1993.

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“(1) Where a secure tenant has claimed to exercise the right to buy and that right has been established, then, as soon as all matters relating to the grant and to the amount have been agreed or determined, the freeholder shall make to the tenant a grant of the dwelling-house for an estate in fee simple absolute, in accordance with the following provisions of this Part.”; and

- (b) in subsections (2) and (3), for the references to the landlord substitute references to the freeholder.

21. After section 138 insert the following section—

“Apportionment of purchase price.

138A.—(1) On completion the freeholder shall pay—

- (a) to the landlord and to each intermediate landlord (if any), and
- (b) to the rent owner of a rentcharge charged on or issuing out of the lease of the landlord or an intermediate landlord,

an amount calculated in accordance with the formula—

$$A = \left(\frac{R \times P}{V} \right) - S$$

where

A is the amount payable to the landlord, intermediate landlord or rent owner;

R is the amount which, under this section, is to be taken to be the value, immediately before completion, of the lease of the landlord or intermediate landlord (as the case may be) or of the rentcharge charged on or issuing out of such a lease;

P is the price payable for the dwelling-house by the tenant (disregarding any reduction to be made under section 153B(3) (payments of rent attributable to purchase price etc.));

V is the amount which is the sum of the values, immediately before completion, of the interests in the dwelling-house of—

- the landlord,
- intermediate landlords (if any),
- rent owners as described above (if any), and
- the freeholder; and

S is zero except in a case where the formula is applied to calculate the amount payable to a landlord or an intermediate landlord on which an operative notice of delay (which in this subsection has the same meaning as in section 153B) has been served, and in that case—

- (a) where no operative notice of delay has been served on the freeholder and an operative notice of delay has been served on only one landlord or intermediate landlord, S is the amount of the reduction to be made under section 153B(3), and
- (b) in any other case S is an amount equal to the aggregate of
 - (i) the total of any payments on account treated as having been paid by the tenant by virtue of section 153B(2) solely because of the service of the operative notice of delay on the relevant landlord or intermediate landlord, and a rateable apportionment of any such payments as are so treated because of the service of operative notices of delay both on the relevant

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landlord or intermediate landlord and on one or more other authorities or bodies, and

- (ii) if section 153B(3)(b) applies, a sum equal to the appropriate percentage (as defined in section 153B(4)) of the total referred to in (i) above.

$\frac{R}{V}$

is referred to in sections 150A (apportionment of initial payment), 156A (apportionment of discount recovered) and in paragraph 7B of Schedule 6A (redemption of freeholder's share) as the apportionment fraction; and S is referred to in section 150A as rental deduction.

(3) On completion a landlord or intermediate landlord in relation to which A, under the formula in subsection (1), is a negative amount shall pay to the freeholder an amount equal to A; and that amount shall be recoverable as a civil debt due to the freeholder by that landlord or intermediate landlord.

(4) For the purposes of this section—

- (a) the value of an interest immediately before completion shall be taken to be the price which, at that time, it would realise if sold on the open market, free from any mortgage, by a willing vendor on the assumption that this Part did not apply, and
- (b) where a lease or a rent charge includes property other than the dwelling-house the value of the interest shall be taken to be that part of the value which is attributable to the dwelling-house.

(5) No payment shall be made under subsection (1) in relation to a lease of the dwelling-house if it is a lease for a term certain and the residue of the term unexpired immediately before completion is a period of less than twelve months or if it is a periodic tenancy.

(6) In this section “rent charge” and “rent owner” have the same meanings as in the Rentcharges Act 1977.

(7) A landlord or intermediate landlord shall give to the freeholder, if the freeholder so requires by notice in writing served on that landlord or intermediate landlord, such information as that landlord or intermediate landlord has which will assist the freeholder to calculate S under the formula in subsection (1).”

22. In section 139 (terms and effect of conveyance)—

- (a) in subsection (1), omit the words “a grant of a lease so executed shall conform with Parts I and III of that Schedule;”;
- (b) after subsection (1) insert the following subsection—

“(1A) The freeholder shall—

- (a) execute the conveyance on its own behalf and in the names of the landlord and the intermediate landlord or landlords (if any) and it shall be binding on those authorities or bodies, and
- (b) secure that the conveyance states that it is a conveyance to which this subsection applies”; and

- (c) for subsection (2) substitute—

“(2) The secure tenancy, the lease of the landlord and the lease of each of the intermediate landlords (if any), in so far as any such lease relates to the dwelling-house, come to an end and are extinguished on the grant to the tenant of an estate in fee simple in pursuance of the right to buy; and if there is then a subtenancy deriving out of the secure tenancy section 139 of the Law of Property Act 1925(16) (effect of extinguishment of reversion) applies as on a merger or surrender.”

23. In sections 140(17) (landlord's first notice to complete) and 141 (landlord's second notice to complete), for the references to landlord substitute references to freeholder.

24. In section 143A(18) (right excluded by entitlement to housing benefit), in subsection (2), paragraph (b), omit the words "or grant".

25. In section 143B(19) (right excluded if minimum initial payment exceeds maximum initial payment)—

- (a) in subsections (3) and (4), for the words " , in the case of a dwelling-house which is a house, the weekly rent" substitute the words "the weekly rent of the dwelling-house";
- (b) omit subsection (5);
- (c) in subsection (6), omit the words " , in the case of a dwelling-house which is a house,"; and
- (d) in subsection (8), in the definition of relevant time, for the word "landlord's", in both places where that word occurs, substitute the word "freeholder's".

26. In section 144(20) (tenant's notice claiming right)—

- (a) for subsection (2) substitute the following subsections—

“(2) The landlord shall, as soon as practicable, serve a copy of the notice on the freeholder together with a statement containing the following information—

- (a) whether, to the knowledge of the landlord, the tenant is precluded from exercising the right to acquire on rent to mortgage terms by section 143(2) (circumstances in which right to buy cannot be exercised) or section 143A (right excluded by entitlement to housing benefit), and
- (b) the current amount of the weekly rent (within the meaning of section 143B) and any proposed changes in that amount.

(2A) The landlord shall, at the same time, serve on each intermediate landlord (if any) a copy of the tenant's notice and of the landlord's accompanying statement.”;

- (b) in subsection (3), for references to landlord substitute references to freeholder; and
- (c) omit subsection (4).

27. After section 144 insert the following section—

“Withdrawal of tenant's notice.

144A.—(1) If the tenant wishes to withdraw his notice claiming to exercise the right to acquire on rent to mortgage terms, he may do so—

- (a) before he has received the freeholder's notice under section 146 (notice admitting or denying right), by notice in writing served on the landlord, or
- (b) after he has received the freeholder's notice under section 146, by notice in writing served on the freeholder.

(2) The landlord shall, as soon as practicable, serve a copy of a notice issued under paragraph (a) of subsection (1) on the freeholder and each intermediate landlord (if any) and the freeholder shall similarly serve a copy of a notice issued under paragraph (b) of that subsection on the landlord and any intermediate landlord.

(17) Section 140 was amended by paragraph 5(1) of Schedule 5 to the Housing and Planning Act 1986 and paragraph 12 of Schedule 21 and Schedule 22 to the Leasehold Reform, Housing and Urban Development Act 1993.

(18) Section 143A was inserted by section 108 of the Leasehold Reform, Housing and Urban Development Act 1993.

(19) Section 143B was inserted by section 108 of the Leasehold Reform, Housing and Urban Development Act 1993.

(20) Section 144 was substituted by section 109 of the Leasehold Reform, Housing and Urban Development Act 1993.

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(3) Where a notice claiming to exercise the right to acquire on rent to mortgage terms is withdrawn, the tenant may complete the transaction in accordance with the provisions of this Part relating to the right to buy.

(4) Where, in pursuance of subsection (3), the tenant notifies the freeholder that he intends to complete the transaction in accordance with the right to buy provisions, the freeholder shall, as soon as practicable, notify this fact in writing to the landlord and to the intermediate landlords (if any).”.

28. In section 146(21) (landlord’s notice admitting or denying right)—

- (a) for the references to the landlord substitute references to the freeholder; and
- (b) in subsection (2), in paragraph (f), omit the words “or grant”.

29. In sections 146A (tenant’s notice of intention) and 146B (landlord’s notice in default)(22), for the references to the landlord substitute references to the freeholder.

30. In section 147 (notice of landlord’s share and initial discount) and 148 (determination of landlord’s share, initial discount etc.)(23), for the references to the landlord substitute references to the freeholder.

31. In section 149(24) (change of landlord after notice claiming right), for subsection (1), substitute—

“(1) Where, after a secure tenant has given a notice claiming to exercise the right to acquire on rent to mortgage terms, the interest of the landlord, an intermediate landlord or the freeholder in the dwelling-house passes from it to another person, or the interest comes to an end—

- (a) the landlord, intermediate landlord or the freeholder, as the case may be, shall forthwith notify its tenant of the change and a landlord or intermediate landlord shall similarly notify its landlord,
- (b) an intermediate landlord so notified by its tenant shall, in turn, similarly notify its immediate landlord or, if so notified by its landlord, shall similarly notify its tenant, and
- (c) subject to subsection (2), all parties shall be in the same position as if the change had occurred before the notice claiming to exercise the right to acquire on rent to mortgage terms was given and all other notices given had been given by or to the appropriate parties and all steps had been taken by them.”.

32. In section 150(25) (duty of landlord to convey freehold)—

- (a) for subsection (1) substitute—

“(1) Where a secure tenant has claimed to exercise the right to acquire on rent to mortgage terms and that right has been established, then, as soon as all matters relating to the grant and to securing the redemption of the freeholder’s share have been agreed or determined, the freeholder shall make to the tenant a grant of the dwelling-house for an estate in fee simple absolute, in accordance with the following provisions of this Part.”; and

- (b) in subsections (2) and (3), for the references to landlord substitute references to freeholder.

33. After section 150 (duty to convey freehold), insert the following sections—

(21) Section 146 was substituted by section 110 of the Leasehold Reform, Housing and Urban Development Act 1993.

(22) Sections 146A and 146B were inserted by section 111 of the Leasehold Reform, Housing and Urban Development Act 1993.

(23) Section 147 was substituted by section 112 of the Leasehold Reform, Housing and Urban Development Act 1993; and section 148 by section 113 of that Act.

(24) Section 149 was substituted by section 114 of the Leasehold Reform, Housing and Urban Development Act 1993.

(25) Section 150 was substituted by section 115 of the Leasehold Reform, Housing and Urban Development Act 1993.

“Apportionment of initial payment.

150A.—(1) Subject to section 150B (power to agree final apportionment), on completion the freeholder shall pay—

- (a) to the landlord and each intermediate landlord (if any), and
- (b) to the rent owner of any rentcharge on or issuing out of the lease of the landlord or any intermediate landlord,

a sum calculated by multiplying the amount of the secure tenant’s initial payment (disregarding any rental deduction to be made) by the apportionment fraction applicable to that authority, body or person (ascertained in accordance with section 138A) less, in a case where an operative notice of delay has been served, any rental deduction so applicable (and so ascertained).

(2) On completion a landlord or intermediate landlord in relation to which the amount to be paid by the freeholder under subsection (1) is a negative amount shall pay to the freeholder a sum equal to that amount; and that sum shall be recovered as a civil debt due to the freeholder by that landlord or intermediate landlord.

(3) No payment shall be made under subsection (1) in relation to a lease of the dwelling-house if it is a lease for a term certain and the residue of the term unexpired immediately before completion is a period of less than twelve months or if it is a periodic tenancy.

(4) In this section—

“apportionment fraction” has the meaning given by section 138A(2) (apportionment of purchase price),

“operative notice of delay” has the same meaning as in section 153B (payments of rent attributable to purchase price etc.),

“rental deduction” has the meaning given by section 138A(2) (apportionment of purchase price), and

“rentcharge” and “rent owner” have the same meanings as in the Rentcharges Act 1977.

Power to agree final apportionment.

150B.—(1) If it appears to the freeholder and the other authorities, bodies or persons entitled to share in the apportionment of the initial payment to be made by the secure tenant to the freeholder (“the parties”) that the payment is, in all the circumstances, likely to be sufficient to provide adequate compensation for the parties other than the freeholder for the loss of their respective interests in the dwelling-house, the parties may agree that the freeholder shall be solely entitled to the final and any interim payments to be made by the tenant or his successor in title (together, if so agreed, with any discount which may be recovered by the freeholder by virtue of section 155 (repayment of discount on early disposal)).

(2) In the event of all the parties making such an agreement, section 150A (apportionment of initial payment) shall not apply and the parties may make instead such other apportionment as they consider to be fair and reasonable.”.

34. In section 151(26) (terms and effect of conveyance or grant: general)—

(a) in subsection (1)—

- (i) omit the words “a grant of a lease so executed shall conform with Parts I and III of that Schedule;”, and

(26) Section 151 was inserted by section 116 of the Leasehold Reform, Housing and Urban Development Act 1993.

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- (ii) omit the words “or lease” in both places in which those words occur;
- (b) after subsection (1) insert the following subsection—
 - “(1A) The freeholder shall—
 - (a) execute the conveyance on its own behalf and in the names of the landlord and the intermediate landlord or landlords (if any) and it shall be binding on those authorities or bodies, and
 - (b) secure that the conveyance states that it is a conveyance to which this subsection applies.”; and
 - (c) for subsection (2) substitute—
 - “(2) The secure tenancy, the lease of the landlord and the lease of each of the intermediate landlords (if any), in so far as any such lease relates to the dwelling-house, come to an end and are extinguished on the grant to the tenant of an estate in fee simple in pursuance of the right to acquire on rent to mortgage terms; and if there is then a subtenancy deriving out of the secure tenancy, section 139 of the Law of Property Act 1925 (effect of extinguishment of reversion) applies as on a merger or surrender.”.
- 35.** In section 151A(**27**) (redemption of landlord’s share), omit the words “or a grant of a lease”.
- 36.** In section 151B(**28**) (mortgage for securing redemption of landlord’s share), in subsections (1), (3) and (4), for the references to the landlord substitute references to the freeholder.
- 37.** In section 152(**29**) (landlord’s first notice to complete) and section 153 (landlord’s second notice to complete), for the references to the landlord substitute references to the freeholder.
- 38.** In section 153A(**30**) (tenant’s notices of delay)—
 - (a) in subsection (1)—
 - (i) for the words “his landlord” substitute the words “the freeholder, where that notice specifies a case in paragraph (a) or (b) below, and, where that notice specifies the case in paragraph (e), the freeholder, an intermediate landlord or the landlord”,
 - (ii) in paragraphs (a) and (b), for the words “the landlord” substitute the words “the freeholder”,
 - (iii) in paragraph (a), for the words “the period appropriate under subsection (2)” substitute the words “the period specified in subsection (1)”, and
 - (iv) in paragraph (e), for the words “the landlord” substitute the words “an authority or body on which it is proposed to serve the initial notice of delay”;
 - (b) in subsection (2), in paragraphs (a) and (b), for the words “the landlord” substitute the words “the authority or body on which the initial notice of delay is served”;
 - (c) in subsection (3)—
 - (i) for the words “the landlord” in the first place where those words occur substitute the words “the authority or body on which the initial notice of delay was served”,
 - (ii) in paragraph (a), for the words “the landlord” substitute the words “the freeholder”; and
 - (iii) in paragraph (b), for the words “the landlord” substitute the words “the authority or body on which the initial notice of delay was served”; and

(27) Section 151A was inserted by section 117 of the Leasehold Reform, Housing and Urban Development Act 1993.

(28) Section 151B was inserted by section 118 of the Leasehold Reform, Housing and Urban Development Act 1993.

(29) Section 152 was amended by section 119 of the Leasehold Reform, Housing and Urban Development Act 1993.

(30) Section 153A was inserted by section 124 of the Housing Act 1988 and amended by paragraph 13 of Schedule 21 and Schedule 22 to the Leasehold Reform, Housing and Urban Development Act 1993.

- (d) in subsection (5)—
 - (i) in paragraph (b), for the words “the landlord” substitute the words “the authority or body on which the initial notice of delay was served”, and
 - (ii) for the words “the landlord”, in the second place where those words occur, substitute the words “that authority or body”.
- 39.** In section 153B(**31**) (payments of rent attributable to purchase price etc.), in subsection (1)—
 - (a) for the words “his landlord” and, in paragraph (a), the words “the landlord” substitute the words “the freeholder, an intermediate landlord or the landlord”, and
 - (b) in paragraph (b), for the words “the landlord” substitute the words “the freeholder”.
- 40.** In section 154(**32**) (registration of title)—
 - (a) for subsection (1) substitute—

“(1) Where the freeholder’s title to the dwelling-house is not registered, section 123 of the Land Registration Act 1925 (compulsory registration of title) applies in relation to the conveyance of the freehold in pursuance of this Part 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 (areas of compulsory registration).”;
 - (b) in subsection (2), for references to the landlord substitute references to the freeholder and omit the words “or make the grant” and the words “or grant”;
 - (c) omit subsection (3);
 - (d) in subsections (4) and (5), for the references to the landlord substitute references to the freeholder;
 - (e) after subsection (5), insert the following subsection—

“(5A) Where the lease of the landlord or of any intermediate landlord is registered, the freeholder shall use his best endeavours to obtain (and if obtained shall produce to the Chief Land Registrar) that lease and its appropriate land or charge certificate.”; and
 - (f) omit subsections (6) and (7).
- 41.** In section 155(**33**) (repayment of discount on early disposal)—
 - (a) in subsection (1), for the words from the beginning to “no discount)” substitute the words “A conveyance of the freehold in pursuance of this Part shall contain (unless there is no discount)”;
 - (b) in subsection (2)—
 - (i) omit the words “or grant” in both places in which those words occur, and
 - (ii) for the reference to the landlord substitute a reference to the freeholder; and
 - (c) in subsection (3), omit the words “or grant” and for the word “landlord” substitute the word “freeholder”; and
 - (d) in subsection (3A)—
 - (i) for the words “his landlord” substitute the words “the freeholder, an intermediate landlord or the landlord”, and
 - (ii) omit the words “or grant of the lease”.

(31) Section 153B was inserted by section 124 of the Housing Act 1988 and amended by paragraph 14 of Schedule 21 and Schedule 22 to the Leasehold Reform, Housing and Urban Development Act 1993.

(32) Section 154 was amended by section 2 of the Land Registration Act 1986 (c. 26).

(33) Section 155 was amended by section 2(3) of the Housing and Planning Act 1986, paragraph 41 of Schedule 17 to the Housing Act 1988 and section 120 of the Leasehold Reform, Housing and Urban Development Act 1993.

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42. In section 156 (liability to pay is a charge on the premises), in subsections (2), (2A) and (2B)(34), for the references to landlord substitute references to freeholder.

43. After section 156 insert the following section—

“Apportionment of discount recovered.

156A.—(1) Subject in cases of acquisition on rent to mortgage terms to section 150B (power to agree final apportionment), where the whole or any part of any discount obtained by the tenant is recovered by the freeholder (whether by the receipt of a payment determined by reference to the discount or by a reduction so determined of any consideration given by the freeholder or in any other way), the freeholder shall pay—

- (a) to the authority or body which immediately before completion was the landlord or an intermediate landlord, and
- (b) to the rent owner of any rent charge which was then charged on or issued out of the lease of any such authority or body,

a sum calculated by multiplying the amount of the discount recovered by the freeholder by the apportionment fraction applicable to that authority, body or person (ascertained in accordance with section 138A).

(2) No payment shall be made under subsection (1) in relation to a lease if it is a lease for a term certain and the residue of the term unexpired immediately before completion was a period of less than twelve months or if it was a periodic tenancy.

(3) In this section—

“apportionment fraction” has the meaning given by section 138A(2) (apportionment of purchase price), and

“rentcharge” and “rent owner” have the same meanings as in the Rent charges Act 1977.”.

44. In section 157(35) (restriction on disposal of dwelling-houses in National Parks, etc)—

- (a) in subsections (1), (2), (4) and (6), for the references to the landlord substitute references to the freeholder;
- (b) in subsection (1), omit the words “or grant” in both places in which those words occur; and
- (c) in subsection (4)—
 - (i) omit the words “or grant”, and
 - (ii) in paragraph (a), omit the words “or as the case may be surrender the lease”.

45. In section 158(36) (consideration for reconveyance under s. 157)—

- (a) in subsection (1)—
 - (i) omit the words “or surrender”, and
 - (ii) for the reference to the landlord substitute a reference to the freeholder;
- (b) in subsection (2)—
 - (i) omit the words “or surrendered”, and in paragraph (aa), the words “or grant”,
 - (ii) omit the word “and” at the end of paragraph (aa) and omit paragraph (b);

(34) Subsection (2) was substituted by and subsections (2A) and (2B) were inserted by section 120 of the Leasehold Reform, Housing and Urban Development Act 1993.

(35) Section 157 was amended by section 126 of, and paragraph 106 of Schedule 17 to, the Housing Act 1988.

(36) Section 158(2)(aa) was inserted by paragraph 15 of Schedule 21 to the Leasehold Reform, Housing and Urban Development Act 1993; and section 158(4) by paragraph 1(3) of Schedule 5 to the Housing and Planning Act 1986.

- (c) in subsection (3), for the reference to the landlord substitute a reference to the freeholder; and
 - (d) in subsection (4), omit the words “or surrender”.
- 46.** In section 159 (relevant disposals), and in section 160 (exempted disposals), in subsection (1) (a) of both sections, omit the words “or an assignment of the lease”.
- 47.** In section 164 (Secretary of State’s general power to intervene) after subsection (5), insert the following subsection—
- “(5A) Where it appears to the Secretary of State that the difficulty a tenant or tenants have or may have in exercising effectively and expeditiously the right to buy or the right to acquire on rent to mortgage terms is due to a particular intermediate landlord or a description of intermediate landlords or a particular freeholder or a description of freeholders, this section shall apply with the necessary modifications as it applies to a particular landlord or a description of landlords.”.
- 48.** In section 165 (vesting orders for purposes of s.164)—
- (a) in subsection (1)—
 - (i) omit the words “or granting a lease”, and
 - (ii) for the reference to the landlord substitute a reference to the freeholder;
 - (b) in subsection (2)—
 - (i) omit the words “or grant”, and
 - (ii) for the words “the landlord and its successors in title” substitute the words “the freeholder, the intermediate landlords (if any) and the landlord and its or their successors in title”;
 - (c) in subsection (3)—
 - (i) for the words “the landlord’s title” substitute the words “the freeholder’s title”, and
 - (ii) omit the words “or grant made”;
 - (d) in subsection (4), in paragraph (a), omit the words “or as the case may require a good leasehold title”; and
 - (e) in subsection (6), omit the words “from landlord”.
- 49.** In section 166 (other provisions supplementary to s.164)—
- (a) in subsection (1), for the words “a particular landlord” substitute the words “a particular freeholder, intermediate landlord or landlord”;
 - (b) in subsection (2), for the words “the landlord”—
 - (i) where those words first occur substitute the words “the freeholder, intermediate landlord or landlord”, and
 - (ii) where those words occur for the second time substitute the words “that authority or body”;
 - (c) in subsection (3)—
 - (i) for the words “a landlord” substitute the words “a freeholder, intermediate landlord or landlord”, and
 - (ii) for the words “the landlord” in both places where those words occur substitute the words “that authority or body”;
 - (d) in subsection (4)—

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- (i) after the words “secure tenants of a landlord” add the words “or by virtue of subsection (5A) of that section”,
- (ii) for paragraph (b) substitute—
 - “(b) certify a sum as representing those costs and the freeholder, intermediate landlord or landlord by which those costs (or such proportion thereof as he may specify) are to be borne;”, and
- (iii) for the words “the landlord” substitute the words “the authority or body concerned”; and
- (e) in subsection (5), for the words “the landlord”—
 - (i) where those words first occur substitute the words “the freeholder, intermediate landlord or landlord”; and
 - (ii) where those words occur for the second time substitute the words “that authority or body”.

50. After section 166 (other provisions supplementary to s.164) insert the following section—

“Copies of notices to be sent to freeholder etc.

166A. The Secretary of State, on giving to a freeholder, intermediate landlord or landlord—

- (a) a notice under section 164 (notice of intention to intervene), or
- (b) a further notice under section 166 (notice withdrawing previous notice),

shall, as soon as practicable, send a copy of the notice to any other authority or body which is, to his knowledge, a freeholder, intermediate landlord or landlord of any dwelling-house affected by the notice.”.

51. In section 167 (power to give directions as to covenants and conditions), in subsection (1)(37)—

- (a) omit the words “or grants” in the places where those words occur,
- (b) omit paragraph (b), and
- (c) for the references to landlords substitute references to freeholders.

52. In section 168 (effect of direction under s.167 on existing covenants and conditions)—

- (a) in subsection (1), in paragraphs (a) and (b), omit the words “or grant”;
- (b) in subsection (3)—
 - (i) for the reference to the landlord substitute a reference to the freeholder, and
 - (ii) omit the words “or grant”.

53. In section 169 (power to obtain information, etc.)—

- (a) in subsection (1), for the words “a landlord” substitute the words “a freeholder, intermediate landlord or landlord”;
- (b) in subsection (2), for the words “the landlord”—
 - (i) where those words first occur substitute the words “the freeholder, intermediate landlord or landlord”, and

(37) Subsection (1) was amended by paragraph 17 of Schedule 21 to the Leasehold Reform, Housing and Urban Development Act 1993.

- (ii) where those words occur for the second time substitute the words “that authority or body”; and

- (c) for subsection (3)(38) substitute—

“(3) In this section—

- (a) references to a freeholder include references to a freeholder by which a conveyance was executed in pursuance of this Part, and

- (b) references to an intermediate landlord or landlord include references to such an authority or body in whose name a freeholder has, in pursuance of this Part, executed such a conveyance.”.

54. In section 170(39) (power to give assistance in connection with legal proceedings), in subsection (1), in paragraph (b), omit the words “or grant”.

55. Omit sections 171 (power to extend right to buy etc.), 171A to 171H (preservation of right to buy on disposal to private sector landlord) and 172 to 175 (modifications of Leasehold Reform Act 1967)(40).

56. In section 176 (notices)—

- (a) in subsection (2), for the words “the landlord”—

- (i) where the words first occur substitute the words “the landlord or the freeholder”, and

- (ii) where the words occur for the second time substitute the word “it”; and

- (b) in subsection (4), for the words “the landlord”—

- (i) where those words first occur substitute the words “the landlord, an intermediate landlord or the freeholder”, and

- (ii) where those words occur for the second time substitute the word “it”.

57. In section 177 (errors and omissions in notices), in subsection (2)(41)—

- (a) in paragraphs (a) and (b), for the references to the landlord substitute references to the freeholder; and

- (b) after the words “the parties” insert the words “(including the landlord and an intermediate landlord)”.

58. After section 177 insert the following section—

“Assistance to freeholder.

177A. The landlord and an intermediate landlord shall—

- (a) on written request give the freeholder such information and assistance as it may reasonably require in order to give effect to the provisions of this Part; and

- (b) ensure that all deeds and other documents in its possession or under its control to which the tenant is entitled or reasonably requires on the conveyance to him of the freehold of the dwelling-house are available for this purpose, including in the

(38) Subsection (3) was partly repealed by Schedule 22 to the Leasehold Reform, Housing and Urban Development Act 1993.

(39) Section 170 was amended by paragraph 18 of Schedule 21 to the Leasehold Reform, Housing and Urban Development Act 1993.

(40) Sections 171A to 171H were inserted by section 8 of the Housing and Planning Act 1986, section 171B was amended by section 127(1) of the Housing Act 1988, section 171C was amended by paragraph 19 of Schedule 21 and Schedule 22 to the Leasehold Reform, Housing and Urban Development Act 1993, and section 171H was partly repealed by the said Schedule 22.

(41) Subsection (2) was amended by paragraph 106 of Schedule 17 to the Housing Act 1988 and paragraph 20 of Schedule 21 and Schedule 22 to the Leasehold Reform, Housing and Urban Development Act 1993.

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case of registered land the land certificate and any other documents which would be necessary to perfect the tenant's title if the title were not to be registered.”.

59. In section 178(**42**) (costs) for the words “the landlord” in the place where those words first occur substitute the words “the landlord, an intermediate landlord or the freeholder” and in the second place where those words occur substitute the words “that authority or body”.

60. In section 179 (provisions restricting right to buy, etc. of no effect), substitute the following—

“(1) A provision of a lease held by the landlord or a superior landlord, or of an agreement (whenever made), is void in so far as it purports to prohibit or restrict the exercise by a tenant or sub-tenant of the right to buy or the right to acquire the dwelling-house on rent to mortgage terms or to authorise a forfeiture, or impose on the landlord or superior landlord a penalty or disability, in the event of such a disposal.”.

61. In section 180(**43**) (statutory declarations), for the word “landlord” in both places where that word occurs substitute the words “freeholder, intermediate landlord, landlord”.

62. In section 181 (jurisdiction of county court), in subsection (1)(**44**), in paragraph (b), omit the words “or grant”.

63. In section 184(**45**) (land let with or used for purposes of dwelling-house)—

(a) for subsection (1) substitute—

“(1) For the purposes of this Part land owned by the freeholder in fee simple—

- (a) which is let by the freeholder to the landlord or to an intermediate landlord,
- (b) in respect of which each of the intermediate landlords (if any) is an authority or body specified in article 3(2) of the Housing (Extension of Right to Buy) Order 1993, and
- (c) which is let to the tenant together with the dwelling-house,

shall be treated as part of the dwelling-house, unless the land is agricultural land (within the meaning set out in section 26(3)(a) of the General Rate Act 1967) exceeding two acres.”;

(b) in subsection (2)—

(i) after the words “any land” insert the words “owned by the freeholder in fee simple”, and

(ii) for paragraphs (a) and (b) substitute—

- “(a) the leases of the land (if any), other than any granted by way of security, are held by authorities or bodies which hold a lease of the dwelling-house and which are authorities or bodies specified in article 3(2) of the Housing (Extension of Right to Buy) Order 1993,
- (b) the tenant, by a written notice served on the landlord or the freeholder (as the case may be) at any time before he exercises the right to buy or the right to acquire on rent to mortgage terms, requires the land to be included in the dwelling-house, and
- (c) it is reasonable in all the circumstances that the land should be so included.”;

(42) Section 178 was substituted by paragraph 21 of Schedule 21 to the Leasehold Reform, Housing and Urban Development Act 1993.

(43) Section 180 was amended by paragraph 106 of Schedule 17 to the Housing Act 1988 and Schedule 22 to the Leasehold Reform, Housing and Urban Development Act 1993.

(44) Subsection (1) was amended by paragraph 23 of Schedule 21 and Schedule 22 to the Leasehold Reform, Housing and Urban Development Act 1993.

(45) Section 184 was amended by paragraph 24 of Schedule 21 to the Leasehold Reform, Housing and Urban Development Act 1993.

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(c) in subsection (3), for the words “the landlord” substitute the words “the landlord or the freeholder (as the case may be)”;

(d) after subsection (3), insert the following subsections—

“(3A) A notice under subsection (2) or (3), if served before the freeholder serves on the tenant a notice under section 124 (notice admitting or denying right to buy), shall be served on the landlord and in any other case shall be served on the freeholder.

(3B) On receiving any notice served by the tenant under this section, the landlord shall, as soon as practicable—

(a) serve a copy of the notice on the authority or body which is its landlord in relation to the dwelling-house, and

(b) serve on the tenant notice in writing that this has been done and of the name and address of that authority or body.

(3C) If the authority or body referred to in subsection (3B)(a) is an intermediate landlord, it shall in turn serve a copy of the notice on the authority or body which is its immediate landlord in relation to the dwelling-house (and so on, if that authority or body is also an intermediate landlord).

(3D) An authority or body which serves a copy of the tenant’s notice on another authority or body in accordance with subsection (3C) shall at the same time notify the landlord and the tenant that this has been done and of the name and address of the authority or body.

(3E) On receiving a notice served on it by the tenant under this section, the freeholder shall, as soon as practicable, serve a copy of the notice on each authority or body which, to its knowledge, has a leasehold interest in the dwelling-house and notify the tenant that this has been done.”; and

(e) in subsection (4), omit from the first set of brackets the word “landlord’s”.

64. In section 187(**46**) (minor definitions), omit the definition of “improvement contribution” and at the appropriate places insert the following definitions—

““freeholder” means the owner of the freehold of the dwelling-house;”

““intermediate landlord” means the owner of a lease of the dwelling-house (other than one created by way of security) which is immediately superior to the lease of the landlord or to the lease of another intermediate landlord;”.

65. In section 188(**47**) (index of defined expressions: Part V)—

(a) omit from the first column of the Table the following expressions together with the corresponding entries in the second column—

“disposal and instrument effecting disposal (in Schedule 9A)”,

“former landlord and former secure tenant (in relation to a qualifying disposal)”,

“improvement contribution”,

“preserved right to buy”,

“qualifying disposal (in relation to the preserved right to buy)”,

“qualifying dwelling-house and qualifying person (in relation to the preserved right to buy)”;

(46) Section 187 was amended by paragraph 30 of Part II of Schedule 5 to the Housing and Planning Act 1986 and Schedule 22 to the Leasehold Reform, Housing and Urban Development Act 1993.

(47) Section 188 was amended by paragraph 31 of Schedule 5 to the Housing and Planning Act 1986, paragraph 106 of Schedule 17 to the Housing Act 1988 and paragraph 25 of Schedule 21 and Schedule 22 to the Leasehold Reform, Housing and Urban Development Act 1993.

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- (b) at the appropriate places in the Table insert the following expressions—

“freeholder	section 187”; and
“intermediate	landlord
	section 187”; and

- (c) in the first column of the Table, in the definition of reference period, omit “or 125B”.

66. In Schedule 5 (exceptions to the right to buy)—

- (a) omit paragraph 4 (landlord with insufficient interest in the property);
- (b) in paragraph 5(1)(a) and (b)(**48**) (dwelling-houses let in connection with employment), after the words “the landlord” insert the words “an intermediate landlord or the freeholder”;
- (c) in paragraphs 7(a) and 9(1)(a) (certain dwelling-houses for the disabled), after the words “the landlord” insert the words “an intermediate landlord or the freeholder”;
- (d) in paragraph 10(1)(b)(**49**) (certain dwelling-houses for persons of pensionable age), after the words “the landlord” insert the words “an intermediate landlord or the freeholder”;
- (e) in paragraph 11(**50**) (individual dwelling-houses for elderly persons), in sub-paragraphs (4) and (5), for the references to the landlord substitute references to the freeholder; and
- (f) omit paragraph 12 (dwelling-houses held on Crown tenancies).

67. In Schedule 6 (conveyance of freehold and grant of lease in pursuance of right to buy), Part I (common provisions)—

- (a) in paragraph 1 (rights to be conveyed or granted-general), omit the words “or grant” and for the words “the landlord” substitute the words “the freeholder”;
- (b) in paragraph 2 (rights of support, passage of water, etc), in sub-paragraphs (1) and (3), omit the words “or grant” and in sub-paragraph (2)(a), for the words “the landlord” substitute the words “the freeholder, an intermediate landlord or the landlord”;
- (c) in paragraph 3 (rights of way)—
 - (i) omit the words “or grant”;
 - (ii) in sub-paragraph (a), for the words “the landlord” substitute the words “the freeholder, an intermediate landlord or the landlord” and omit the word “and” at the end of the paragraph;
 - (iii) in sub-paragraph (b), for the references to landlord substitute references to freeholder, and for the words “or by the person then entitled to the reversion on the tenancy” substitute the words “or by the person then entitled to the freehold; and”;
 - and
 - (iv) after sub-paragraph (b) insert the following sub-paragraph—
 - “(c) such provisions (if any) as the freeholder may require for the purpose of making the dwelling-house subject to rights of way—
 - (i) which to the knowledge of the freeholder are necessary for the reasonable enjoyment of other property, being property in which at the relevant time the landlord or an intermediate landlord has an interest, or

(48) Paragraph 5(1)(b) was amended by section 83 of the Housing Act 1988.

(49) Paragraph 10(1) was amended by section 106(1) of the Leasehold Reform, Housing and Urban Development Act 1993.

(50) Paragraph 11 was substituted by section 106(2) of the Leasehold Reform, Housing and Urban Development Act 1993.

- (ii) of which the freeholder has knowledge, granted or agreed to be granted before the relevant time by the landlord or an intermediate landlord or by the person then entitled to the reversion on the tenancy or an intermediate tenancy, other than rights of way falling within sub-paragraph (b).”;
 - (d) in paragraph 4 (covenants and conditions), omit the words “or grant” and for the references to the landlord substitute references to the freeholder;
 - (e) after paragraph 4, insert the following paragraph—

“**4A.** Where the freeholder is aware of an obligation relating to the dwelling-house breach of which may expose the landlord or an intermediate landlord to liability to another person, the freeholder shall include in the conveyance such provision (if any) as may be reasonable in the circumstances to relieve the landlord or intermediate landlord (as the case may be) from, or to indemnify him against, that liability.”;
 - (f) in paragraph 5 (reasonable covenants and conditions may be included), for the words “Parts II and III” substitute the words “Part II”, and omit the words “or grant”;
 - (g) in paragraph 6 (no charge to be made for landlord’s consent or approval), omit the words “or lease” and for the words “the landlord” substitute the words “the freeholder, an intermediate landlord or the landlord”; and
 - (h) in paragraph 7 (meaning of “incumbrances” and “tenant’s incumbrance”) in sub-paragraph (a), in the definition of “tenant’s incumbrance”, for the word “reversion” substitute the words “freehold reversion”.
- 68.** In Schedule 6, Part II (conveyance of freehold), in paragraphs 8 (general) and 10 (covenants), for the references to the landlord substitute references to the freeholder.
- 69.** In Schedule 6, omit Part III (leases) and in Part IV (charges)—
- (a) omit paragraph 20 (grant of lease);
 - (b) in paragraph 21 (conveyance of freehold), in sub-paragraphs (2), (3) and (4), for the references to the landlord substitute references to the freeholder; and
 - (c) after paragraph 21 insert the following paragraph—

“**21A.**—(1) This paragraph applies to a charge (however created or arising) on a lease (including the secure tenancy) extinguished by section 139(2) (terms and effect of conveyance and mortgage) when the freehold is conveyed in pursuance of the right to buy.

(2) The extinguishment of the lease does not affect the personal liability of the landlord or intermediate landlord (as the case may be) or of any other person in respect of any obligation which the charge was created to secure.”.
- 70.** In Schedule 6A(**51**) (redemption of freeholder’s share)—
- (a) throughout, for the references to landlord substitute references to freeholder;
 - (b) in paragraphs 1(1) (obligation to redeem freeholder’s share in certain circumstances), 2(1) (right to redeem freeholder’s share at any time), 6(1) (right to make interim payment at any time), 9 (costs of independent valuation), 10 (no charges to be made by freeholder) and 11 (other covenants and provisions), omit the words “or grant”;
 - (c) in paragraph 1, sub-paragraph (2)(a) (definition of excluded disposal), omit the words “or an assignment of the lease”;

(51) Schedule 6A was inserted by section 117 of the Leasehold Reform, Housing and Urban Development Act 1993.

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- (d) after paragraph 7 (freeholder’s reduced share and interim discount), insert the following paragraph—

“Apportionment of interim and final payments

7A.—(1) In a case to which section 150B (power to agree final apportionment does not apply, the freeholder, on receiving an interim or final payment, shall pay to the authority or body which immediately before completion was the landlord or an intermediate landlord of the dwelling-house and to any rent owner of a rentcharge which was then charged on or issued out of the lease of any such authority or body, an amount calculated by multiplying the amount of the payment by the apportionment fraction applicable to that authority, body or person, ascertained in accordance with section 138A (apportionment of purchase price).

(2) No payment shall be made under sub-paragraph (1) in relation to a lease of the dwelling-house if it was a lease for a term certain and the residue of the term unexpired immediately before completion was a period of less than twelve months or if it was a periodic tenancy.

(3) In this paragraph “rentcharge” and “rent owner” have the same meanings as in the Rentcharges Act 1977 and “apportionment factor” has the meaning given by section 138A(2).”; and

- (e) in paragraph 8, omit sub-paragraph (4)(c)(ii) and sub-paragraph (6)(b) and (c).

71. Omit Schedule 9A⁽⁵²⁾ (land registration and related matters where right to buy preserved).

⁽⁵²⁾ Schedule 9A was inserted by Schedule 2 to the Housing and Planning Act 1986.