

## SCHEDULES

## SCHEDULE 7

Section 83.

PREMIUM ALLOWED ON ASSIGNATION OF TENANCY  
WHERE PREMIUM LAWFULLY PAID ON GRANT

- 1 (1) The provisions of this Schedule apply where—
- (a) a premium was lawfully required and paid, or lawfully received, in respect of the grant, continuance or renewal of a protected tenancy of a dwelling-house which is a regulated tenancy; and
  - (b) since that grant, continuance or renewal, the landlord has not granted a tenancy of the dwelling-house under which, as against the landlord, a person became entitled to possession, other than the person who was so entitled to possession of the dwelling-house immediately before that tenancy began; and
  - (c) a rent for the dwelling-house is registered under Part V of this Act and the rent so registered is higher than the rent payable under the tenancy.
- (2) Any reference in this Schedule to a premium does not include a premium which consisted only of any such outgoings, sum or amount as fall within section 83(3) above and, in the case of a premium which included any such outgoings, sum or amount, so much only of the premium as does not consist of those outgoings, sum or amount shall be treated as the premium for the purposes of this Schedule.
- 2 In a case where this Schedule applies, nothing in section 83 above shall prevent any person from requiring or receiving on an assignation of the protected tenancy referred to in paragraph 1(1)(a) above or any subsequent protected tenancy of the same dwelling-house, a premium which does not exceed an amount calculated (subject to paragraph 4 below) in accordance with the formula in paragraph 3 below.
- 3 The formula mentioned in paragraph 2 above is—
- $$\frac{P \times A}{G}$$
- where
- P is the premium referred to in paragraph 1(1)(a) above ;
- A is the length of the period beginning on the date on which the assignation in question takes effect and ending on the relevant date; and
- G is the length of the period beginning on the date of the grant, continuance or renewal in respect of which the premium was paid and ending on the relevant date.
- 4 (1) If, although the registered rent is higher than the rent payable under the tenancy, the lump sum equivalent of the difference is less than the premium, paragraph 3 above shall have effect as if P were the lump sum equivalent.
- (2) For the purposes of this Schedule, the lump sum equivalent of the difference between the two rents referred to in sub-paragraph (1) above shall be taken to be that

difference multiplied by the number of complete rental periods falling within the period beginning with the grant, continuance or renewal in respect of which the premium was paid and ending on the relevant date.

- 5       Where any rates in respect of the dwelling-house are borne by the landlord or a superior landlord, the amount of the registered rent shall be taken, for the purposes of this Schedule, to be increased by the amount of the rates so borne in respect of the rental period comprising the date from which the registration took effect.
- 6       (1) Any reference in this Schedule to the relevant date shall be construed in accordance with this paragraph.
- (2) Where at the date when the assignation takes effect the tenancy referred to in paragraph 1(1)(a) above was granted, continued or renewed for a specified period exceeding seven years and that period has not terminated, the relevant date is the termination of that period.
- (3) In any other case the relevant date is the date of the expiration of seven years from the commencement of the tenancy, or, as the case may be, from the continuance or renewal of the tenancy, in respect of which the premium was paid.
- (4) The provisions of this paragraph shall apply to a tenancy for a specified period exceeding seven years notwithstanding that it is liable to be terminated by re-entry or on the happening of any event other than the giving of notice by the landlord to terminate the tenancy; and where a tenancy may be terminated by the giving of such notice by the landlord it shall be deemed to be a tenancy for a specified period expiring on the earliest date on which such a notice given after the date of the assignation would be capable of taking effect