



# Leasehold Reform Act 1967

## 1967 CHAPTER 88

### PART I

#### ENFRANCHISEMENT AND EXTENSION OF LONG LEASEHOLDS

##### *Transitional*

#### **34 Tenancies terminated since 8th December 1964, or subject to early termination.**

- (1) Where, before or after the passing of this Act, but after the 8th December 1964, a long tenancy at a low rent of a house (" the former long tenancy ") has terminated at or after its term date, then subject to the provisions of this section there shall be treated for purposes of this Part of this Act as a long tenancy at a low rent—
- (a) any tenancy which was granted by way of continuation of the former long tenancy but is not or was not a tenancy at a low rent; and
  - (b) any statutory tenancy arising by virtue of Part I of the Landlord and Tenant Act 1954 or of the Rent Acts on the termination of the former long tenancy or of any tenancy granted (or treated by implication of law as granted) by way of continuation of it.

For purposes of this subsection a tenancy granted to the tenant of the house under a tenancy granted by way of continuation of the former long tenancy, or to the person retaining possession of the house by virtue of any such statutory tenancy as aforesaid, shall be regarded as granted by way of continuation of the former long tenancy.

- (2) A notice of a person's desire to have the freehold or an extended lease of a house and premises, if given by virtue of subsection (1) above, may be given before the appointed day, but shall be of no effect if given more than three months after the day this Act is passed.
- (3) A notice of a person's desire to have the freehold or an extended lease of a house and premises may also be given before the appointed day if it is given in respect of a tenancy of which the term date falls within twelve months after the day this Act is passed, or which is to be or can be terminated within those twelve months either by

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notice given by the landlord or by the operation of section 26 or 28 of the Landlord and Tenant Act 1954 in relation to a request or agreement for a new tenancy made before this Act is passed.

- (4) Where by virtue of subsection (2) or (3) above a notice is given before the appointed day—
- (a) it shall contain the particulars required by Schedule 3 to this Act, but need not be in the prescribed form;
  - (b) if it is given in respect of a sub-tenancy, copies of it shall be served on the same persons other than the recipient as in the case of a notice given after the appointed day;
  - (c) the landlord shall not be required to take any further proceedings before the appointed day and no notice in reply shall be required earlier than one month after the appointed day, but subject to that and to section 35 below, as from the appointed day, the notice shall have effect as if all the provisions of this Part of this Act had come into force on the day it is passed.
- (5) In relation to a notice given by virtue of subsection (2) or (3) above, Part I of Schedule 3 to this Act shall have effect from the day it is passed; but in a case where (by virtue of those subsections or otherwise) a person gives notice, within three months after that day, of his desire to have the freehold or an extended lease and does so in respect of a tenancy falling within subsection (1) above or of any such tenancy as is mentioned in subsection (3), Part I of Schedule 3 shall not have effect to invalidate the notice by reason either—
- (a) that it is given more than two months after a landlord's notice terminating the tenancy has been given under section 4 or 25 of the Landlord and Tenant Act 1954 ; or
  - (b) that it is given after a tenant has made a request for a new tenancy under section 26 of that Act, or is given during the subsistence of an agreement for a future tenancy to which section 28 of that Act applies, not being an agreement entered into after the passing of this Act.
- (6) Where subsection (1) above applies to a tenancy, this Part of this Act shall have effect in relation to any claim by the tenant to acquire the freehold or an extended lease, and in relation to any new tenancy granted under section 14 above, Subject to the following modifications :—
- (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, shall be determined by reference to the terms of the former long tenancy as they applied immediately before its termination and to the circumstances generally of that tenancy; and
  - (b) references to the term date of the existing tenancy, or to the original term date, shall have effect as references to the term date of the former long tenancy.
- (7) Where a statutory tenancy of a house has arisen by virtue of Part I of the Landlord and Tenant Act 1954 and the terms of the tenancy include the carrying out of initial repairs, but (before or after it arose) a notice is by virtue of this section given by the tenant of his desire to have the freehold or an extended lease, then the rights and obligations under the statutory tenancy in relation to initial repairs (together with any order of the court made with respect thereto before the relevant time) shall be suspended during the currency of the notice, except in so far as the court on the application of the landlord or of the tenant may otherwise order ; and—

- (a) if in pursuance of the notice the tenant acquires the freehold, the price payable for the house and premises shall be adjusted as may be proper (regard being had to the rent paid and to be paid under the statutory tenancy) so as to take account of any initial repairs carried out by the landlord before the relevant time, of any order or agreement for the further carrying out by him of any initial repairs thereafter and of any payments for tenant's accrued repairs received by the landlord; or
  - (b) if in pursuance of the notice the tenant acquires an extended lease, there shall be payable by the tenant to the landlord as if it were due under the statutory tenancy on its termination such sum, if any, as may be proper so as to take account of the matters aforesaid (regard being had to the rent paid under the statutory tenancy and to any terms of the new tenancy relating to repairs).
- (8) Where a statutory tenancy of a house has arisen as mentioned in subsection (1)(b) above, and (before or after it arose) a notice is by virtue of this section given by the tenant of his desire to have the freehold or an extended lease, then so long as the notice has effect the tenancy shall continue, and on the tenant's death or bankruptcy shall devolve, as a contractual tenancy would, and the rights and obligations arising from the notice shall continue and devolve accordingly; but this shall not affect any right to retain possession by virtue of the Rent Acts which arises on a death.

### **35 Proceedings and orders under Landlord and Tenant Act 1954.**

- (1) Where a person's notice of his desire to have the freehold or an extended lease under this Part of this Act is given as mentioned in section 34(5)(a) or (b) above, but has effect by virtue of that subsection, then the following provisions of this section shall apply; and in those provisions " claim " and " claimant " mean that notice and the person giving it or for the time being entitled to the rights under it of the person giving it.
- (2) On the making of the claim and, if any application has been made to the court under the Landlord and Tenant Act 1954 in respect of a notice given by the landlord or a request by the claimant for a new tenancy, on the claimant lodging a copy of the claim in the court, any such notice or request under that Act and anything done in pursuance thereof (including any such application and any order resulting therefrom) shall cease to have effect, except as otherwise provided by this section:

Provided that this shall not affect any order as to costs (whether of proceedings in the court or of any appeal) or preclude the making of such an order.

- (3) The making of the claim shall not affect the operation—
- (a) of any landlord's notice containing proposals for a statutory tenancy where all the terms of the statutory tenancy have been agreed or determined in accordance with section 7 of the Landlord and Tenant Act 1954; or
  - (b) of any order of the court under section 29 of that Act for the grant of a new tenancy; or
  - (c) of any agreement for a future tenancy to which section 28 of that Act applies;
- but subject to the provisions of that Act and of section 34 above, the notice, order or agreement, and any statutory tenancy or tenancy arising or granted under it, shall remain unaffected by the claim unless and until effect is given to the claim.
- (4) Where either—
- (a) the landlord has made an application to the court for, or has obtained, an order for the claimant to give up possession on the ground specified in section 12(1)

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(a) (redevelopment) of the Landlord and Tenant Act 1954, and the claim is for an extended lease ; or

(b) the landlord has made an application to the court for, or has obtained, such an order on the ground specified in paragraph 1(e) (residence for landlord or his family) of Schedule 3 to that Act;

then if the landlord gives notice of his willingness to pay compensation and lodges a copy of it in the court, the application may be proceeded with or, as the case may be, the order shall have effect as if the claim had not been made.

(5) Where either—

(a) the court has refused an order for the grant of a new tenancy under Part II of the Landlord and Tenant Act 1954 on the ground specified in section 30(1)(f) (redevelopment), and the claim is for an extended lease ; or

(b) the court has refused an order as aforesaid in accordance with section 30(1)(g) on the ground of the landlord's intention to occupy the holding as his residence ;

then if the landlord gives notice of his willingness to pay compensation, the tenancy shall terminate in accordance with Part II of that Act as if the claim had not been made.

(6) Where the claimant's tenancy is terminated by virtue of subsection (4) or (5) above, and apart from those subsections (and sections 17 and 18 above) he would have been entitled to acquire the freehold or an extended lease in pursuance of the claim, he shall be entitled to recover from the landlord, in lieu of any compensation under the Landlord and Tenant Act 1927 or under section 37 of the Landlord and Tenant Act 1954, the like compensation as is payable where a claim to acquire the freehold or an extended lease is overridden under section 17 or 18 above.

(7) If the claimant's right to compensation under subsection (6) above is disputed, he may apply to the court for an order declaring that he is entitled to the compensation; and any compensation under that subsection shall in default of agreement be assessed, and may be recovered, in like manner as compensation under section 17 or 18 above.

(8) References in this section to the landlord giving notice of his willingness to pay compensation shall be construed as references to his giving to the claimant (whether before or after the making of the claim) written notice that he is willing to pay compensation in accordance with subsection (6) above if so required by that subsection; but a notice of a landlord's willingness to pay compensation shall be of no effect if it is given after the tenancy in question would have terminated but for the claim, or if it is given more than one month after the day on which the claim is made.

(9) In this section references to the landlord shall be construed as references to the landlord proceeding under Part I or II, as the case may be, of the Landlord and Tenant Act 1954.

### **36 Relief in respect of mortgages etc. on landlord's estate.**

(1) Where at the passing of this Act—

(a) a house is held on a long tenancy not having more than twenty years unexpired, or on a long tenancy capable of being determined within twenty years by notice given by the landlord ; and

(b) the estate of the immediate or a superior landlord is charged to secure payment of any sum (otherwise than by way of rentcharge), whether or not the landlord is personally liable as principal or otherwise for the payment of that sum;

then on an application under subsection (2) or (3) below the court may make such order authorised by the subsection as the court thinks proper for the purpose of avoiding or mitigating any financial hardship that might otherwise be caused by the rights conferred on tenants by this Part of this Act.

- (2) In any of the following cases, that is to say,—
- (a) where the landlord proposes during the tenancy (including any extension thereof under this Act) to sell or realise any property which is subject to the charge, or a tenant of the house has given notice under this Part of this Act of his desire to have the freehold ;
  - (b) where during the tenancy (including any such extension) the person entitled to the benefit of the charge has taken any steps to enforce the charge or demanded payment of the sum thereby secured or, if the house or any other property subject to the charge is subject also to another charge created or arising before the commencement of this Part of this Act, a person entitled to the benefit of the other charge has taken any steps to enforce the other charge or demanded payment of the sum thereby secured;

the court may on the application of the landlord make an order providing for all or any of the following:—

- (i) for discharging or modifying any liability in respect of the sum secured by the charge, whether of the landlord or of persons liable jointly with him or as surety for him;
  - (ii) for discharging or modifying the terms of the charge whether as respects the house or any other property subject to the charge, or the terms of any collateral charge;
  - (iii) for restricting the exercise of any right or remedy in respect of any such liability or charge.
- (3) In any of the cases mentioned in subsection (2)(a) and (b) above the court may on the application of the person entitled to the benefit of the charge make an order providing for all or any of the following:—
- (a) for discharging or modifying the terms of any prior charge, whether as respects the house or any other property subject to the charge;
  - (b) for restricting the exercise of any right or remedy in respect of any prior charge on the house or other property subject to the charge.
- (4) Any order under this section may be made either unconditionally or subject to such terms and conditions, including conditions with respect to the payment of money, as the court may think just and equitable to impose.
- (5) Where steps are taken in a court other than the county court to enforce a charge or recover any sum thereby secured, that other court shall have the like powers under this section in relation to that or any other charge as the county court would have in consequence of those steps being taken or, if an application under this section is pending in the county court, may on such terms as the other court thinks just suspend the proceedings for the enforcement of the charge or recovery of the said sum or direct that they be transferred to the county court.