

SCHEDULE 2

PART V AS IT APPLIES IN CASES WHERE THE RIGHT TO BUY IS PRESERVED

Claim to exercise right to buy

Qualifying person's notice claiming to exercise right to buy

122.—(1) A qualifying person claims to exercise the right to buy by written notice to that effect served on the landlord.

(2) In this Part “the relevant time”, in relation to an exercise of the right to buy, means the date on which that notice is served.

(3) The notice may be withdrawn at any time by notice in writing served on the landlord.

(4) Where the qualifying dwelling-house is occupied by two or more qualifying persons as joint tenants the right to buy may be exercised by such one or more of them as may be agreed between them.

Claim to share right to buy with members of family

123.—(1) A qualifying person may in his notice under section 122 require that not more than three members of his family who are not joint tenants but occupy the qualifying dwelling-house as their only or principal home should share the right to buy with him.

(2) He may validly do so in the case of any such member only if—

- (a) that member is his spouse or has been residing with him throughout the period of twelve months ending with the giving of the notice, or
- (b) the landlord consents.

(3) Where by such a notice any members of the qualifying person's family are validly required to share the right to buy with him, the right to buy the qualifying dwelling-house belongs to the qualifying person and those members jointly and they shall be treated as joint tenants for the purposes, in relation to that qualifying dwelling-house, of the right to buy.

Landlord's notice admitting or denying right to buy

124.—(1) Where a notice under section 122 (notice claiming to exercise right to buy) has been served by the qualifying person the landlord shall, unless the notice is withdrawn, serve on the qualifying person within the period specified in subsection (2) a written notice either—

- (a) admitting his right, or
- (b) denying it and stating the reasons why, in the opinion of the landlord, the qualifying person does not have the right to buy.

(2) The period for serving a notice under this section is four weeks where the requirement of section 119 (qualifying period for the right to buy) is satisfied by a period or periods during which the landlord was the landlord on which the qualifying person's notice under section 122 was served, and eight weeks in any other case.

Landlord's notice of purchase price and other matters

125.—(1) Where a qualifying person has claimed to exercise the right to buy and that right has been established (whether by the landlord's admission or otherwise), the landlord shall—

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- (a) within eight weeks where the right is that mentioned in section 118(1)(a) (right to acquire freehold), and
- (b) within twelve weeks where the right is that mentioned in section 118(1)(b) (right to acquire leasehold interest),

serve on the qualifying person a notice complying with this section.

(2) The notice shall describe the qualifying dwelling-house, shall state the price at which, in the opinion of the landlord, the qualifying person is entitled to have the freehold conveyed or, as the case may be, the lease granted to him and shall, for the purpose of showing how the price has been arrived at, state—

- (a) the value at the relevant time,
- (b) the improvements disregarded in pursuance of section 127 (improvements to be disregarded in determining value), and
- (c) the discount to which the qualifying person is entitled, stating the period to be taken into account under section 129 (discount) and, where applicable, the amount mentioned in section 130(1) (reduction for previous discount) or section 131(1) or (2) (limits on amount of discount).

(3) The notice shall state the provisions which, in the opinion of the landlord, should be contained in the conveyance or grant.

(4) Where the notice states provisions which would enable the landlord to recover from the qualifying person—

- (a) service charges, or
- (b) improvement contributions,

the notice shall also contain the estimates and other information required by section 125A (service charges) or 125B (improvement contributions).

(4A) The notice shall contain a description of any structural defect known to the landlord affecting the qualifying dwelling-house or the building in which it is situated or any other building over which the qualifying person will have rights under the conveyance or lease.

(5) The notice shall also inform the qualifying person of—

- (a) the effect of sections 125D and 125E(1) and (4) (qualifying person's notice of intention, landlord's notice in default and effect of failure to comply),
- (b) his right under section 128 to have the value of the qualifying dwelling-house at the relevant time determined or re-determined by the district valuer,
- (c) the effect of section 136(2) (change of qualifying person after service of notice under section 125), and
- (d) the effect of sections 140 and 141(1), (2) and (4) (landlord's notices to complete and effect of failure to comply).

Estimates and information about service charges

125A.—(1) A landlord's notice under section 125 shall state as regards service charges (excluding, in the case of a flat, charges to which subsection (2) applies)—

- (a) the landlord's estimate of the average annual amount (at current prices) which would be payable in respect of each head of charge in the reference period, and
- (b) the aggregate of those estimated amounts,

and shall contain a statement of the reference period adopted for the purpose of the estimates.

(2) A landlord's notice under section 125 given in respect of a flat shall, as regards service charges in respect of repairs (including works for the making good of structural defects), contain—

- (a) the estimates required by subsection (3), together with a statement of the reference period adopted for the purpose of the estimates, and
- (b) a statement of the effect of—
paragraph 16B of Schedule 6 (which restricts by reference to the estimates the amounts payable by the tenant).

(3) The following estimates are required for works in respect of which the landlord considers that costs may be incurred in the reference period—

- (a) for works itemised in the notice, estimates of the amount (at current prices) of the likely cost of, and of the tenant's likely contribution in respect of, each item, and the aggregate amounts of those estimated costs and contributions, and
- (b) for works not so itemised, an estimate of the average annual amount (at current prices) which the landlord considers is likely to be payable by the qualifying person.

Estimates and information about improvement contributions

125B.—(1) A landlord's notice under section 125 given in respect of a flat shall, as regards improvement contributions, contain—

- (a) the estimates required by this section, together with a statement of the reference period adopted for the purpose of the estimates, and
- (b) a statement of the effect of paragraph 16C of Schedule 6 (which restricts by reference to the estimates the amounts payable by the tenant).

(2) Estimates are required for works in respect of which the landlord considers that costs may be incurred in the reference period.

(3) The works to which the estimates relate shall be itemised and the estimates shall show—

- (a) the amount (at current prices) of the likely cost of, and of the tenant's likely contribution in respect of, each item, and
- (b) the aggregate amounts of those estimated costs and contributions.

Reference period for purposes of ss. 125A and 125B

125C.—(1) The reference period for the purposes of the estimates required by section 125A or 125B is the period—

- (a) beginning on such date not more than six months after the notice is given as the landlord may reasonably specify as being a date by which the conveyance will have been made or the lease granted, and
- (b) ending five years after that date or, where the notice states that the conveyance or lease will provide for a service charge or improvement contribution to be calculated by reference to a specified annual period, with the end of the fifth such period beginning after that date.

(2) For the purpose of the estimates it shall be assumed that the conveyance will be made or the lease granted at the beginning of the reference period on the terms stated in the notice.

Qualifying person's notice of intention

125D.—(1) Where a notice under section 125 has been served on a qualifying person, he shall within the period specified in subsection (2) serve a written notice on the landlord stating either that he intends to pursue his claim to exercise the right to buy or that he withdraws that claim.

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(2) The period for serving a notice under subsection (1) is the period of twelve weeks beginning with whichever of the following is the later—

- (a) the service of the notice under section 125, and
- (b) where the qualifying person exercises his right to have the value of the qualifying dwelling-house determined or re-determined by the district valuer, the service of the notice under section 128(5) stating the effect of the determination or re-determination.

Landlord’s notice in default

125E.—(1) The landlord may, at any time after the end of the period specified in section 125D(2) or, as the case may require, section 136(2), serve on the qualifying person a written notice—

- (a) requiring him, if he has failed to serve the notice required by section 125D(1), to serve that notice within 28 days, and
- (b) informing him of the effect of this subsection and subsection (4).

(2) At any time before the end of the period mentioned in subsection (1)(a) (or that period as previously extended) the landlord may by written notice served on the qualifying person extend it (or further extend it).

(3) If at any time before the end of that period (or that period as extended under subsection (2)) the circumstances are such that it would not be reasonable to expect the qualifying person to comply with a notice under this section, that period (or that period as so extended) shall by virtue of this subsection be extended (or further extended) until 28 days after the time when those circumstances no longer obtain.

(4) If the qualifying person does not comply with a notice under this section, the notice claiming to exercise the right to buy shall be deemed to be withdrawn at the end of that period (or, as the case may require, that period as extended under subsection (2) or (3)).