Leasehold Reform Act 1967

1967 CHAPTER 88

PART I

ENFRANCHISEMENT AND EXTENSION OF LONG LEASEHOLDS

Enfranchisement

9 Purchase price and costs of enfranchisement, and tenant's right to withdraw.

(1) Subject to subsection (2) below, the price payable for a house and premises on a conveyance under section 8 above shall be the amount which at the relevant time the house and premises, if sold in the open market by a willing seller, **[**[F1](with the tenant and members of his family who reside in the house not buying or seeking to buy)**]** might be expected to realise on the following assumptions:—

(a) on the assumption that the vendor was selling for an estate in fee simple, subject to the tenancy but on the assumption that this Part of this Act conferred no right to acquire the freehold, and if the tenancy has not been extended under this Part of this Act, on the assumption that (subject to the landlord's rights under section 17 below) it was to be so extended;

(b) on the assumption that (subject to paragraph (a) above) the vendor was selling subject, in respect of rentcharges . . . [F2] to which section 11(2) below applies, to the same annual charge as the conveyance to the tenant is to be subject to, but the purchaser would otherwise be effectively exonerated until the termination of the tenancy from any liability or charge in respect of tenant's incumbrances; and

(c) on the assumption that (subject to paragraphs (a) and (b) above) the vendor was selling with and subject to the rights and burdens with and subject to which the conveyance to the tenant is to be made, and in particular with and subject to such permanent or extended rights and burdens as are to be created in order to give effect to section 10 below.

[[F3]The reference in this subsection to members of the tenant's family shall be construed in accordance with section 7(7) of this Act.**]**

Status: *Point in time view as at 01/11/1993. This version of this provision has been superseded.*
Changes to legislation: *Leasehold Reform Act 1967, Section 9 is up to date with all changes known to be in force on or before 01 August 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

[[F4](1A) **[**[F5]Notwithstanding the foregoing subsection, the price payable for a house and premises,—

(i) the rateable value of which was above £1,000 in Greater London and £500 elsewhere on 31st March 1990, or,

(ii) which had no rateable value on that date and R exceeded £16,333 under the formula in section 1(1)(a) above (and section 1(7) above shall apply to that amount as it applies to the amount referred to in subsection (1)(a)(ii) of that section)

shall be the amount which at the relevant time the house and premises, if sold in the open market by a willing seller, might be expected to realise on the following assumptions:—**]**

(a) on the assumption that the vendor was selling for an estate in fee simple, subject to the tenancy, but on the assumption that this Part of this Act conferred no right to acquire the freehold; **[**[F6]or an extended lease and, where the tenancy has been extended under this Part of this Act, that the tenancy will terminate on the original term date.**]**

(b) on the assumption that at the end of the tenancy the tenant has the right to remain in possession of the house and premises

[[F7](i) if the tenancy is such a tenancy as is mentioned in subsection (2) or subsection (3) of section 186 of the Local Government and Housing Act [M1]1989, or is a tenancy which is a long tenancy at a low rent for the purposes of Part I of the Landlord and Tenant Act [M2]1954 in respect of which the landlord is not able to serve a notice under section 4 of that Act specifying a date of termination earlier than 15th January 1999, under the provisions of Schedule 10 to the Local Government and Housing Act 1989; and

(ii) in any other case**]** under the provisions of Part I of the [M3]Landlord and Tenant Act 1954;

(c) on the assumption that the tenant has no liability to carry out any repairs, maintenance or redecorations under the terms of the tenancy or Part I of the Landlord and Tenant Act 1954;

(d) on the assumption that the price be diminished by the extent to which the value of the house and premises has been increased by any improvement carried out by the tenant or his predecessors in title at their own expense;

(e) on the assumption that (subject to paragraph (a) above) the vendor was selling subject, in respect of rentcharges . . . [F8] to which section 11(2) below applies, to the same annual charge as the conveyance to the tenant is to be subject to, but the purchaser would otherwise be effectively exonerated until the termination of the tenancy from any liability or charge in respect of tenant's incumbrances; and

(f) on the assumption that (subject to paragraphs (a) and (b) above) the vendor was selling with and subject to the rights and burdens with and subject to which the conveyance to the tenant is to be made, and in particular with and subject to such permanent or extended rights and burdens as are to be created in order to give effect to section 10 below.

(1B) For the purpose of determining whether the rateable value of the house and premises is above £1,000 in Greater London, or £500 elsewhere, the rateable value shall be adjusted to take into account any tenant's improvements in accordance with Schedule 8 to the [M4]Housing Act 1974.**]**

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[[F9](1C) Notwithstanding subsection (1) above, the price payable for a house and premises where the right to acquire the freehold arises by virtue of any one or more of the provisions of sections 1A and 1B above shall be determined in accordance with subsection (1A) above; but in any such case—

(a) if in determining the price so payable there falls to be taken into account any marriage value arising by virtue of the coalescence of the freehold and leasehold interests, the share of the marriage value to which the tenant is to be regarded as being entitled shall not exceed one-half of it; and

(b) section 9A below has effect for determining whether any additional amount is payable by way of compensation under that section;

and in a case where the provision (or one of the provisions) by virtue of which the right to acquire the freehold arises is section 1A(1) above, subsection (1A) above shall apply with the omission of the assumption set out in paragraph (b) of that subsection.**]**

(2) The price payable for the house and premises shall be subject to such deduction (if any) in respect of any defect in the title to be conveyed to the tenant as on a sale in the open market might be expected to be allowed between a willing seller and a willing buyer.

(3) On ascertaining the amount payable, or likely to be payable, as the price for a house and premises in accordance with this section (but not more than one month after the amount payable has been determined by agreement or otherwise), the tenant may give written notice to the landlord that he is unable or unwilling to acquire the house and premises at the price he must pay; and thereupon—

(a) the notice under section 8 above of his desire to have the freehold shall cease to have effect, and he shall be liable to make such compensation as may be just to the landlord in respect of the interference (if any) by the notice with the exercise by the landlord of his power to dispose of or deal with the house and premises or any neighbouring property; and

(b) any further notice given under that section with respect to the house or any part of it (with or without other property) shall be void if given within the following **[**[F10]three years**]**.

(4) Where a person gives notice of his desire to have the freehold of a house and premises under this Part of this Act, then unless the notice lapses under any provision of this Act excluding his liability, there shall be borne by him (so far as they are incurred in pursuance of the notice) the reasonable costs of or incidental to any of the following matters:—

(a) any investigation by the landlord of that person's right to acquire the freehold;

(b) any conveyance or assurance of the house and premises or any part thereof or of any outstanding estate or interest therein;

(c) deducing, evidencing and verifying the title to the house and premises or any estate or interest therein;

(d) making out and furnishing such abstracts and copies as the person giving the notice may require;

(e) any valuation of the house and premises;

but so that this subsection shall not apply to any costs if on a sale made voluntarily a stipulation that they were to be borne by the purchaser would be void.

(5) The landlord's lien (as vendor) on the house and premises for the price payable shall extend—

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(a) to any sums payable by way of rent or recoverable as rent in respect of the house and premises up to the date of the conveyance; and

(b) to any sums for which the tenant is liable under subsection (4) above; and

(c) to any other sums due and payable by him to the landlord under or in respect of the tenancy or any agreement collateral thereto.

Textual Amendments

F1 Words inserted retrospectively by Housing Act 1969 (c. 33), **s. 82**

F2 Words repealed by Rentcharges Act 1977 (c. 30), s. 17(4), **Sch. 2**

F3 Words added retrospectively by Housing Act 1969 (c. 33), **s. 82**

F4 S. 9(1A)(1B) inserted by Housing Act 1974 (c. 44), **s. 118(4)**

F5 Words substituted by S.I. 1990/434, reg. 2, **Sch. para. 9**

F6 Words inserted by Housing and Planning Act 1986 (c. 63, SIF 75:1), **s. 23(1)(3)**

F7 S. 9(1A)(b)(i) and words following inserted by Local Government and Housing Act 1989 (c. 42, SIF 75:1), s. 194(1), **Sch. 11 para. 9**

F8 Words repealed by Rentcharges Act 1977 (c. 30), s. 17(4), **Sch. 2**

F9 S. 9(1C) inserted (1.11.1993) by 1993 c. 28, **s. 66(1)**; S.I. 1993/2134, **art. 5(a)**

F10 Words substituted by Housing Act 1980 (c. 51), **Sch. 21 para. 1(2)**

Modifications etc. (not altering text)

C1 S. 9(1)(a) modified (1.11.1993) by 1993 c. 28, **s. 73(10)(a)**; S.I. 1993/ 2134, art 5(a)

C2 S. 9(1A) extended by Housing Act 1985 (c. 68, SIF 61), **s. 175(1)**

C3 S. 9(4) excluded (1.11.1993) by 1993 c. 28, **s. 74(4)**; S.I. 1993/2134, **art. 5(a)**

Marginal Citations

M1 1989 c.42 (**75:1**).

M2 1954 c.56 (**75:1**).

M3 1954 c. 56.

M4 1974 c. 44.

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