

## **LONG LEASES (SCOTLAND) ACT 2012**

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### **EXPLANATORY NOTES**

#### **PART 3: ALLOCATION OF RENTS AND RENEWAL PREMIUMS ETC.**

##### *Allocation of rent*

##### *Section 41: Partially continuing leases: allocation of rent*

168. **Section 41** is concerned with a lease that is partly extinguished and partly continues on and after the appointed day. “Partially continuing lease” is defined in section 37. A lease is a partially continuing lease if, for example, there is a partial sublease further down the leasehold chain which is exempt from conversion under Part 5. Instead of being extinguished in full, the higher lease continues in force in relation to the subjects of the exempt lease.
169. Subsection (1) directs the landlord of a partially continuing lease to allocate the annual rent payable under the lease between the continuing part and the extinguished part (the “continuing subjects” and the “converted subjects”). Subsection (2)(b) provides that if the rent payable under the lease was a *cumulo* rent, as defined in section 38, the landlord must allocate the *cumulo* rent between the relevant leases, as outlined in section 40, before carrying out the allocation under this section.
170. Under subsection (4), the sum allocated to the continuing part of the lease is the annual rent payable under that lease from the appointed day.