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## SCHEDULES

### SCHEDULE 1

#### CATEGORIES OF PERMITTED LEASE

#### PART 2

##### CATEGORIES OF PERMITTED LEASE FOR SELF-CERTIFICATION

###### *Leases agreed before commencement*

- 6 A lease granted in pursuance of an agreement entered into before the day on which section 1 comes into force.

###### *Shared ownership leases*

- 7 (1) A lease that—
- (a) is a shared ownership lease, and
  - (b) meets conditions A to D.
- (2) But conditions C and D do not need to be met if the shared ownership lease is of a description specified for this purpose in regulations made by the Secretary of State.
- (3) A shared ownership lease means a lease of a house—
- (a) granted on payment of a premium calculated by reference to a percentage of the value of the house or of the cost of providing it, or
  - (b) under which the tenant (or the tenant's personal representatives) will or may be entitled to a sum calculated by reference, directly or indirectly, to the value of the house.
- (4) Condition A: the lease allows for the tenant to increase the tenant's share in the house by increments of 25% or less (whether or not the lease also provides for increments of more than 25%).
- (5) Condition B: the lease provides—
- (a) for the price payable for an increase in the tenant's share in the house to be proportionate to the market value of the house at the time the share is to be increased, and
  - (b) if the tenant's share is increased, for the rent payable by the tenant in respect of the landlord's share in the house to be reduced by an amount reflecting the increase in the tenant's share.
- (6) Condition C: the lease allows for the tenant's share in the house to reach 100%.
- (7) Condition D: if and when the tenant's share in the house is 100%, the tenancy—
- (a) allows for the tenant to acquire the freehold of the house (if the landlord has the freehold), or

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- (b) provides that the terms of the lease which make the lease a shared ownership lease cease to have effect (if the landlord does not have the freehold), without the payment of further consideration.
- (8) A statutory instrument containing regulations made under [sub-paragraph \(2\)](#) is subject to the negative procedure.

#### *Home finance plan leases*

- 8 (1) A lease that —
- (a) is a home finance plan lease, and
  - (b) meets any further conditions which may be specified in regulations made by the Secretary of State.
- (2) A lease is a home finance plan lease if—
- (a) it is granted pursuant to an arrangement which is a regulated home reversion plan within the meaning of Article 63B of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 ([S.I. 2001/544](#)), or
  - (b) it is granted by a finance provider to a home buyer, pursuant to a rent to buy arrangement.
- (3) A “rent to buy arrangement” is an arrangement in relation to which the following conditions are met—
- (a) a person (the “finance provider”) buys a qualifying interest, or an undivided share of a qualifying interest, in land, and
  - (b) the arrangement provides for the obligation of another person (the “home buyer”) to buy the interest bought by the finance provider over the course of, or at the end of, a specified period.
- (4) A “qualifying interest in land” means an estate in fee simple absolute or a term of years absolute, whether subsisting at law or in equity.
- (5) A statutory instrument containing regulations made under [sub-paragraph \(1\)\(b\)](#) is subject to the negative procedure.

#### *Extended leases*

- 9 (1) An extended lease, which is a lease that falls within any of cases A to C.
- (2) Case A: a lease of a house granted under Part 1 of the LRA 1967 (tenant of leasehold house entitled to extended lease) in substitution for a lease of a house granted before this Part comes into force.
  - (3) Case B: a lease of a house granted in consideration of the surrender in whole or part of a lease of that house granted before this Part comes into force.
  - (4) Case C: a lease of a house which takes effect as a deemed surrender and regrant of a lease of a house granted before this Part comes into force.

#### *Agricultural leases*

- 10 An agricultural lease, which is a lease where the house is comprised in—
- (a) an agricultural holding within the meaning of the Agricultural Holdings Act 1986 which is held under a tenancy to which that Act applies, or

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- (b) a farm business tenancy within the meaning of the Agricultural Tenancies Act 1995.