



Landlord and Tenant Act 1987

1987 CHAPTER 31

PART I

TENANTS' RIGHTS OF FIRST REFUSAL

[^{F1} Enforcement by tenants of rights against purchaser]

[^{F1}12B Right of qualifying tenants to compel sale, &c. by purchaser.

- (1) This section applies where—
 - (a) the original disposal consisted of entering into a contract and no notice has been served under section 12A (right of qualifying tenants to take benefit of contract), or
 - (b) the original disposal did not consist of entering into a contract.
- (2) The requisite majority of qualifying tenants of the constituent flats may serve a notice (a “purchase notice”) on the purchaser requiring him to dispose of the estate or interest that was the subject-matter of the original disposal, on the terms on which it was made (including those relating to the consideration payable), to a person or persons nominated for the purposes of this section by any such majority of qualifying tenants of those flats.
- (3) Any such notice must be served before the end of the period of six months beginning—
 - (a) if a notice was served on the purchaser under section 11A (right to information as to terms of disposal, &c.), with the date on which the purchaser complied with that notice;
 - (b) in any other case, with the date by which—
 - (i) notices under section 3A of the ^{M1}Landlord and Tenant Act 1985 (duty of new landlord to inform tenants of rights) relating to the original disposal, or
 - (ii) where that section does not apply, documents of any other description indicating that the original disposal has taken place, and alerting the

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tenants to the existence of their rights under this Part and the time within which any such rights must be exercised,

have been served on the requisite majority of qualifying tenants of the constituent flats.

(4) A purchase notice shall where the original disposal related to other property in addition to premises to which this Part applied at the time of the disposal—

- (a) require the purchaser only to make a disposal relating to those premises, and
- (b) require him to do so on the terms referred to in subsection (2) with any necessary modifications.

In such a case the purchase notice may specify the subject-matter of the disposal, and the terms on which the disposal is to be made (whether doing so expressly or by reference to the original disposal), or may provide for those matters to be determined by [^{F2}the appropriate tribunal].

(5) Where the property which the purchaser is required to dispose of in pursuance of the purchase notice has since the original disposal become subject to any charge or other incumbrance, then, unless the court by order directs otherwise—

- (a) in the case of a charge to secure the payment of money or the performance of any other obligation by the purchaser or any other person, the instrument by virtue of which the property is disposed of by the purchaser to the person or persons nominated for the purposes of this section shall (subject to the provisions of Part I of Schedule 1) operate to discharge the property from that charge; and
- (b) in the case of any other incumbrance, the property shall be so disposed of subject to the incumbrance but with a reduction in the consideration payable to the purchaser corresponding to the amount by which the existence of the incumbrance reduces the value of the property.

(6) Subsection (5)(a) and Part I of Schedule 1 apply, with any necessary modifications, to mortgages and liens as they apply to charges; but nothing in those provisions applies to a rentcharge.

(7) Where the property which the purchaser is required to dispose of in pursuance of the purchase notice has since the original disposal increased in monetary value owing to any change in circumstances (other than a change in the value of money), the amount of the consideration payable to the purchaser for the disposal by him of the property in pursuance of the purchase notice shall be the amount that might reasonably have been obtained on a corresponding disposal made on the open market at the time of the original disposal if the change in circumstances had already taken place.]

Textual Amendments

- F1** Ss. 11, 11A, 12A-12D, 13, 14 and crossheading substituted for ss. 11-15 (1.10.1996) by [1996 c. 52, s. 92\(1\)](#), [Sch. 6 Pt. II](#); [S.I. 1996/2212, art. 2\(2\)](#) (with [Sch.](#))
- F2** Words in s. 12B(4) substituted (1.7.2013) by [The Transfer of Tribunal Functions Order 2013 \(S.I. 2013/1036\)](#), [art. 1](#), [Sch. 1 para. 61](#) (with [Sch. 3](#))

Marginal Citations

- M1** 1985 c 70.

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 24(2)(abb) inserted by [2002 c. 15 Sch. 10 para. 14](#)