

2021 No. 212

HOUSING, ENGLAND

**The Housing (Shared Ownership Leases) (Exclusion from
Leasehold Reform Act 1967 and Rent Act 1977) (England)
Regulations 2021**

<i>Made</i> - - - -	<i>1st March 2021</i>
<i>Laid before Parliament</i>	<i>4th March 2021</i>
<i>Coming into force</i> - -	<i>1st April 2021</i>

The Secretary of State, in exercise of the powers conferred by paragraphs 3(2)(b), 3A(2)(b), 4A(2)(b), 5(1) and 5(2)(a) of Schedule 4A to the Leasehold Reform Act 1967(a) and section 5A(2)(b), (3) and (4)(a) of the Rent Act 1977(b), makes the following Regulations:

Citation, commencement and application

1.—(1) These Regulations may be cited as the Housing (Shared Ownership Leases) (Exclusion from Leasehold Reform Act 1967 and Rent Act 1977) (England) Regulations 2021 and come into force on 1st April 2021.

(2) These Regulations apply in relation to England.

Premium - prescribed percentage

2. The percentage prescribed for the purposes of the following provisions is 10 per cent—

- (a) paragraphs 3(2)(b), 3A(2)(b) and 4A(2)(b) of Schedule 4A to the Leasehold Reform Act 1967, and
- (b) section 5A(2)(b) of the Rent Act 1977.

Signed by authority of the Secretary of State for Housing, Communities and Local Government

Christopher Pincher
Minister of State for Housing

1st March 2021

Ministry of Housing Communities and Local Government

(a) 1967 c.88 Schedule 4A was inserted by Schedule 4 to the Housing and Planning Act 1986 (c.63). Paragraphs 3A and 4A of Schedule 4A were inserted by section 301(1) and section 302(1) of the Housing and Regeneration Act 2008 (c.17). Paragraph 5 of Schedule 4A was amended by section 302(2) of the Housing and Regeneration Act 2008. See paragraph 7 of Schedule 4A for the meaning of “appropriate national authority”.

(b) 1977 c.42 Section 5A was inserted by paragraph 1 of Schedule 4 to the Housing and Planning Act 1986.

EXPLANATORY NOTE

(This note is not part of the Regulations)

Part 1 of the Leasehold Reform Act 1967 (c.88) (“1967 Act”) enables tenants of leasehold houses to exercise the right to acquire on fair terms the freehold or an extended lease of their house, subject to certain exclusions. Schedule 4A to the 1967 Act provides details of those leases that are excluded from the provisions of Part 1 and include certain housing association and other shared ownership leases which comply with the conditions set out in paragraphs 3(2), 3A(2) and 4A(2) of that Schedule.

The Rent Act 1977 (c.42) (“1977 Act”) regulates rents and security of tenure in relation to protected and statutory tenancies. Protected tenancy is defined in section 1 of the 1977 Act. Section 5A of the 1977 Act excludes certain shared ownership leases from the definition of protected tenancies if the lease complies with the conditions set out in section 5A(2) of the 1977 Act.

One of the conditions which must be satisfied for a shared ownership lease to be excluded from the rights in Part 1 of the 1967 Act and the definition of protected tenancy in section 1 of the 1977 Act is that the lease was granted at a premium, calculated by reference to the value of the house or the cost of providing it, of at least 25 per cent or such other percentage as may be prescribed. This condition is set out in paragraphs 3(2)(b), 3A(2)(b) and 4A(2)(b) of Schedule 4A to the 1967 Act and section 5A(2)(b) of the 1977 Act.

These Regulations prescribe a percentage for the purposes of those provisions. The effect is that a shared ownership lease is excluded from acquiring the freehold or an extended lease of their house and is excluded from the definition of protected tenancies if the lease is granted at a premium of at least 10 per cent (calculated by reference to the value of the house or the cost of providing it).

These Regulations apply in relation to England.

A full impact assessment has not been produced for this instrument as no impact on the private, voluntary or public sector is foreseen.

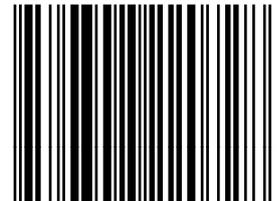
© Crown copyright 2021

Printed and published in the UK by The Stationery Office Limited under the authority and superintendence of Jeff James, Controller of Her Majesty’s Stationery Office and Queen’s Printer of Acts of Parliament.

£4.90

<http://www.legislation.gov.uk/id/uksi/2021/212>

ISBN 978-0-34-822072-8



9 780348 220728