



Law of Property Act 1969

1969 CHAPTER 59

PART I

AMENDMENT OF PART II OF LANDLORD AND TENANT ACT 1954

Termination of tenancy and right to new tenancy

4 Restriction on termination of tenancy by agreement

- (1) At the end of section 24(2) of the Act of 1954 (which includes notice to quit by the tenant and surrender among the means by which a tenancy to which Part II of that Act applies can be brought to an end) there shall be added the words " unless—
- (a) in the case of a notice to quit, the notice was given before the tenant had been in occupation in right of the tenancy for one month ; or
 - (b) in the case of an instrument of surrender, the instrument was executed before, or was executed in pursuance of an agreement made before, the tenant had been in occupation in right of the tenancy for one month."
- (2) Section 27 of the Act of 1954 (termination by tenant of tenancy for fixed term) shall be amended as follows:—
- (a) at the end of subsection (1) (notice by tenant that he does not desire tenancy to be continued) there shall be added the words " unless the notice is given before the tenant has been in occupation in right of the tenancy for one month "; and
 - (b) in subsection (2) (termination on quarter day by tenant's notice) the words " before or " shall be omitted and at the end of the subsection there shall be added the words " or before that date, but not before the tenant has been in occupation in right of the tenancy for one month ".

5 Exclusion of provisions of Part II of Act of 1954 by authorised agreement

In subsection (1) of section 38 of the Act of 1954 (restriction on agreements excluding provisions of Part II) after the words "shall be void" there shall be inserted the words

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" (except as provided by subsection (4) of this section) " and at the end of the section there shall be added the following subsection:—

“(4) The court may—

- (a) on the joint application of the persons who will be the landlord and the tenant in relation to a tenancy to be granted for a term of years certain which will be a tenancy to which this Part of this Act applies, authorise an agreement excluding in relation to that tenancy the provisions of sections 24 to 28 of this Act; and
- (b) on the joint application of the persons who are the landlord and the tenant in relation to a tenancy to which this Part of this Act applies, authorise an agreement for the surrender of the tenancy on such date or in such circumstances as may be specified in the agreement and on such terms (if any) as may be so specified;

if the agreement is contained in or endorsed on the instrument creating the tenancy or such other instrument as the court may specify; and an agreement contained in or endorsed on an instrument in pursuance of an authorisation given under this subsection shall be valid notwithstanding anything in the preceding provisions of this section.”

6 Business carried on by company controlled by landlord

At the end of section 30 of the Act of 1954 there shall be added the following subsection:—

“(3) Where the landlord has a controlling interest in a company any business to be carried on by the company shall be treated for the purposes of subsection (1) (g) of this section as a business to be carried on by him.

For the purposes of this subsection, a person has a controlling interest in a company if and only if either—

- (a) he is a member of it and able, without the consent of any other person, to appoint or remove the holders of at least a majority of the directorships ;
or
- (b) he holds more than one-half of its equity share capital, there being disregarded any shares held by him in a fiduciary capacity or as nominee for another person;

and in this subsection ' company' and ' share' have the meanings assigned to them by section 455(1) of the Companies Act 1948 and ' equity share capital' the meaning assigned to it by section 154(5) of that Act.”

7 Grant of new tenancy in some cases where section 30(1)(f) applies

(1) After section 31 of the Act of 1954 there shall be inserted the following section:—

(1) Where the landlord opposes an application under section 24(1) of this Act on the ground specified in paragraph (f) of section 30(1) of this Act the court shall not hold that the landlord could not reasonably carry out the demolition, reconstruction or work of construction intended without obtaining possession of the holding if—

- (a) the tenant agrees to the inclusion in the terms of the new tenancy of terms giving the landlord access and other facilities for carrying out the work intended and, given that access and those facilities,

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the landlord could reasonably carry out the work without obtaining possession of the holding and without interfering to a substantial extent or for a substantial time with the use of the holding for the purposes of the business carried on by the tenant; or

- (b) the tenant is willing to accept a tenancy of an economically separable part of the holding and either paragraph (a) of this section is satisfied with respect to that part or possession of the remainder of the holding would be reasonably sufficient to enable the landlord to carry out the intended work.

- (2) For the purposes of subsection (1)(b) of this section a part of a holding shall be deemed to be an economically separable part if, and only if, the aggregate of the rents which, after the completion of the intended work, would be reasonably obtainable on separate lettings of that part and the remainder of the premises affected by or resulting from the work would not be substantially less than the rent which would then be reasonably obtainable on a letting of those premises as a whole.”

- (2) In section 32 of the Act of 1954 (property to be comprised in new tenancy) for the words " Subject to the next following subsection " there shall be substituted the words " Subject to the following provisions of this section " ; and after subsection (1) there shall be inserted the following subsection:—

“(1A) Where the court, by virtue of paragraph (b) of section 31A(1) of this Act, makes an order under section 29 of this Act for the grant of a new tenancy in a case where the tenant is willing to accept a tenancy of part of the holding, the order shall be an order for the grant of a new tenancy of that part only.”

8 Power to exclude rights enjoyed with holding

At the end of section 32(3) of the Act of 1954 (rights to be included in new tenancy) there shall be added the words " except as otherwise agreed between the landlord and the tenant or, in default of such agreement, determined by the court. "

9 Partnerships

After section 41 of the Act of 1954 there shall be inserted the following section:—

- (1) The following provisions of this section shall apply where—
 - (a) a tenancy is held jointly by two or more persons (in this section referred to as the joint tenants); and
 - (b) the property comprised in the tenancy is or includes premises occupied for the purposes of a business; and
 - (c) the business (or some other business) was at some time during the existence of the tenancy carried on in partnership by all the persons who were then the joint tenants or by those and other persons and the joint tenants' interest in the premises was then partnership property; and
 - (d) the business is carried on (whether alone or in partnership with other persons) by one or some only of the joint tenants and no part of the property comprised in the tenancy is occupied, in right of the tenancy, for the purposes of a business carried on (whether alone or in partnership with other persons) by the other or others.

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- (2) In the following provisions of this section those of the joint tenants who for the time being carry on the business are referred to as the business tenants and the others as the other joint tenants.
- (3) Any notice given by the business tenants which, had it been given by all the joint tenants, would have been—
 - (a) a tenant's request for a new tenancy made in accordance with section 26 of this Act; or
 - (b) a notice under subsection (1) or subsection (2) of section 27 of this Act; shall be treated as such if it states that it is given by virtue of this section and sets out the facts by virtue of which the persons giving it are the business tenants; and references in those sections and in section 24A of this Act to the tenant shall be construed accordingly.
- (4) A notice given by the landlord to the business tenants which, had it been given to all the joint tenants, would have been a notice under section 25 of this Act shall be treated as such a notice, and references in that section to the tenant shall be construed accordingly.
- (5) An application under section 24(1) of this Act for a new tenancy may, instead of being made by all the joint tenants, be made by the business tenants alone; and where it is so made—
 - (a) this Part of this Act shall have effect, in relation to it, as if the references therein to the tenant included references to the business tenants alone ; and
 - (b) the business tenants shall be liable, to the exclusion of the other joint tenants, for the payment of rent and the discharge of any other obligation under the current tenancy for any rental period beginning after the date specified in the landlord's notice under section 25 of this Act or, as the case may be, beginning on or after the date specified in their request for a new tenancy.
- (6) Where the court makes an order under section 29(1) of this Act for the grant of a new tenancy on an application made by the business tenants it may order the grant to be made to them or to them jointly with the persons carrying on the business in partnership with them, and may order the grant to be made subject to the satisfaction, within a time specified by the order, of such conditions as to guarantors, sureties or otherwise as appear to the court equitable, having regard to the omission of the other joint tenants from the persons who will be the tenant under the new tenancy.
- (7) The business tenants shall be entitled to recover any amount payable by way of compensation under section 37 or section 59 of this Act.”

10 Group of companies

For subsection (3) of section 42 of the Act of 1954 (Group of companies) there shall be substituted the following subsection:—

- “(3) Where the landlord's interest is held by a member of a group—
- (a) the reference in paragraph (g) of subsection (1) of section 30 of this Act to intended occupation by the landlord for the purposes of a business to be carried on by him shall be construed as including intended

- occupation by any member of the group for the purposes of a business to be carried on by that member; and
- (b) the reference in subsection (2) of that section to the purchase or creation of any interest shall be construed as a reference to a purchase from or creation by a person other than a member of the group.”