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SCHEDULES

SCHEDULE 2

REPURCHASE

PART I

ACQUISITION OF INTEREST

The price

- 1 (1) The price payable for the acquisition of an interest in pursuance of this Act is 95 per cent, of the value of that interest at the relevant time.
- (2) In this Schedule " the relevant time " means the time at which the notice under section 6(2) or the offer to purchase under section 7(2) of this Act is served on the person entitled to assistance.

The value

- 2 (1) For the purposes of this Schedule, the value of an Interest at the relevant time is the amount which, at that time, would be realised by a disposal of that interest on the open market by a willing seller to a person other than the appropriate authority on the assumptions specified in sub-paragraph (2) below and on the basis that no account is taken of any right to the grant of a tenancy under section 10 of this Act.
- (2) Those assumptions are—
- (a) that none of the defective dwellings to which the designation in question relates are affected by the qualifying defect;
 - (b) that no liability has arisen or will arise under a covenant required by section 104B(2) of the Housing Act 1957, section 8(1) of the 1980 Act or paragraph 6(1) or 7(1) of Schedule 3 to the Housing and Building Control Act 1984 (covenants to repay discount or, in the case of a shared ownership lease, pay for outstanding share) or any covenant to the like effect;
 - (c) that no obligation to acquire the interest arises under this Act;
 - (d) where, at the time at which the value of the interest falls to be considered, there has been since the relevant time a material change in circumstances affecting the value of the interest, that the change had occurred before the relevant time; and
 - (e) that (subject to the preceding paragraphs) the seller is selling with and subject to the rights and burdens with and subject to which the disposal is to be made.
- (3) Sub-paragraph (2) above applies to Scotland as if, for paragraph (b) there were substituted—
- “(b) that no liability has arisen under section 6(1) of the Scottish Act of 1980 (recovery of discount on early resale)”.

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Determination of value

- 3
- (1) Any question arising under this Schedule as to the value of an interest in a defective dwelling shall be determined by the district valuer in accordance with this paragraph.
 - (2) Within the period beginning with the service on the person entitled to assistance of a notice under subsection (2) of section 6 of this Act and ending with the service of a copy of the agreement drawn up under subsection (4) of that section for execution by the parties, the person entitled to assistance or the appropriate authority may, by notice in writing served on the district valuer, require that value to be determined or redetermined.
 - (3) If, after the end of that period but before the parties enter into an agreement for the acquisition of the interest of the person so entitled, there is a material change in circumstances affecting the value of the interest, that person or the appropriate authority may by notice in writing served on the district valuer before the parties enter into such an agreement require that value to be determined or redetermined.
 - (4) In any case where, in accordance with sub-paragraph (3) above, the district valuer is required, after the end of the period referred to in sub-paragraph (2) above, to determine the value of an interest, then—
 - (a) the authority shall, within three months of all the provisions of the agreement for the acquisition of the interest of the person so entitled by the authority being agreed or determined, draw up an agreement for execution by the parties embodying those provisions and serve a copy of the agreement on that person ; and
 - (b) subsection (5) of section 6 of this Act shall, instead of applying in relation to the agreement drawn up under subsection (4) of that section, apply in relation to the agreement drawn up under paragraph (a) above.
 - (5) Before making a determination in pursuance of this paragraph, the district valuer shall consider any representation made to him by the person so entitled or the authority within four weeks from the service of the notice under this paragraph.
 - (6) A person serving notice on the district valuer under this paragraph shall serve notice in writing of that fact on the authority or, as the case may be, the person so entitled.
 - (7) in this paragraph, " district valuer ", in relation to a defective dwelling, means an officer of the Commissioners of Inland Revenue who is for the time being appointed by the Commissioners to be, in relation to the valuation list for the area in which the dwelling is situated, the valuation or deputy valuation officer, or one of the valuation officers or deputy valuation officers.
 - (8) Sub-paragraphs (2) to (4) and (7) above do not apply to Scotland ; but within the period beginning with the service under section 7(2) of this Act on the person entitled to assistance of an offer to purchase and ending with the conclusion of missives, the person entitled to assistance or the appropriate authority may by notice in writing served on the district valuer require the value of the interest in the defective dwelling to be determined or redetermined.

Effect of acquisition

- 4
- (1) Where an interest acquired in pursuance of section 6 of this Act is or includes a dwelling in relation to which a grant has been paid under Part VII of the Housing Act 1974—

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- (a) any conditions imposed under or by virtue of that Part of that Act as conditions of the grant shall cease to be in force with respect to the dwelling with effect from the time of disposal of the interest, and
 - (b) the owner for the time being of the dwelling shall not be liable to make in relation to the grant any payment under section 76 of that Act (repayment of grant on demand following breach of condition) unless the liability to do so arises from a demand made before the time of disposal of the interest.
- (2) In sub-paragraph (1) above—
 - " dwelling " has the same meaning as in the Housing Act 1974 ; and
 - " owner " has the same meaning as in Part VII of that Act.
- 5 (1) Where an interest acquired in pursuance of section 7 of this Act is or includes a house in relation to which a grant has been made under Part I of the Housing (Scotland) Act 1974—
 - (a) observance with respect to the house of any of the conditions specified in section 9 of that Act (conditions to be observed with respect to a house in respect of which a grant has been made) shall cease to be required with effect from the time of disposal of the interest and paragraph 7 of Schedule 2 to that Act (requirements as to records when observance of conditions ceases to be required) shall apply as it applies in the case there mentioned ; and
 - (b) the owner for the time being of the house shall not be liable to make in relation to the grant any payment under Schedule 2 to that Act (consequences of breach of conditions) unless the liability to do so arises from a demand made before the time of disposal of the interest.
- (2) In sub-paragraph (1) above—
 - " house " has the same meaning as in the Housing (Scotland) Act 1966 ; and
 - " owner" has the same meaning as in Part I of the Housing (Scotland) Act 1974.

Overreaching effect of conveyance

- 6 A conveyance executed under an agreement entered into in pursuance of section 6 of this Act has effect under section 2(1) of the Law of Property Act 1925 to overreach any incumbrance capable of being overreached under that section as if the requirements to which that section refers as to the payment of capital money allowed any part of the purchase price paid under paragraph 9 or 11 of this Schedule to be so paid and as if, where the interest conveyed is settled land, the conveyance were made under the powers of the Settled Land Act 1925.