



Landlord and Tenant Act 1987

1987 CHAPTER 31

PART I

TENANTS' RIGHTS OF FIRST REFUSAL

Preliminary

1 Qualifying tenants to have rights of first refusal on disposals by landlord

- (1) A landlord shall not make a relevant disposal affecting any premises to which at the time of the disposal this Part applies unless—
 - (a) he has in accordance with section 5 previously served a notice under that section with respect to the disposal on the qualifying tenants of the flats contained in those premises (being a notice by virtue of which rights of first refusal are conferred on those tenants); and
 - (b) the disposal is made in accordance with the requirements of sections 6 to 10.
- (2) Subject to subsections (3) and (4), this Part applies to premises if—
 - (a) they consist of the whole or part of a building; and
 - (b) they contain two or more flats held by qualifying tenants; and
 - (c) the number of flats held by such tenants exceeds 50 per cent. of the total number of flats contained in the premises.
- (3) This Part does not apply to premises falling within subsection (2) if—
 - (a) any part or parts of the premises is or are occupied or intended to be occupied otherwise than for residential purposes; and
 - (b) the internal floor area of that part or those parts (taken together) exceeds 50 per cent. of the internal floor area of the premises (taken as a whole);and for the purposes of this subsection the internal floor area of any common parts shall be disregarded.
- (4) This Part also does not apply to any such premises at a time when the interest of the landlord in the premises is held by an exempt landlord or a resident landlord.

Status: This is the original version (as it was originally enacted).

- (5) The Secretary of State may by order substitute for the percentage for the time being specified in subsection (3)(b) such other percentage as is specified in the order.

2 Landlords for the purposes of Part I

- (1) Subject to subsection (2), a person is for the purposes of this Part the landlord in relation to any premises consisting of the whole or part of a building if he is—
- (a) the immediate landlord of the qualifying tenants of the flats contained in those premises, or
 - (b) where any of those tenants is a statutory tenant, the person who, apart from the statutory tenancy, would be entitled to possession of the flat in question.
- (2) Where the person who is, in accordance with subsection (1), the landlord in relation to any such premises for the purposes of this Part ("the immediate landlord") is himself a tenant of those premises under a tenancy which is either—
- (a) a tenancy for a term of less than seven years, or
 - (b) a tenancy for a longer term but terminable within the first seven years at the option of the person who is the landlord under that tenancy ("the superior landlord"),

the superior landlord shall also be regarded as the landlord in relation to those premises for the purposes of this Part and, if the superior landlord is himself a tenant of those premises under a tenancy falling within paragraph (a) or (b) above, the person who is the landlord under that tenancy shall also be so regarded (and so on).

3 Qualifying tenants

- (1) Subject to the following provisions of this section, a person is for the purposes of this Part a qualifying tenant of a flat if he is the tenant of the flat under a tenancy other than—
- (a) a protected shorthold tenancy as defined in section 52 of the Housing Act 1980;
 - (b) a tenancy to which Part II of the Landlord and Tenant Act 1954 (business tenancies) applies; or
 - (c) a tenancy terminable on the cessation of his employment.
- (2) A person is not to be regarded as being a qualifying tenant of any flat contained in any particular premises consisting of the whole or part of a building if—
- (a) he is the tenant of any such flat solely by reason of a tenancy under which the demised premises consist of or include—
 - (i) the flat and one or more other flats, or
 - (ii) the flat and any common parts of the building; or
 - (b) he is the tenant of more than 50 per cent. of the total number of flats contained in those premises.
- (3) For the purposes of subsection (2)(b) any tenant of a flat contained in the premises in question who is a body corporate shall be treated as the tenant of any other flat so contained and let to an associated company.
- (4) A tenant of a flat whose landlord is a qualifying tenant of that flat is not to be regarded as being a qualifying tenant of that flat.

4 Relevant disposals

- (1) In this Part references to a relevant disposal affecting any premises to which this Part applies are references to the disposal by the landlord of any estate or interest (whether legal or equitable) in any such premises, including the disposal of any such estate or interest in any common parts of any such premises but excluding—
- (a) the grant of any tenancy under which the demised premises consist of a single flat (whether with or without any appurtenant premises); and
 - (b) any of the disposals falling within subsection (2).
- (2) The disposals referred to in subsection (1)(b) are—
- (a) a disposal of—
 - (i) any interest of a beneficiary in settled land within the meaning of the Settled Land Act 1925,
 - (ii) any interest under a mortgage, or
 - (iii) any incorporeal hereditament;
 - (b) a disposal to a trustee in bankruptcy or to the liquidator of a company;
 - (c) a disposal in pursuance of an order made under section 24 or 24A of the Matrimonial Causes Act 1973 or section 2 of the Inheritance (Provision for Family and Dependants) Act 1975;
 - (d) a disposal in pursuance of a compulsory purchase order or in pursuance of an agreement entered into in circumstances where, but for the agreement, such an order would have been made or (as the case may be) carried into effect;
 - (e) a disposal by way of gift to a member of the landlord's family or to a charity;
 - (f) a disposal by one charity to another of an estate or interest in land which prior to the disposal is functional land of the first-mentioned charity and which is intended to be functional land of the other charity once the disposal is made;
 - (g) a disposal consisting of the transfer of an estate or interest held on trust for any person where the disposal is made in connection with the appointment of a new trustee or in connection with the discharge of any trustee;
 - (h) a disposal consisting of a transfer by two or more persons who are members of the same family either—
 - (i) to fewer of their number, or
 - (ii) to a different combination of members of the family (but one that includes at least one of the transferors);
 - (i) a disposal in pursuance of—
 - (i) any option or right of pre-emption binding on the landlord (whether granted before or after the commencement of this section), or
 - (ii) any other obligation binding on him and created before that commencement;
 - (j) a disposal consisting of the surrender of a tenancy in pursuance of any covenant, condition or agreement contained in it;
 - (k) a disposal to the Crown; and
 - (l) where the landlord is a body corporate, a disposal to an associated company.
- (3) In this Part "disposal" means a disposal whether by the creation or the transfer of an estate or interest and—
- (a) includes the surrender of a tenancy and the grant of an option or right of pre-emption, but

Status: This is the original version (as it was originally enacted).

- (b) excludes a disposal under the terms of a will or under the law relating to intestacy;
- and references in this Part to the transferee in connection with a disposal shall be construed accordingly.
- (4) In this section "appurtenant premises", in relation to any flat, means any yard, garden, outhouse or appurtenance (not being a common part of the building containing the flat) which belongs to, or is usually enjoyed with, the flat.
- (5) A person is a member of another's family for the purposes of this section if—
- (a) that person is the spouse of that other person, or the two of them live together as husband and wife, or
 - (b) that person is that other person's parent, grandparent, child, grandchild, brother, sister, uncle, aunt, nephew or niece.
- (6) For the purposes of subsection (5)(b)—
- (a) a relationship by marriage shall be treated as a relationship by blood.
 - (b) a relationship of the half-blood shall be treated as a relationship of the whole blood,
 - (c) the stepchild of a person shall be treated as his child, and
 - (d) an illegitimate child shall be treated as the legitimate child of his mother and reputed father.