



Leasehold Reform, Housing and Urban Development Act 1993

1993 CHAPTER 28

PART I

LANDLORD AND TENANT

CHAPTER I

COLLECTIVE ENFRANCHISEMENT IN CASE OF TENANTS OF FLATS

Procedure following giving of initial notice

17 [F1Rights of access.]

- (1) Once the initial notice or a copy of it has been given in accordance with section 13 or Part II of Schedule 3 to the reversioner or to any other relevant landlord, that person and any person authorised to act on his behalf shall, in the case of—
 - (a) any part of the specified premises, or
 - (b) any part of any property specified in the notice under section 13(3)(a)(ii),in which he has a freehold or leasehold interest which is included in the proposed acquisition by the nominee purchaser, have a right of access thereto for the purpose of enabling him to obtain a valuation of that interest in connection with the notice [F2or if it is reasonable in connection with any other matter arising out of the claim to exercise the right to collective enfranchisement].
- (2) Once the initial notice has been given in accordance with section 13, the nominee purchaser and any person authorised to act on his behalf shall have a right of access to—
 - (a) any part of the specified premises, or
 - (b) any part of any property specified in the notice under section 13(3)(a)(ii),

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where such access is reasonably required by the nominee purchaser in connection with any matter arising out of the notice.

- (3) A right of access conferred by this section shall be exercisable at any reasonable time and on giving not less than 10 days' notice to the occupier of any premises to which access is sought (or, if those premises are unoccupied, to the person entitled to occupy them).

Textual Amendments

- F1** S. 17 sidenote substituted (26.7.2002 for E. and 1.1.2003 for W.) by [Commonhold and Leasehold Reform Act 2002 \(c. 15\), s. 125\(2\)](#); S.I. 2002/1912, [art. 2\(b\)\(i\)](#) (subject to [Sch. 2](#)); S. I. 2002/3012, [art. 2\(b\)\(i\)](#) (subject to [Sch. 2](#))
- F2** Words in s. 17(1) inserted (26.7.2002 for E. and 1.1.2003 for W.) by [Commonhold and Leasehold Reform Act 2002 \(c. 15\), s. 125\(1\)](#); S.I. 2002/1912, [art. 2\(b\)\(i\)](#) (subject to [Sch. 2](#)); S. I. 2002/3012, [art. 2\(b\)\(i\)](#) (subject to [Sch. 2](#))

18 Duty of nominee purchaser to disclose existence of agreements affecting specified premises etc.

- (1) If at any time during the period beginning with the relevant date and ending with the [^{F3}time when a binding contract is entered into in pursuance of the initial notice] —
- (a) there subsists between the nominee purchaser and a person other than a participating tenant any agreement (of whatever nature) providing for the disposal of a relevant interest, or
 - (b) if the nominee purchaser is a company, any person other than a participating tenant holds any share in that company by virtue of which a relevant interest may be acquired,

the existence of that agreement or shareholding shall be notified to the reversioner by the nominee purchaser as soon as possible after the agreement or shareholding is made or established or, if in existence on the relevant date, as soon as possible after that date.

- (2) If—
- (a) the nominee purchaser is required to give any notification under subsection (1) but fails to do so before the price payable to the reversioner or any other relevant landlord in respect of the acquisition of any interest of his by the nominee purchaser is determined for the purposes of Schedule 6, and
 - (b) it may reasonably be assumed that, had the nominee purchaser given the notification, it would have resulted in the price so determined being increased by an amount referable to the existence of any agreement or shareholding falling within subsection (1)(a) or (b),

the nominee purchaser and the participating tenants shall be jointly and severally liable to pay the amount to the reversioner or (as the case may be) the other relevant landlord.

- (3) In subsection (1) “relevant interest” means any interest in, or in any part of, the specified premises or any property specified in the initial notice under section 13(3)(a)(ii).
- (4) Paragraph (a) of subsection (1) does not, however, apply to an agreement if the only disposal of such an interest for which it provides is one consisting in the creation of an interest by way of security for a loan.

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Textual Amendments

- F3** Words in s. 18(1) substituted (28.2.2005 for E., 31.5.2005 for W.) by [Commonhold and Leasehold Reform Act 2002 \(c. 15\)](#), [ss. 126\(2\), 181\(1\)](#); [S.I. 2004/3056](#), [art. 3\(a\)](#) (as amended by [S.I. 2005/193](#), [art. 2](#)); [S.I. 2005/1353](#), [art. 2\(a\)](#)

19 Effect of initial notice as respects subsequent transactions by freeholder etc.

- (1) Where the initial notice has been registered in accordance with section 97(1), then so long as it continues in force—

- (a) [^{F4}any person who owns the freehold of the whole or any part of the specified premises or the freehold of any property specified in the notice under section 13(3)(a)(ii)] shall not—

- (i) make any disposal severing his interest in those premises or in [^{F5}that property], or
(ii) grant out of that interest any lease under which, if it had been granted before the relevant date, the interest of the tenant would to any extent have been liable on that date to acquisition by virtue of section 2(1)(a) or (b); and

- (b) no other relevant landlord shall grant out of his interest in the specified premises or in any property so specified any such lease as is mentioned in paragraph (a)(ii);

and any transaction shall be void to the extent that it purports to effect any such disposal or any such grant of a lease as is mentioned in paragraph (a) or (b).

- (2) Where the initial notice has been so registered and at any time when it continues in force—

- [^{F6}(a) any person who owns the freehold of the whole or any part of the specified premises or the freehold of any property specified in the notice under section 13(3)(a)(ii) disposes of his interest in those premises or that property,]
or

- (b) any other relevant landlord disposes of any interest of his specified in the notice under section 13(3)(c)(i),

subsection (3) below shall apply in relation to that disposal.

- (3) Where this subsection applies in relation to any such disposal as is mentioned in subsection (2)(a) or (b), all parties shall for the purposes of this Chapter be in the same position as if the person acquiring the interest under the disposal—

- (a) had become its owner before the initial notice was given (and was accordingly a relevant landlord in place of the person making the disposal), and
(b) had been given any notice or copy of a notice given under this Chapter to that person, and
(c) had taken all steps which that person had taken;

and, if any subsequent disposal of that interest takes place at any time when the initial notice continues in force, this subsection shall apply in relation to that disposal as if any reference to the person making the disposal included any predecessor in title of his.

- (4) Where immediately before the relevant date there is in force a binding contract relating to the disposal to any extent—

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- [^{F7}(a) by any person who owns the freehold of the whole or any part of the specified premises or the freehold of any property specified in the notice under section 13(3)(a)(ii),]
- (b) by any other relevant landlord,
- of any interest of his falling within subsection (2)(a) or (b), then, so long as the initial notice continues in force, the operation of the contract shall be suspended so far as it relates to any such disposal.

(5) Where—

- (a) the operation of a contract has been suspended under subsection (4) (“the suspended contract”), and
- (b) a binding contract is entered into in pursuance of the initial notice,
- then (without prejudice to the general law as to the frustration of contracts) the person referred to in paragraph (a) or (b) of that subsection shall, together with all other persons, be discharged from the further performance of the suspended contract so far as it relates to any such disposal as is mentioned in subsection (4).

- (6) In subsections (4) and (5) any reference to a contract (except in the context of such a contract as is mentioned in subsection (5)(b)) includes a contract made in pursuance of an order of any court; but those subsections do not apply to any contract providing for the eventuality of a notice being given under section 13 in relation to the whole or part of the property in which any such interest as is referred to in subsection (4) subsists.

Textual Amendments

- F4** Words in s. 19(1)(a) substituted (1.10.1996) by 1996 c. 52, s. 107, **Sch. 10 para. 7(2)(a)**; S.I. 1996/2212, **art. 2(2)** (with savings in **Sch.**)
- F5** Words in s. 19(1)(a)(i) substituted (1.10.1996) by 1996 c. 52, s. 107, **Sch. 10 para. 7(2)(b)**; S.I. 1996/2212, **art. 2(2)** (with savings in **Sch.**)
- F6** S. 19(2)(a) substituted (1.10.1996) by 1996 c. 52, s. 107, **Sch. 10 para. 7(3)**; S.I. 1996/2212, **art. 2(2)** (with savings in **Sch.**)
- F7** S. 19(4)(a) substituted (1.10.1996) by 1996 c. 52, s. 107, **Sch. 10 para. 7(4)**; S.I. 1996/2212, **art. 2(2)** (with savings in **Sch.**)

20 Right of reversioner to require evidence of tenant’s right to participate.

- (1) The reversioner in respect of the specified premises may, within the period of 21 days beginning with the relevant date, give the nominee purchaser a notice requiring him, in the case of any person by whom the initial notice was given, to deduce the title of that person to the lease by virtue of which it is claimed that he is a qualifying tenant of a flat contained in the specified premises.
- (2) The nominee purchaser shall comply with any such requirement within the period of 21 days beginning with the date of the giving of the notice.
- (3) Where—
- (a) the nominee purchaser fails to comply with a requirement under subsection (1) in the case of any person within the period mentioned in subsection (2), and
- (b) the initial notice would not have been given in accordance with section 13(2) if—
- (i) that person, and

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(ii) any other person in the case of whom a like failure by the nominee purchaser has occurred,
 had been neither included among the persons who gave the notice nor included among the qualifying tenants of the flats referred to in that provision,
 the initial notice shall be deemed to have been withdrawn at the end of that period.

21 Reversioner's counter-notice.

- (1) The reversioner in respect of the specified premises shall give a counter-notice under this section to the nominee purchaser by the date specified in the initial notice in pursuance of section 13(3)(g).
- (2) The counter-notice must comply with one of the following requirements, namely—
 - (a) state that the reversioner admits that the participating tenants were on the relevant date entitled to exercise the right to collective enfranchisement in relation to the specified premises;
 - (b) state that, for such reasons as are specified in the counter-notice, the reversioner does not admit that the participating tenants were so entitled;
 - (c) contain such a statement as is mentioned in paragraph (a) or (b) above but state that an application for an order under subsection (1) of section 23 is to be made by such appropriate landlord (within the meaning of that section) as is specified in the counter-notice, on the grounds that he intends to redevelop the whole or a substantial part of the specified premises.
- (3) If the counter-notice complies with the requirement set out in subsection (2)(a), it must in addition—
 - (a) state which (if any) of the proposals contained in the initial notice are accepted by the reversioner and which (if any) of those proposals are not so accepted, and specify—
 - (i) in relation to any proposal which is not so accepted, the reversioner's counter-proposal, and
 - (ii) any additional leaseback proposals by the reversioner;
 - (b) if (in a case where any property specified in the initial notice under section 13(3)(a)(ii) is property falling within section 1(3)(b)) any such counter-proposal relates to the grant of rights or the disposal of any freehold interest in pursuance of section 1(4), specify—
 - (i) the nature of those rights and the property over which it is proposed to grant them, or
 - (ii) the property in respect of which it is proposed to dispose of any such interest,
 as the case may be;
 - (c) state which interests (if any) the nominee purchaser is to be required to acquire in accordance with subsection (4) below;
 - (d) state which rights (if any) [^{F8}any] relevant landlord, desires to retain—
 - (i) over any property in which he has any interest which is included in the proposed acquisition by the nominee purchaser, or
 - (ii) over any property in which he has any interest which the nominee purchaser is to be required to acquire in accordance with subsection (4) below,

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- on the grounds that the rights are necessary for the proper management or maintenance of property in which he is to retain a freehold or leasehold interest; and
- (e) include a description of any provisions which the reversioner or any other relevant landlord considers should be included in any conveyance to the nominee purchaser in accordance with section 34 and Schedule 7.
- (4) The nominee purchaser may be required to acquire on behalf of the participating tenants the interest in any property of [^{F9}any] relevant landlord, if the property—
- (a) would for all practical purposes cease to be of use and benefit to him, or
 - (b) would cease to be capable of being reasonably managed or maintained by him,
- in the event of his interest in the specified premises or (as the case may be) in any other property being acquired by the nominee purchaser under this Chapter.
- (5) Where a counter-notice specifies any interest in pursuance of subsection (3)(c), the nominee purchaser or any person authorised to act on his behalf shall, in the case of any part of the property in which that interest subsists, have a right of access thereto for the purpose of enabling the nominee purchaser to obtain, in connection with the proposed acquisition by him, a valuation of that interest; and subsection (3) of section 17 shall apply in relation to the exercise of that right as it applies in relation to the exercise of a right of access conferred by that section.
- (6) Every counter-notice must specify an address in England and Wales at which notices may be given to the reversioner under this Chapter.
- (7) The reference in subsection (3)(a)(ii) to additional leaseback proposals is a reference to proposals which relate to the leasing back, in accordance with section 36 and Schedule 9, of flats or other units contained in the specified premises and which are made either—
- (a) in respect of flats or other units in relation to which Part II of that Schedule is applicable but which were not specified in the initial notice under section 13(3)(c)(ii), or
 - (b) in respect of flats or other units in relation to which Part III of that Schedule is applicable.
- (8) Schedule 4 (which imposes requirements as to the furnishing of information by the reversioner about the exercise of rights under Chapter II with respect to flats contained in the specified premises) shall have effect.

Textual Amendments

- F8** Words in s. 21(3)(d) substituted (1.10.1996) by 1996 c. 52, s. 107, **Sch. 10 para. 8(2)**; S.I. 1996/2212, **art. 2(2)** (with savings in **Sch.**)
- F9** Words in s. 21(4) substituted (1.10.1996) by 1996 c. 52, s. 107, **Sch. 10 para. 8(3)**; S.I. 1996/2212, **art. 2(2)** (with savings in **Sch.**)

Modifications etc. (not altering text)

- C1** S. 21 amended (E.) (10.4.2003) by the **The Leasehold Reform (Collective Enfranchisement) (Counter-notices) (England) Regulations 2002** (S.I. 2002/3208), **regs. 4, 5**

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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. 12A and cross-heading inserted by [2002 c. 15 s. 123\(1\)](#)
- s. 12A(3)(a)(b) words substituted by [S.I. 2009/1941 Sch. 1 para. 140\(5\)](#)
- s. 12A(4)(a) words substituted by [S.I. 2009/1941 Sch. 1 para. 140\(5\)](#)
- s. 12A(4)(c) words substituted by [S.I. 2009/1941 Sch. 1 para. 140\(5\)](#)
- s. 13(2ZA) inserted by [2002 c. 15 s. 121\(3\)](#)
- s. 13(2ZB) inserted by [2002 c. 15 s. 123\(2\)](#)
- s. 13(5A) inserted by [2002 c. 15 Sch. 8 para. 6\(3\)](#)
- s. 29(4A) inserted by [2002 c. 15 Sch. 8 para. 18\(2\)](#)
- s. 29(4A) words added by [S.I. 2003/2096 Sch. para. 20\(b\)](#)
- s. 29(4A)(a) words omitted by [S.I. 2003/2096 Sch. para. 20\(a\)](#)
- s. 29(4A)(d) words substituted by [S.I. 2009/1941 Sch. 1 para. 140\(6\)](#)
- s. 70(15) inserted by [2023 asc 3 Sch. 13 para. 166\(b\)](#)
- s. 78(5A)-(5C) inserted by [2008 c. 17 Sch. 12 para. 15\(3\)](#)
- s. 78(7) inserted by [2008 c. 17 Sch. 12 para. 15\(4\)](#)
- s. 79(2)(2A) substituted for s. 79(2) by [2002 c. 15 Sch. 10 para. 16\(3\)](#)
- s. 156(4) repealed by [2014 asp 14 sch. 2 para. 7](#)
- Sch. 20 para. 5(1A) inserted by [2008 c. 29 Sch. 9 para. 5\(2\)](#)