
STATUTORY INSTRUMENTS

2009 No. 2097

The Housing (Shared Ownership Leases) (Exclusion from Leasehold Reform Act 1967) (England) Regulations 2009

Protected areas: conditions prescribed under paragraph 4A(1)(c) of Schedule 4A to the Act

8.—(1) The following conditions are prescribed under paragraph 4A(1)(c) of Schedule 4A to the Act.

(2) The lease must contain a condition enabling the tenant to acquire at least 80 per cent of the total shares in the house.

(3) If the lease enables the tenant to acquire more than 80 per cent of the shares in the house the lease must also contain conditions to the effect that where the tenant holds more than 80 per cent of the shares and wants to sell those shares—

- (a) except in the circumstances described in paragraph (4)(h), the tenant must sell the shares to the landlord, or to a housing association or registered social landlord nominated by the landlord; and
- (b) on a sale of the shares the landlord, nominated housing association or nominated registered social landlord, as the case may be, must pay to the tenant an amount no greater than the same percentage of the market value price at the date of service of the tenant's notice under sub-paragraph (4)(e) as is represented by the percentage of the shares being sold.

(4) Where the lease contains conditions to the effect specified in paragraph (3) the lease must also—

- (a) specify the circumstances in which the tenant may notify the landlord of the tenant's intention to sell the shares in the house;
- (b) require the tenant to notify the landlord that the tenant intends to sell those shares;
- (c) specify the time by which the landlord must respond to the tenant's notice of intended sale, which must be no later than 3 months after the date of receipt by the landlord of the tenant's notice;
- (d) specify that the landlord's response—
 - (i) will confirm that the landlord will purchase the shares; or
 - (ii) will state the name, address and contact details of the housing association or registered social landlord nominated by the landlord to purchase the shares;
- (e) specify that the landlord, the nominated housing association or the registered social landlord will complete the purchase of the tenant's shares no later than 6 months after the date of receipt by the landlord, the nominated housing association or the nominated registered social landlord of the tenant's notice that the tenant is ready to sell the tenant's shares specified in the notice referred to in sub-paragraph (b);
- (f) prohibit the tenant from giving the notice referred to in sub-paragraph (e) until the market value price has been ascertained in accordance with regulation 3;
- (g) specify the manner in which notices referred to in this regulation may be served, including any circumstances in which service shall be deemed to have taken place; and

- (h) specify the remedies available to the tenant in the event of a failure by the landlord, the nominated housing association or the nominated registered social landlord to complete the purchase of the tenant’s shares in the house in accordance with the conditions of the lease, which must include enabling the tenant—
 - (i) to dispose of the shares as the tenant sees fit; and
 - (ii) to recover from the landlord compensation for any loss occasioned by the tenant as a result of delay or failure on the part of the landlord, the nominated housing association or the nominated registered social landlord to complete the purchase in accordance with the conditions of the lease.
- (5) The lease must contain conditions to the effect that—
 - (a) the landlord may not nominate a housing association or registered social landlord to purchase the tenant’s shares unless that housing association or registered social landlord has confirmed in writing to the landlord that it wishes to be nominated to purchase the tenant’s shares; and
 - (b) where a housing association or registered social landlord has been nominated by the landlord, the housing association or registered social landlord will be substituted for the landlord during the process of acquiring the tenant’s shares (whether or not the tenant’s shares are acquired by the nominated association or landlord) and, in particular, will be subject to the same conditions as would apply to the landlord if the landlord were purchasing the shares, with the exception of that referred to in paragraph (4)(h)(ii).
- (6) A lease granted by a person other than a housing association or registered social landlord must set out the amount of any rent payable and the basis for calculating or determining any increase in the rent payable.
- (7) In this regulation a “registered social landlord” is a landlord that is registered as a social landlord in England under Part 1 of the Housing Act 1996 **(1)**.

(1) 1996 c. 52.