

*Status: Point in time view as at 30/09/2003.*

*Changes to legislation: Leasehold Reform, Housing and Urban Development Act 1993, Part IV is up to date with all changes known to be in force on or before 21 May 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)*

## SCHEDULES

### SCHEDULE 6

#### PURCHASE PRICE PAYABLE BY NOMINEE PURCHASER

##### Commencement Information

**II** Sch. 6 wholly in force at 1.11.1993 see s. 188(2) and S.I. 1993/2134, art. 5

#### PART IV

##### OTHER INTERESTS TO BE ACQUIRED

###### *Price payable for other interests*

- 10 (1) Where the nominee purchaser is to acquire any freehold interest in pursuance of section 1(2)(a) or (4) or section 21(4), then (subject to sub-paragraph (3) below) the price payable for that interest shall be the aggregate of—
- (a) the value of the interest as determined in accordance with paragraph 11,
  - (b) any share of the marriage value to which the owner of the interest is entitled under paragraph 12, and
  - (c) any amount of compensation payable to the owner of the interest in accordance with paragraph 13.
- (2) Where the nominee purchaser is to acquire any leasehold interest by virtue of section 2(1) other than an intermediate leasehold interest, or he is to acquire any leasehold interest in pursuance of section 21(4), then (subject to sub-paragraph (3) below) the price payable for that interest shall be the aggregate of—
- (a) the value of the interest as determined in accordance with paragraph 11, and
  - (b) any amount of compensation payable to the owner of the interest in accordance with paragraph 13.
- (3) Where in the case of any interest the amount arrived at in accordance with sub-paragraph (1) or (2) is a negative amount, the price payable by the nominee purchaser for the interest shall be nil.

###### *Value of other interests*

- 11 (1) In the case of any such freehold interest as is mentioned in paragraph 10(1), paragraph 3 shall apply for determining the value of the interest with such modifications as are appropriate to relate it to a sale of the interest subject (where applicable) to any leases intermediate between that interest and any lease held by a qualifying tenant of a flat contained in the specified premises.
- (2) In the case of any such leasehold interest as is mentioned in paragraph 10(2), then—

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- (a) (unless paragraph (b) below applies) paragraph 3 shall apply as mentioned in sub-paragraph (1) above;
  - (b) if it is the interest of the tenant under a minor intermediate lease within the meaning of paragraph 7, sub-paragraphs (2) to (10) of that paragraph shall apply with such modifications as are appropriate for determining the value of the interest.
- (3) In its application in accordance with sub-paragraph (1) or (2) above, paragraph 3(6) shall have effect as if the reference to paragraph 14(2) were a reference to paragraph 18(2).
- [<sup>F1</sup>(4) In its application in accordance with sub-paragraph (2) above, paragraph 3(1A) shall have effect with the addition after paragraph (a) of—
- (“ an owner of a freehold interest in the specified premises, or”]

#### Textual Amendments

- F1** Sch. 6 para. 11(4) inserted (1.10.1996) by 1996 c. 52, s. 109(5); S.I. 1996/2212, art. 2(2) (with savings in Sch.)

#### *Marriage value*

- 12 (1) Where any such freehold interest as is mentioned in paragraph 10(1) is an interest in any such property as is mentioned in section 1(3)(a)—
- (a) sub-paragraphs (2) to (4) of paragraph 4 shall apply with such modifications as are appropriate for determining the marriage value in connection with the acquisition by the nominee purchaser of that interest; and
  - (b) sub-paragraph (1) of that paragraph shall apply with such modifications as are appropriate for determining the share of the marriage value to which the owner of that interest is entitled.
- (2) Where—
- (a) the owner of any such freehold interest is entitled to any share of the marriage value in respect of any such property, and
  - (b) the nominee purchaser is to acquire any leasehold interests in that property superior to any lease held by a participating tenant,
- the amount payable to the owner of the freehold interest in respect of his share of the marriage value in respect of that property shall be divided between the owner of that interest and the owners of the leasehold interests in proportion to the value of their respective interests in that property (as determined for the purposes of paragraph 10(1) or (2), as the case may be).
- (3) Where the owner of any such leasehold interest (“the intermediate landlord”) is entitled in accordance with sub-paragraph (2) to any part of the amount payable to the owner of any freehold interest in respect of his share of the marriage value in respect of any property, the amount to which the intermediate landlord is so entitled shall be payable to him by the owner of that freehold interest.

#### *Compensation for loss on acquisition of interest*

- [<sup>F2</sup>13 (1) Where the owner of any such freehold or leasehold interest as is mentioned in paragraph 10(1) or (2) (“relevant interest”) will suffer any loss or damage to which

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this paragraph applies, there shall be payable to him such amount as is reasonable to compensate him for that loss or damage.

- (2) This paragraph applies to—
- (a) any diminution in value of any interest in other property belonging to the owner of a relevant interest, being diminution resulting from the acquisition of the property in which the relevant interest subsists; and
  - (b) any other loss or damage which results therefrom to the extent that it is referable to his ownership of any interest in other property.
- (3) Without prejudice to the generality of paragraph (b) of sub-paragraph (2), the kinds of loss falling within that paragraph include loss of development value in relation to the property in which the relevant interest subsists to the extent that it is referable to his ownership of any interest in other property.
- (4) In sub-paragraph (3) “development value”, in relation to the property in which the relevant interest subsists, means any increase in the value of the relevant interest which is attributable to the possibility of demolishing, reconstructing or carrying out substantial works of construction on, the whole or a substantial part of the property.]

#### Textual Amendments

- F2** Sch. 6 para. 13 substituted (1.10.1996) by 1996 c. 52, s. 107, **Sch. 10 para. 18(9)**; S.I. 1996/2212, **art. 2(2)** (with savings in Sch.)

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