



Leasehold Reform Act 1967

1967 CHAPTER 88

PART I

ENFRANCHISEMENT AND EXTENSION OF LONG LEASEHOLDS

Right to enfranchisement or extension

1 Tenants entitled to enfranchisement or extension.

- (1) This Part of this Act shall have effect to confer on a tenant of a leasehold house, occupying the house as his residence, a right to acquire on fair terms the freehold or an extended lease of the house and premises where—
- [^{F1}(a) his tenancy is a long tenancy at a low rent and,—
- (i) if the tenancy was entered into before 1st April 1990 or (where the house and premises had a rateable value on 31st March 1990) on or after 1st April 1990 in pursuance of a contract made before that date, subject to subsections (5) and (6) below, the rateable value of the house and premises on the appropriate day was not more than £200 or, if it is in Greater London, than £400; and
 - (ii) if the tenancy is entered into on or after 1st April 1990 (otherwise than, where the house and premises had a rateable value on 31st March 1990, in pursuance of a contract made before 1st April 1990), on the date the contract for the grant of the tenancy was made or, if there was no such contract, on the date the tenancy was entered into R did not exceed £25,000 under the formula—

$$R = \frac{P \times I}{1 - (1 + I)^{-T}}$$

where—

Status: Point in time view as at 01/09/1995. This version of this provision has been superseded.

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P is the premium payable as a condition of the grant of the tenancy (and includes a payment of money's worth) or, where no premium is so payable, zero,

I is 0.06, and

T is the term, expressed in years, granted by the tenancy (disregarding any right to terminate the tenancy before the end of the term or to extend the tenancy); and]

- (b) at the relevant time (that is to say, at the time when he gives notice in accordance with this Act of his desire to have the freehold or to have an extended lease, as the case may be) he has been tenant of the house under a long tenancy at a low rent, and occupying it as his residence, for the last [F²three years] or for periods amounting to [F²three years] in the last ten years;

and to confer the like right in the other cases for which provision is made in this Part of this Act.

[F³(1A) The references in subsection (1)(a) and (b) to a long tenancy at a low rent do not include a tenancy excluded from the operation of this Part by section 33A of and Schedule 4A to this Act.]

(2) In this Part of this Act references, in relation to any tenancy, to the tenant occupying a house as his residence shall be construed as applying where, but only where, the tenant is, in right of the tenancy, occupying it as his only or main residence (whether or not he uses it also for other purposes); but—

- (a) references to a person occupying a house shall apply where he occupies it in part only; and
- (b) in determining in what right the tenant occupies, there shall be disregarded any mortgage term and any interest arising in favour of any person by his attorning tenant to a mortgagee or chargee.

(3) This Part of this Act shall not confer on the tenant of a house any right by reference to his occupation of it as his residence (but shall apply as if he were not so occupying it) at any time when—

- (a) it is let to and occupied by him with other land or premises to which it is ancillary; or

[F⁴(b) it is comprised in—

- (i) an agricultural holding within the meaning of the Agricultural Holdings Act 1986 held under a tenancy in relation to which that Act applies, or
- (ii) the holding held under a farm business tenancy within the meaning of the Agricultural Tenancies Act 1995]

[F⁵or, in the case of any right to which subsection (3A) below applies, at any time when the tenant's immediate landlord is a charitable housing trust and the house forms part of the housing accommodation provided by the trust in the pursuit of its charitable purposes.]

[F⁶(3A) For the purposes of subsection (3) above this subsection applies as follows—

- (a) where the tenancy was created after the commencement of Chapter III of Part I of the Leasehold Reform, Housing and Urban Development Act 1993, this subsection applies to any right to acquire the freehold of the house and premises; but

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- (b) where the tenancy was created before that commencement, this subsection applies only to any such right exercisable by virtue of any one or more of the provisions of sections 1A and 1B below;
and in that subsection “charitable housing trust” means a housing trust within the meaning of the Housing Act 1985 which is a charity within the meaning of the Charities Act 1993.]
- (4) In subsection (1)(a) above, “the appropriate day”, in relation to any house and premises, means the 23rd March 1965 or such later day as by virtue of [^{F7}section 25(3) of the ^{M1}Rent Act 1977] would be the appropriate day for purposes of that Act in relation to a dwelling house consisting of that house.
- [^{F8}(4A) Schedule 8 to the ^{M2}Housing Act 1974 shall have effect to enable a tenant to have the rateable value of the house and premises reduced for purposes of this section in consequence of tenant’s improvements.]
- [^{F9}(5) If, in relation to any house and premises, the appropriate day for the purposes of subsection (1)(a) above falls on or after 1st April 1973 that subsection shall have effect in relation to the house and premises,—
- (a) in a case where the tenancy was created on or before 18th February 1966, as if for the sums of £200 and £400 specified in that subsection there were substituted respectively the sums of £750 and £1,500; and
- (b) in a case where the tenancy was created after 18th February 1966, as if for those sums of £200 and £400 there were substituted respectively the sums of £500 and £1,000.
- (6) If, in relation to any house and premises,—
- (a) the appropriate day for the purposes of subsection (1)(a) above falls before 1st April 1973, and
- (b) the rateable value of the house and premises on the appropriate day was more than £200 or, if it was then in Greater London, £400, and
- (c) the tenancy was created on or before 18th February 1966,
- subsection (1)(a) above shall have effect in relation to the house and premises as if for the reference to the appropriate day there were substituted a reference to 1st April 1973 and as if for the sums of £200 and £400 specified in that subsection there were substituted respectively the sums of £750 and £1,500.]
- [^{F10}(7) The Secretary of State may by order replace the amount referred to in subsection (1) (a)(ii) above and the number in the definition of “P” in that subsection by such amount or number as is specified in the order; and such an order shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.]

Textual Amendments

- F1** S. 1(1)(a) substituted by S.I. 1990/434, reg. 2, Sch. para. 5 (as amended by S.I. 1990/701, reg. 2)
- F2** Words substituted by Housing Act 1980 (c. 51), Sch. 21 para. 1(1)
- F3** S. 1(1A) inserted by Housing and Planning Act 1986 (c. 63, SIF 75:1), s. 18, Sch. 4 para. 3
- F4** S. 1(3)(b) substituted (1.9.1995) by 1995 c. 8, ss. 40, 41(2), Sch. para. 22 (with s. 37)
- F5** Words in s. 1(3) added (1.11.1993) by 1993 c. 28, s. 67(2); S.I. 1993/2134, art 5(b) (subject to arts. 4, 5, Sch. 1 para. 1)
- F6** S. 1(3A) inserted (1.11.1993 subject as mentioned in S.I. 1993/2134, arts. 4, 5, Sch. 1 para. 1) by 1993 c. 28, s. 67(3); S.I. 1993/2134, art 5(b)

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- F7** Words substituted by [Rent Act 1977 \(c. 42\), s. 155\(2\)](#), **Sch. 23 para. 42**
- F8** S.1(4A) substituted by [Housing Act 1980 \(c. 51\)](#), **Sch. 21 para. 2**
- F9** S. 1(5)(6) added by [Housing Act 1974 \(c. 44\)](#), **s. 118(1)(5)**
- F10** S. 1(7) inserted by [S.I. 1990/434, reg. 2](#), **Sch. para. 6**

Marginal Citations

- M1** [1977 c. 42.](#)
- M2** [1974 c. 44.](#)

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