

SCHEDULES

SCHEDULE 1

Article 2(2), 15, 27(2), 42(4)(f)(g).

THE REDEMPTION MONEY

The redemption money — general provisions

1. The redemption money appropriate to a ground rent is the sum produced by multiplying the yearly amount of the ground rent by the figure fixed by or under paragraph 2 as the number of years purchase applicable for a period which includes the date which is the redemption date in relation to that ground rent.

2.—(1) For the period beginning at the expiration of the day immediately preceding the appointed day and ending immediately before the commencement of the first order made under sub-paragraph (2), the number of years purchase is 12.

(2) The Department of Finance and Personnel may by order made subject to negative resolution fix a figure as being the number of years purchase applicable to ground rents in relation to which the redemption date falls within a period specified in the order.

Ground rent under building lease, etc.

3.—(1) Where land held under a building lease or under a fee farm grant for purposes corresponding to those of a building lease is subject to a ground rent in relation to which there is an agreement providing for one or more than one increase (whether periodic or dependent on a contingency) in the amount of the ground rent related to periods or events in the progress of building or related activities, the provisions of sub-paragraphs (2) to (5) have effect for the purposes of this Schedule.

(2) Subject to sub-paragraph (3), the yearly amount of the ground rent is to be taken to be the greatest annual amount that can become payable in accordance with the agreement (assuming, where an increase is dependent on a contingency, that the contingency will happen).

(3) The amount arrived at under sub-paragraph (2) is subject to such abatement as is appropriate to take account of the period or periods during which ground rent would be payable, or likely to be payable, at a reduced rate in accordance with the agreement if the ground rent were not redeemed.

(4) The redemption money is payable by such instalments at such intervals of time as are appropriate in all the circumstances, except that, where any instalment after the first is due and unpaid for seven days the whole unpaid balance of the redemption money becomes immediately payable.

(5) In this paragraph “contingency” does not include a breach of covenant such as is mentioned in Article 3(3).

Ground rent subject to future increase

4.—(1) This paragraph applies for the purpose of determining, for the purposes of paragraph 1, the yearly amount of a ground rent which is subject to a provision for its increase, on a date or dates falling after the redemption date, by—

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- (a) a fixed amount; or
- (b) an amount which is ascertained by a formula.

(2) Where the date for any such increase is more than 12 years after the redemption date, the provision for that increase is to be ignored.

(3) Where the date for any such increase is 12 years or less after the redemption date, the yearly amount of the ground rent is taken to be the aggregate of its amount at the redemption date and a sum representing that increase (or, if more than one, sums representing each such increase) discounted at the rate of 8 per cent. per annum for the period from the date for the increase (or the dates for those respective increases) to the redemption date.

(4) An order under paragraph 2(2) may substitute for the number of years mentioned in sub-paragraphs (2) and (3), and the rate of discount mentioned in sub-paragraph (3), such other number and rate as are fixed by the order.

Ground rent subject to periodic review

5.—(1) This paragraph applies for the purpose of determining, for the purposes of paragraph 1, the yearly amount of a ground rent which is subject to periodic review having regard to circumstances current at the time of the review.

(2) If the redemption notice is served within one year after the date of—

- (a) the creation of the ground rent; or
- (b) a review of the ground rent,

the yearly amount of the ground rent is to be taken to be its amount as created or, as the case may be, its amount immediately following the implementation of the review.

(3) If the redemption notice is served more than one year after the date of the creation of the ground rent or its review (or most recent review), the yearly amount of the ground rent is to be taken to be that which it would have been if the ground rent had been reviewed on the anniversary of the date of its creation last preceding the date of service of the redemption notice in accordance with all the provisions for review except any provision about the dates of, or the length of periods between, reviews.

(4) For the purposes of this paragraph, a single review the occasion for which has not yet arisen or arrived is a periodic review.