Leasehold Reform Act 1967

1967 CHAPTER 88

PART I

ENFRANCHISEMENT AND EXTENSION OF LONG LEASEHOLDS

Right to enfranchisement or extension

4 Meaning of "low rent".

(1) For purposes of this Part of this Act a tenancy of any property is a tenancy at a low rent at any time when rent is not payable under the tenancy in respect of the property at a yearly rate

[[F1](i) if the tenancy was entered into before 1st April 1990 **[**[F2], or on or after 1st April 1990 in pursuance of a contract made before that date, and the property had a rateable value other than nil at the date of the commencement of the tenancy or else at any time before 1st April 1990,**]]** equal to or more than two-thirds of the rateable value of the property on the appropriate day or, if later, the first day of the term

[[F3](ii) if the tenancy **[**[F4]does not fall within paragraph (i) above,**]** more than £1,000 if the property is in Greater London and £250 if the property is elsewhere**]**:

Provided that a tenancy granted between the end of August 1939 and the beginning of April 1963 otherwise than by way of building lease (whether or not it is, by virtue of section 3(3) above, to be treated for other purposes as forming a single tenancy with a previous tenancy) shall not be regarded as a tenancy at a low rent if at the commencement of the tenancy the rent payable under the tenancy exceeded two-thirds of the letting value of the property (on the same terms).

For the purposes of this subsection—

(a) "appropriate day" means the 23rd March 1965 or such later day as by virtue of **[**[F5]section 25(3) of the [M1]Rent Act 1977**]** would be the appropriate day for purposes of that Act in relation to a dwelling-house consisting of the house in question **[**[F6]if the reference in paragraph (a) of that provision to a rateable value were to a rateable value other than nil**]**; and

Changes to legislation: *There are currently no known outstanding effects for the Leasehold Reform Act 1967, Section 4. (See end of Document for details)*

(b) "rent" means rent reserved as such, and there shall be disregarded any part of the rent expressed to be payable in consideration of services to be provided, or of repairs, maintenance or insurance to be effected by the landlord, or to be payable in respect of the cost thereof to the landlord or a superior landlord; and

(c) there shall be disregarded any term of the tenancy providing for suspension or reduction of rent in the event of damage to property demised, or for any penal addition to the rent in the event of a contravention of or non-compliance with the terms of the tenancy or an agreement collateral thereto; and

(d) "building lease" means a lease granted in pursuance or in consideration of an agreement for the erection or the substantial re-building or reconstruction of the whole or part of the house in question or a building comprising it.

(2) Where on a claim by the tenant of a house to exercise any right conferred by this Part of this Act a question arises under section 1(1) above whether his tenancy of the house is or was at any time a tenancy at a low rent, the question shall be determined by reference to the rent and rateable value of the house and premises as a whole, and in relation to a time before the relevant time shall be so determined whether or not the property then occupied with the house or any part of it was the same in all respects as that comprised in the house and premises for purposes of the claim; but, in a case where the tenancy derives (in accordance with section 3(6) above) from more than one separate tenancy, the proviso to subsection (1) above shall have effect if, but only if, it applies to one of the separate tenancies which comprises the house or part of it.

(3) Where on a claim by the tenant of a house to exercise any right conferred by this Part of this Act a question arises under section 3(2) above whether a tenancy is or was a long tenancy by reason of a previous tenancy having been a long tenancy at a low rent, the question whether the previous tenancy was one at a low rent shall be determined in accordance with subsection (2) above as if it were a question arising under section 1(1), and shall be so determined by reference to the rent and rateable value of the house and premises or the part included in the previous tenancy, exclusive of any other land or premises so included:

Provided that where an apportionment of rent or rateable value is required because the previous tenancy did not include the whole of the house and premises or included other property, the apportionment shall be made as at the end of the previous tenancy except in so far as, in the case of rent, an apportionment falls to be made at an earlier date under subsection (6) below.

(4) For purposes of subsection (2) or (3) above a house and premises shall be taken as not including any premises which are to be or may be included under section 2(4) above in giving effect to the tenant's claim, and as including any part which is to be or may be excluded under section 2(5) or (6).

(5) Where on a claim by the tenant of a house to exercise any right conferred by this Part of this Act a question arises whether a tenancy granted as mentioned in the proviso to subsection (1) above is or was at any time a tenancy at a low rent, it shall be presumed until the contrary is shown that the letting value referred to in that proviso was such that the proviso does not apply.

(6) Any entire rent payable at any time in respect of both a house and premises or part thereof and of property not included in the house and premises shall for purposes of this section be apportioned as may be just according to the circumstances existing at the date of the severance giving rise to the apportionment, and references in this section to the rent of a house and premises or of part thereof shall be construed accordingly.

[[F7](7) Section 1(7) above applies to any amount referred to in subsection (1)(ii) above as it applies to the amount referred to in subsection (1)(a)(ii) of that section.**]**

Textual Amendments

F1 Words inserted by S.I. 1990/434, reg. 2, **Sch. para. 7(a)**

F2 Words in s. 4(1)(i) substituted (1.10.1996) by 1996 c. 52, **s. 105(1)(a)**; S.I. 1996/2212, **arts. 1(2)**, 2(2) (with Sch.)

F3 S. 4(1)(ii) inserted by S.I. 1990/434, reg. 2, **Sch. para. 7(b)**

F4 Words in s. 4(1)(ii) substituted (1.10.1996) by 1996 c. 52, **s. 105(1)(b)**; S.I. 1996/2212, **arts. 1(2)**, 2(2) (with Sch.)

F5 Words substituted by Rent Act 1977 (c. 42), s. 155(2), **Sch. 23 para. 42**

F6 S. 4(1)(a): words in definition of
"appropriate day"
inserted (1.10.1996) by 1996 c. 52, **s. 105(1)(c)**; S.I. 1996/2212, **arts. 1(2)**, 2(2) (with Sch.)

F7 S. 4(7) inserted by S.I. 1990/434, reg. 2, **Sch. para. 8**

Modifications etc. (not altering text)

C1 S. 4(1) (proviso) applied (1.11.1993) by 1993 c. 28, **s. 8(3)**; S.I. 1993/2134, **art. 5(a)**

Marginal Citations

M1 1977 c. 42.

Changes to legislation:
There are currently no known outstanding effects for the Leasehold Reform Act 1967, Section 4.