



Rent Act 1977

1977 CHAPTER 42

PART I

PRELIMINARY

Restricted contracts

19 Restricted contracts

- (1) A contract to which this section applies is, in this Act, referred to as a "restricted contract".
- (2) Subject to section 144 of this Act, this section applies to a contract, whether entered into before or after the commencement of this Act, whereby one person grants to another person, in consideration of a rent which includes payment for the use of furniture or for services, the right to occupy a dwelling as a residence.
- (3) A contract is not a restricted contract if the dwelling falls within one of the Classes set out in subsection (4) below.
- (4) Where alternative rateable values are mentioned in this subsection, the higher applies if the dwelling is in Greater London and the lower applies if it is elsewhere.

Class D

The appropriate day in relation to the dwelling falls or fell on or after 1st April 1973 and the dwelling on the appropriate day has or had a rateable value exceeding £1,500 or £750.

Class E

The appropriate day in relation to the dwelling fell before, 1st April 1973 and the dwelling—

- (a) on the appropriate day had a rateable value exceeding £400 or £200, and
 - (b) on 1st April 1973 had a rateable value exceeding £1,500 or £750.
- (5) A contract is not a restricted contract if—
 - (a) it creates a regulated tenancy; or

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- (b) under the contract the interest of the lessor belongs to Her Majesty in right of the Crown or of the Duchy of Lancaster or to the Duchy of Cornwall or to a government department, or is held in trust for Her Majesty for the purposes of a government department ; or
 - (c) it is a contract for the letting of any premises at a rent which includes payment in respect of board if the value of the board to the lessee forms a substantial proportion of the whole rent;
 - (d) it is a protected occupancy as defined in the Rent (Agriculture) Act 1976 ; or
 - (e) it creates a tenancy to which Part VI of this Act applies.
- (6) Subject to subsections (3) to (5) above, and to paragraph 17 of Schedule 24 to this Act, a contract falling within subsection (2) above and relating to a dwelling which consists of only part of a house is a restricted contract whether or not the lessee is entitled, in addition to exclusive occupation of that part, to the use in common with any other person of other rooms or accommodation in the house.
- (7) No right to occupy a dwelling for a holiday shall be treated for the purposes of this section as a right to occupy it as a residence.
- (8) In this section—
- " dwelling " means a house or part of a house;
 - " lessee " means the person to whom is granted, under a restricted contract, the right to occupy the dwelling in question as a residence and any person directly or indirectly deriving title from the grantee; and
 - " lessor " means the person who, under a restricted contract, grants to another the right to occupy the dwelling in question as a residence and any person directly or indirectly deriving title from the grantor; and
 - " services " includes attendance, the provision of heating or lighting, the supply of hot water and any other privilege or facility connected with the occupancy of a dwelling, other than a privilege or facility requisite for the purposes of access, cold water supply or sanitary accommodation.

20 Certain unfurnished tenancies to be treated as restricted contracts

If and so long as a tenancy is, by virtue only of section 12 of this Act, precluded from being a protected tenancy it shall be treated as a restricted contract notwithstanding that the rent may not include payment for the use of furniture or for services.