

Status: Point in time view as at 30/09/2021.

Changes to legislation: There are currently no known outstanding effects for the Rent Act 1977, Part II. (See end of Document for details)

SCHEDULES

SCHEDULE 18

ALLOWABLE PREMIUMS

PART II

PREMIUM ALLOWED UNDER SECTIONS 121 AND 127

- 6 Where this Part of this Schedule applies to any tenancy and a premium was lawfully required and paid on the grant or an assignment of the tenancy, nothing in section 120 of this Act shall prevent any person from requiring or receiving, on an assignment of the tenancy, the fraction of the premium specified below (without prejudice, however, to his requiring or receiving a greater sum in a case where he may lawfully do so under Part I of this Schedule).
- (2) If there was more than one premium, sub-paragraph (1) above shall apply to the last of them.
- 7 (1) The fraction is

$$\frac{X}{Y}$$

where

X is the residue of the term of the tenancy at the date of the assignment, and
Y is the term for which the tenancy was granted.

- (2) Sub-paragraph (1) above shall apply where a tenancy has been assigned as it applies where a tenancy has been granted and then Y in the fraction shall be the residue, at the date of that assignment, of the term for which the tenancy was granted.
- 8 Where the tenancy was granted on the surrender of a previous tenancy, and a premium had been lawfully required and paid on the grant or an assignment of the previous tenancy, the surrender value of the previous tenancy shall be treated, for the purposes of this Part of this Schedule, as a premium or, as the case may be, as part of the premium, paid on the grant of the tenancy.
- 9 For the purposes of paragraph 8 above, the surrender value of the previous tenancy shall be taken to be the amount which, had the previous tenancy been assigned instead of being surrendered and had this Part of this Schedule applied to it, would have been the amount that could have been required and received on the assignment in pursuance of this Part of this Schedule.

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- 10 In determining for the purposes of this Part of this Schedule the amount which may or could have been required and received on the assignment of a tenancy terminable, before the end of the term for which it was granted, by notice to the tenant, that term shall be taken to be a term expiring at the earliest date on which such a notice given after the date of the assignment would have been capable of taking effect.
- 11 In this Part of this Schedule “grant” includes continuance and renewal.

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