



Leasehold Reform Act 1967

1967 CHAPTER 88

PART I

ENFRANCHISEMENT AND EXTENSION OF LONG LEASEHOLDS

Land held for public purposes, ecclesiastical land, etc.

28 Retention or resumption of land required for public purposes.

- (1) Where the landlord of any property is a body to which this section applies, and a Minister of the Crown certifies that the property will in ten years or less be required for relevant development, then—
- (a) a notice of a person's desire to have the freehold or an extended lease under this Part of this Act of a house comprised in the property shall be of no effect;
 - (b) if the tenancy of any such house has not been extended under this Part of this Act, but the tenant, being entitled to acquire the freehold or an extended lease thereunder, either—
 - (i) before a copy of the certificate has been served on him, has given notice of his desire to have the freehold or an extended lease ; or
 - (ii) not later than two months after a copy of the certificate is served on him, gives the landlord written notice, in the prescribed form, claiming to be so entitled;then section 17 above shall apply as if the tenancy had been so extended ;
 - (c) for the purposes of any application by the landlord under section 17 above in relation to property comprised in the certificate (whether the application is made by virtue of paragraph (b) above or otherwise), the certificate shall be conclusive that the ground specified in section 17(1) is established.
- (2) Where by virtue of subsection (1)(b) above a tenancy of any property is to be treated as having been extended, then as regards that property the tenancy shall not terminate either by effluxion of time or in pursuance of any notice given by the landlord or the tenant or by the termination of a superior tenancy.

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- (3) In the case of a tenancy to which Part II of the Landlord and Tenant Act 1954 applies, subsections (1) and (2) above shall have effect where a certificate is given under section 57 of that Act as they have effect where a certificate is given under this section; but where by virtue of subsection (1)(b) above a tenancy is to be treated as having been extended, no compensation shall be payable under section 59 of that Act in respect of the tenancy or any immediate or derivative sub-tenancy.
- (4) A Minister shall not give a certificate under this section with respect to any house, unless the landlord has given to the tenant of the house written notice stating—
- (a) that the question of giving such a certificate is under consideration by that Minister ; and
 - (b) that if within twenty-one days of the giving of the notice the tenant makes to that Minister representations in writing with respect to that question, they will be considered before the question is determined;
- and if the tenant makes any such representations within those twenty-one days the Minister shall consider them before determining whether to give the certificate.
- (5) This section applies—
- (a) to any local authority, that is to say, the Mayor and commonalty and citizens of the City of London, the Greater London Council, any county council, borough council or district council, any joint board in which all the constituent authorities are local authorities within this paragraph and any combined police authority within the meaning of the Police Act 1964; and
 - (b) to the Commission for the New Towns and to any development corporation within the meaning of the New Towns Act 1965 ; and
 - (c) to any university body, that is to say, any university, university college or college of a university, and for this purpose " college of a university " includes, in the case of a university organised on a collegiate basis, a constituent college or other society recognised by the university and, in the case of London University, a college incorporated in the university or a school of the university; and
 - (d) to any Regional Hospital Board, any Hospital Management Committee and any Board of Governors of a teaching hospital; and
 - (e) to any body corporate established by or under any enactment for the purpose of carrying on under national ownership any industry or part of an industry or undertaking ; and
 - (f) to any body not included above which is a harbour authority within the meaning of the Harbours Act 1964 or a statutory water undertaker for purposes of the Water Act 1945, but in respect only of the body's functions as harbour authority or statutory water undertaker.
- (6) In subsection (1) above " relevant development ", in relation to any body to which this section applies, means development for purposes (other than investment purposes) of that body, but in relation to a local authority includes any development to be undertaken, whether or not by that authority, in order to secure the development or re-development of an area defined by a development plan as an area of comprehensive development.

However—

- (a) the purposes of a county council or county borough council shall be taken to include the purposes of a police authority which is a committee of the council; and

- (b) the purposes of a university body shall be taken to include the purposes of any related university body (a university and the colleges of that university within the meaning of subsection (5)(c) above being related to one another within the meaning of this paragraph); and
 - (c) in the case of a Regional Hospital Board, Hospital Management Committee or Board of Governors of a teaching hospital, the purposes of the National Health Service Act 1946 shall be substituted for the purposes of the body.
- (7) If it appears to the Minister of Housing and Local Government or to the Secretary of State that this section should apply to any body or description of bodies having functions of a public nature but not included above, he may by order direct that this section shall apply to that body or description of bodies.
- (8) The power to make orders under subsection (7) above shall include power to vary or revoke any order made for the purposes of that subsection, and shall be exercisable by statutory instrument of which a draft shall be laid before Parliament.

29 Reservation of future right to develop.

- (1) Where a tenant of a house and premises acquires the freehold under this Part of this Act, the landlord being a local authority, there shall, if so required by the local authority, be included in the conveyance under section 8 above such covenants on the part of the tenant restricting the carrying out of development or clearing of land as are necessary to reserve the land for possible development by the authority.
- (2) Where a tenant of a house and premises acquires an extended lease under this Part of this Act, the landlord being a local authority, such covenants as are mentioned in subsection (1) above shall, if so required by the local authority, be included in the instrument extending the lease under section 14 above and, if so included, then in the terms of any subsequent tenancy at a low rent which is by virtue of section 3(3) above to be treated (with or without any intervening tenancies) as a single tenancy with that under the extended lease.
- (3) Where a covenant is entered into to give effect to subsection (1) or (2) above, it shall be expressed to be so entered into, and Part I of Schedule 4 to this Act shall have effect with respect to the operation and enforcement of any covenant so entered into.
- (4) Where a tenant of a house and premises acquires the freehold or an extended lease under this Part of this Act, the landlord being a local authority, and afterwards the local authority or any other person acquires compulsorily any interest in the property, then for the purpose of assessing compensation in accordance with the Land Compensation Act 1961 no account shall be taken of any increase in the value of that interest which is attributable to the carrying out of development in contravention of a covenant entered into to give effect to subsection (1) or (2) above, or to any prospect of carrying out any such development ; and any compensation payable to a tenant under section 17 above shall be assessed without regard to any increase in the value of his interest which under this subsection would be disregarded on a compulsory purchase of that interest.
- (5) For purposes of this section " local authority " means a local authority as defined in section 28(5)(a) above.
- (6) Subsections (1) to (4) above shall have effect in relation—
- (a) to the Commission for the New Towns and to any development corporation within the meaning of the New Towns Act 1965 ; and

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(b) to any university body as defined in section 28(5)(c) above; as if any reference in those subsections or in Part I of Schedule 4 to this Act to a local authority were a reference to that Commission, corporation or university body; but a university body shall not require a covenant to be entered into under this section, unless they have first obtained the consent of the Secretary of State.

- (7) Part II of Schedule 4 to this Act shall have effect to enable property to be re-acquired compulsorily where it is subject to a covenant entered into to give effect to subsection (1) above with the Commission for the New Towns or a university body.
- (8) This section shall apply, with the necessary adaptations, where a new tenancy is granted in satisfaction of the right to an extended lease under this Part of this Act, as it applies where a lease is extended in accordance with this Part of this Act.

30 Reservation of right of pre-emption in new town or overspill area.

- (1) Where a tenant of a house and premises acquires the freehold under this Part of this Act, the landlord being a body to which this section applies, there shall, if so required by the landlord, be included in the conveyance under section 8 above the following covenants on the part of the tenant, that is to say,—
- (a) a covenant that no tenancy of the property comprised in the conveyance or any part of that property shall be granted except with the consent in writing of the landlord; and
 - (b) such covenant as appears to the landlord to be requisite for securing that, in the event of any proposal to sell that property or any part of it, the landlord will have a right of pre-emption at the price mentioned in subsection (4) below.
- (2) Where a tenant of a house and premises acquires an extended lease under this Part of this Act, the landlord being a body to which this section applies, such covenants as are mentioned in subsection (1) above shall, if so required by the landlord, be included in the instrument extending the lease under section 14 above and, if so included, then in the terms of any subsequent tenancy at a low rent which is by virtue of section 3(3) above to be treated (with or without intervening tenancies) as a single tenancy with that under the extended lease.
- (3) Where a covenant is entered into to give effect to subsection (1) or (2) above, it shall be expressed to be so entered into, and Part I of Schedule 4 to this Act shall have effect, with respect to the operation and enforcement of any covenant so entered into as it applies in the case of a covenant entered into with the same body to give effect to section 29(1) or (2) above.
- (4) The price referred to in subsection (1)(b) above, in relation to an interest in any property, is a sum equal to (and, in default of agreement, to be determined in the like manner as) the compensation which would be payable for that interest if acquired by the execution, on such date as may be determined in accordance with the covenant, of a vesting declaration under Schedule 4 to this Act.
- (5) Section 19 of the Landlord and Tenant Act 1927 (covenants not to assign etc. without licence or consent) shall not have effect in relation to any covenant entered into to give effect to subsection (2) above.
- (6) This section shall apply, with the necessary adaptations, where a new tenancy is granted in satisfaction of the right to an extended lease under this Part of this Act, as it applies where a lease is extended in accordance with this Part of this Act.

- (7) This section applies—
- (a) to the Commission for the New Towns and to a development corporation within the meaning of the New Towns Act 1965 ; and
 - (b) in respect of housing provided by them by virtue of section 5 of the Town Development Act 1952 (which authorises a council to exercise its powers for the purpose of relieving congestion or over-population outside their area), the council of any receiving district for purposes of that Act, including a county borough treated as a receiving district by virtue of section 34 of the Housing Act 1961.

31 Ecclesiastical property.

- (1) The provisions of this section shall have effect as regards the operation of this Part of this Act on tenancies (including subtenancies) of ecclesiastical property, that is to say, property belonging to a capitular body within the meaning of the Cathedrals Measure 1963 or belonging to an ecclesiastical benefice; and in this section " ecclesiastical landlord " means the capitular body or incumbent having an interest as landlord in ecclesiastical property.
- (2) In relation to an interest of an ecclesiastical landlord, the consent of the Church Commissioners shall be required to sanction—
- (a) the provisions to be contained in a conveyance in accordance with section 10 above, or in a lease granting a new tenancy under section 14, and the price or rent payable, except as regards matters determined by the court or the Lands Tribunal;
 - (b) any exercise of the ecclesiastical landlord's rights under section 17 above, except as aforesaid, and any agreement for the payment of compensation to a tenant in accordance with that section without an application thereunder;
 - (c) any grant of a tenancy in satisfaction of the right to an extended lease under this Part of this Act;
- and the Church Commissioners shall be entitled to appear and be heard in any proceedings under this Part of this Act to which an ecclesiastical landlord is a party or in which he is entitled to appear and be heard.
- (3) Where the ecclesiastical property forms part of the endowment of a cathedral church, any sum received by the capitular body by way of the price payable for the property under section 9 above, or by way of compensation under any provision of this Part of this Act providing for compensation to be recovered by or awarded to a landlord, shall be treated as part of that endowment; and the powers conferred by sections 21 and 23 of the Cathedrals Measure 1963 in relation to the investment in the acquisition of land of moneys forming part of the endowment of a cathedral church shall extend to the application of any such moneys in the payment of compensation in accordance with section 17 above (whether possession is obtained under that section or without an application thereunder).
- (4) In the case of ecclesiastical property belonging to an ecclesiastical benefice—
- (a) no consent or concurrence other than that of the Church Commissioners under subsection (2) above shall be required to a disposition under this Part of this Act of the incumbent's interest (including a grant of a tenancy in satisfaction of the right to an extended lease);
 - (b) during a vacancy in the benefice, the abeyance shall not affect the operation of this Part of this Act, but the place of the incumbent shall be taken by the

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person authorised to exercise in his place the powers conferred on him by the Ecclesiastical Leasing Acts, and the Ecclesiastical Commissioners (Powers) Measure 1936 (together with section 7 of the Vacancies in Sees Measure 1959) shall apply accordingly ;

- (c) any sum receivable by the incumbent by way of the price payable for the property under section 9 above, or of any such compensation as is mentioned in subsection (3) above, shall be paid to the Church Commissioners to be applied for purposes for which the proceeds of a sale by agreement of the property would be applicable under any enactment or Measure authorising such a sale or disposing of the proceeds of such a sale, and any sum required for the payment of compensation as mentioned in subsection (3) above may be paid by the Church Commissioners on behalf of the incumbent out of any moneys in their hands ;
 - (d) the revenues and possessions of the benefice shall stand charged with the repayment of any sum expended by the Church Commissioners in pursuance of paragraph (c) above.
- (5) This Part of this Act shall apply to land belonging to an ecclesiastical benefice, and this section shall have effect in relation thereto, notwithstanding that the patronage of the benefice belongs to Her Majesty in right of the Crown or the Duchy of Lancaster or to the Duchy of Cornwall.

32 Saving for National Trust.

This Part of this Act shall not prejudice the operation of section 21 of the National Trust Act 1907, and accordingly a person shall not be entitled under this Part of this Act to acquire the freehold of property if an interest in the property is under that section vested inalienably in the National Trust for Places of Historic Interest or Natural Beauty.

33 Crown land.

- (1) In the case of a tenancy from the Crown this Part of this Act shall apply in favour of the tenant as in the case of any other tenancy if there has ceased to be a Crown interest in the land, and as against a landlord holding a tenancy from the Crown shall apply also if either—
- (a) his sub-tenant is seeking an extended lease and the landlord, or a superior landlord holding a tenancy from the Crown, has a sufficient interest to grant it and is entitled to do so without the concurrence of the appropriate authority; or
 - (b) the appropriate authority notifies the landlord that as regards any Crown interest affected the authority will grant or concur in granting the freehold or extended lease.
- (2) For purposes of this section " tenancy from the Crown " means a tenancy of land in which there is, or has during the subsistence of the tenancy been, a Crown interest superior to the tenancy, and " Crown interest " and " the appropriate authority " in relation to a Crown interest mean respectively—
- (a) an interest comprised in the Crown Estate, and the Crown Estate Commissioners;
 - (b) an interest belonging to Her Majesty in right of the Duchy of Lancaster, and the Chancellor of the Duchy ;
 - (c) an interest belonging to the Duchy of Cornwall, and such person as the Duke of Cornwall or the possessor for the time being of the Duchy appoints ;

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- (d) any other interest belonging to a government department or held on behalf of Her Majesty for the purposes of a government department, and the Minister in charge of that department.
- (3) The restriction imposed by section 3(2) of the Crown Estate Act 1961 on the term for which a lease may be granted by the Crown Estate Commissioners shall not apply where the lease is granted by way of extension of a long tenancy at a low rent and it appears to the Crown Estate Commissioners that, if the tenancy were not a tenancy from the Crown, there would be a right to an extended lease under this Part of this Act.
- (4) Where, in the case of land belonging to Her Majesty in right of the Duchy of Lancaster or to the Duchy of Cornwall, it appears to the appropriate authority that a tenant under a long lease at a low rent would, if the tenancy were not a tenancy from the Crown, be entitled to an extended lease under this Part of this Act, then a lease corresponding to that to which the tenant would be so entitled may be granted to take effect wholly or partly out of the Crown interest by the same person and with the same formalities as in the case of any other lease of such land.
- (5) In the case of land belonging to the Duchy of Cornwall, the purposes authorised by section 8 of the Duchy of Cornwall Management Act 1863 for the advancement of parts of such gross sums as are therein mentioned shall include the payment to tenants of sums corresponding to those which, if the tenancies were not tenancies from the Crown, would be payable by way of compensation under section 17 above.