



Housing Act 1985

1985 CHAPTER 68

PART V

THE RIGHT TO BUY

Purchase price

126 Purchase price.

- (1) The price payable for a dwelling-house on a conveyance or grant in pursuance of this Part is—
 - (a) the amount which under section 127 is to be taken as its value at the relevant time, less
 - (b) the discount to which the purchaser is entitled under this Part.
- (2) References in this Part to the purchase price include references to the consideration for the grant of a lease.

127 Value of dwelling-house.

- (1) The value of a dwelling-house at the relevant time shall be taken to be the price which at that time it would realise if sold on the open market by a willing vendor—
 - (a) on the assumptions stated for a conveyance in subsection (2) and for a grant in subsection (3),^{F1} . . .
 - (b) disregarding any improvements made by any of the persons specified in subsection (4) and any failure by any of those persons to keep the dwelling-house in good internal repair [^{F2}, and
 - (c) on the assumption that any service charges or improvement contributions payable will not be less than the amounts to be expected in accordance with the estimates contained in the landlord's notice under section 125.]
- (2) For a conveyance the assumptions are—
 - (a) that the vendor was selling for an estate in fee simple with vacant possession,

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- (b) that neither the tenant nor a member of his family residing with him wanted to buy, and
 - (c) that the dwelling-house was to be conveyed with the same rights and subject to the same burdens as it would be in pursuance of this Part.
- (3) For the grant of a lease the assumptions are—
- (a) that the vendor was granting a lease with vacant possession for the appropriate term defined in paragraph 12 of Schedule 6 (but subject to sub-paragraph (3) of that paragraph).
 - (b) that neither the tenant nor a member of his family residing with him wanted to take the lease,
 - (c) that the ground rent would not exceed £10 per annum, and
 - (d) that the grant was to be made with the same rights and subject to the same burdens as it would be in pursuance of this Part.
- (4) The persons referred to in subsection (1)(b) are—
- (a) the secure tenant,
 - (b) any person who under the same tenancy was a secure tenant [^{F3}or an introductory tenant]before him, and
 - [^{F4}(c) any member of his family who, immediately before the secure tenancy was granted (or, where an introductory tenancy has become the secure tenancy, immediately before the introductory tenancy was granted), was a secure tenant or, an introductory tenant of the same dwelling-house under another tenancy,]
- but do not include, in a case where the secure tenant’s tenancy has at any time been assigned by virtue of section 92 (assignments by way of exchange), a person who under that tenancy was a secure tenant [^{F5}or an introductory tenant] before the assignment.

[^{F6}(5) In this section “introductory tenant” and “introductory tenancy” have the same meaning as in Chapter I of Part V of the Housing Act 1996.]

Textual Amendments

- F1** Word repealed by [Housing and Planning Act 1986 \(c. 63, SIF 61\)](#), s. 24(2)(3), Sch. 5 Pt. II para. 28, [Sch. 12 Pt. I](#)
- F2** Word and s. 127(1)(c) inserted by [Housing and Planning Act 1986 \(c. 63, SIF 61\)](#), s. 4(3)(6)
- F3** Words in s. 127(4)(b) inserted (12.2.1997) by [S.I. 1997/74](#), art. 2, [Sch. para. 3\(j\)\(i\)](#)
- F4** S. 127(4)(c) substituted (12.2.1997) by [S.I. 1997/74](#), art. 2, [Sch. para. 3\(j\)\(ii\)](#)
- F5** Words in s. 127(4) inserted (12.2.1997) by [S.I. 1997/74](#), art. 2, [Sch. para. 3\(j\)\(iii\)](#)
- F6** S. 127(5) inserted (12.2.1997) by [S.I. 1997/74](#), art. 2, [Sch. para. 3\(k\)](#)

128 Determination of value by district valuer.

- (1) Any question arising under this Part as to the value of a dwelling-house at the relevant time shall be determined by the district valuer in accordance with this section.
- (2) A tenant may require that value to be determined ^{F7}. . . by a notice in writing served on the landlord not later than three months after the service on him of the notice under section 125 (landlord’s notice of purchase price and other matters) or, if proceedings are then pending between the landlord and the tenant for the determination of any

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other question arising under this Part, within three months of the final determination of the proceedings.

- (3) If such proceedings are begun after a previous determination under this section—
- (a) the tenant may, by notice in writing served on the landlord within four weeks of the final determination of the proceedings, require the value of the dwelling-house at the relevant time to be re-determined, and
 - (b) the landlord may at any time within those four weeks, whether or not a notice under paragraph (a) is served, require the district valuer to re-determine that value;

and where the landlord requires a re-determination to be made in pursuance of this subsection, it shall serve on the tenant a notice stating that the requirement is being or has been made.

- (4) Before making a determination or re-determination in pursuance of this section, the district valuer shall consider any representation made to him by the landlord or the tenant within four weeks from the service of the tenant's notice under this section or, as the case may be, from the service of the landlord's notice under subsection (3).

- (5) As soon as practicable after a determination or re-determination has been made in pursuance of this section, the landlord shall serve on the tenant a notice [^{F8} stating—
- (a) the effect of the determination or re-determination,
 - (b) the matters mentioned in section 125(2) and (3) (terms for exercise of right to buy), and
 - (c) the effect of section 128A(2) (right of district valuer to serve review notice and of landlord and tenant to request that such a notice is served).]

[^{F9}(5A) The landlord shall, as soon as practicable, serve a copy of the notice on the district valuer if—

- (a) the district valuer requests it; or
- (b) the landlord requests a review of the determination or re-determination under section 128A(2)(b).

(5B) The tenant shall, as soon as practicable, serve a copy of the notice on the district valuer if the tenant requests a review of the determination or re-determination under section 128A(2)(b).

(5C) For the purposes of subsections (5A) and (5B) it does not matter whether the request in question was made before, on or after the service of the notice in accordance with subsection (5).]

^{F10}(6)

Textual Amendments

- F7** Words in s. 128(2) repealed (22.9.2008 for E. and otherwise prosp.) by [Housing and Regeneration Act 2008 \(c. 17\)](#), ss. 306(5), 321(1), 325(2), **Sch. 16** (with s. 306(12))
- F8** Words in s. 128(5) substituted (22.9.2008) by [Housing and Regeneration Act 2008 \(c. 17\)](#), ss. 306(6), 325(2) (with s. 306(12))
- F9** S. 128(5A)-(5C) inserted (22.9.2008) by [Housing and Regeneration Act 2008 \(c. 17\)](#), ss. 306(7), 325(2) (with s. 306(12))
- F10** S. 128(6) repealed (11.10.1993) by 1993 c. 28, s. 187(2), **Sch. 22**; S.I. 1993/2134, arts. 2, 4(b), **Sch. 2** (with saving in [Sch. 1 para. 4\(1\)](#)).

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[^{F11}128A Determination of value: review notices

- (1) Subsection (2) applies if the value of a dwelling-house has been determined or re-determined under section 128 (“the section 128 determination”).
- (2) The district valuer may—
 - (a) on the valuer’s own initiative; or
 - (b) at the request of the landlord or the tenant of the dwelling-house;
 serve on the landlord and the tenant a notice of intention to review the section 128 determination giving reasons for the intention (“a review notice”).
- (3) A request under subsection (2)(b) must—
 - (a) be in writing;
 - (b) state the reason it is being made; and
 - (c) confirm that the landlord has not made to the tenant a grant of the kind mentioned in section 138(1) in respect of the claim by the tenant to exercise the right to buy in respect of the dwelling-house.
- (4) The landlord or the tenant may not make a request under subsection (2)(b) after the end of the period of 28 days beginning with the section 128(5) service date.
- (5) The district valuer must, before the end of the period of 14 days beginning with the day on which such a request is made, serve on the landlord and the tenant—
 - (a) a review notice; or
 - (b) a notice stating—
 - (i) that the request was made;
 - (ii) that the district valuer has decided not to comply with it; and
 - (iii) the reasons for the decision.
- (6) A review notice may not be served after the end of the period of 42 days beginning with the section 128(5) service date.
- (7) A review notice may not be served in relation to a determination which is subject to a re-determination required in pursuance of section 128(3) (but this does not prevent the service of a review notice in relation to the re-determination).
- (8) A review notice may not be served if the landlord has made a grant of the kind mentioned in subsection (3)(c).
- (9) A person who makes a request under subsection (2)(b) must inform the district valuer if a grant of the kind mentioned in subsection (3)(c) is made during the period of 14 days mentioned in subsection (5).
- (10) Subsection (11) applies if the district valuer is considering whether to serve a review notice on the valuer’s own initiative.
- (11) The landlord or the tenant must, if requested by the district valuer, inform the valuer whether a grant of the kind mentioned in subsection (3)(c) has been made.
- (12) In this section and section 128B—
 - “ a review notice ” has the meaning given by subsection (2);
 - “ the section 128 determination ” has the meaning given by subsection (1);

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“ the section 128(5) service date ” means the day on which the landlord serves a notice on the tenant under section 128(5) in relation to the section 128 determination.

Textual Amendments

F11 Ss. 128A, 128B inserted (22.9.2008) by [Housing and Regeneration Act 2008 \(c. 17\)](#), ss. **306(2)**, **325(2)** (with s. **306(12)**)

128B Review of determination of value

- (1) The district valuer must review the section 128 determination as soon as reasonably practicable after serving a review notice.
- (2) Subsection (3) applies if, following the review, the district valuer decides that neither of the withdrawal conditions is met.
- (3) The district valuer must, as soon as reasonably practicable, serve on the landlord and the tenant a notice stating—
 - (a) the decision;
 - (b) the reasons for it; and
 - (c) that no further determination or (as the case may be) re-determination is to be made under this section.
- (4) Subsection (5) applies if, following the review, the district valuer decides that either withdrawal condition is met or both are met.
- (5) The district valuer must—
 - (a) as soon as reasonably practicable, withdraw the section 128 determination by serving a further determination notice on the landlord and the tenant; and
 - (b) make a further determination or (as the case may be) re-determination of the value of the dwelling-house at the relevant time.
- (6) Before making such a determination or re-determination, the district valuer must consider any representation made to the valuer by the landlord or the tenant before the end of the period of 14 days beginning with the day on which the further determination notice was served.
- (7) As soon as practicable after such a determination or re-determination has been made, the landlord must serve on the tenant a determination effect notice.
- (8) A determination effect notice is a notice stating—
 - (a) the effect of the further determination or (as the case may be) re-determination; and
 - (b) the matters mentioned in section 125(2) and (3).
- (9) For the purposes of this section, the withdrawal conditions are—
 - (a) that a significant error was made in the section 128 determination; or
 - (b) that the district valuer did not comply with section 128(4) in relation to the section 128 determination.

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- (10) This section does not apply to a determination which is subject to a re-determination required in pursuance of section 128(3) (but this does not prevent this section applying to the re-determination).
- (11) In this section—
- “a further determination notice” is a notice stating—
- (a) that the section 128 determination is withdrawn;
 - (b) the reasons for the withdrawal; and
 - (c) that a further determination or (as the case may be) re-determination of the value of the dwelling-house at the relevant time will be made;
- “ significant error ”, in relation to the section 128 determination, means an error of fact, or a number of such errors, made in the section 128 determination as a result of which the value of the dwelling-house determined or (as the case may be) re-determined was at least 5% more or less than it would otherwise have been.]

Textual Amendments

- F11** Ss. 128A, 128B inserted (22.9.2008) by [Housing and Regeneration Act 2008 \(c. 17\)](#), ss. **306(2)**, 325(2) (with s. 306(12))

129 Discount.

- [^{F12}(1) Subject to the following provisions of this Part, a person exercising the right to buy is entitled to a discount of a percentage calculated by reference to the period which is to be taken into account in accordance with Schedule 4 (qualifying period for right to buy and discount).
- (2) The discount is, subject to any order under subsection (2A)—
- (a) in the case of a house, [^{F13}35 per cent]. plus one per cent. for each complete year by which the qualifying period exceeds [^{F14}five] years, up to a maximum of 60 per cent.;
 - (b) in the case of a flat, [^{F15}50 per cent]. plus two per cent. for each complete year by which the qualifying period exceeds [^{F16}five] years, up to a maximum of 70 per cent.
- (2A) The Secretary of State may by order made with the consent of the Treasury provide that, in such cases as may be specified in the order—
- (a) the minimum percentage discount,
 - (b) the percentage increase for each complete year of the qualifying period after the first [^{F17}five] , or
 - (c) the maximum percentage discount,
- shall be such percentage, higher than that specified in subsection (2), as may be specified in the order.
- (2B) An order—
- (a) may make different provision with respect to different cases or descriptions of case,
 - (b) may contain such incidental, supplementary or transitional provisions as appear to the Secretary of State to be necessary or expedient, and

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- (c) shall be made by statutory instrument and shall not be made unless a draft of it has been laid before and approved by resolution of each House of Parliament.]
- (3) Where joint tenants exercise the right to buy, Schedule 4 shall be construed as if for the secure tenant there were substituted that one of the joint tenants whose substitution will produce the largest discount.

Textual Amendments

- F12** S. 129(1)–(2B) substituted for s. 129(1)(2) by [Housing and Planning Act 1986 \(c. 63, SIF 61\)](#), **s. 2(1)(2)**
- F13** Words in s. 129(2)(a) substituted (18.1.2005) by [Housing Act 2004 \(c. 34\)](#), **ss. 180(2)(b)**, 270(3)(a) (with s. 180(5)(6))
- F14** Word in s. 129(2)(a) substituted (18.1.2005) by [Housing Act 2004 \(c. 34\)](#), **ss. 180(2)(a)**, 270(3)(a) (with s. 180(5)(6))
- F15** Words in s. 129(2)(b) substituted (18.1.2005) by [Housing Act 2004 \(c. 34\)](#), **ss. 180(3)(b)**, 270(3)(a) (with s. 180(5)(6))
- F16** Word in s. 129(2)(b) substituted (18.1.2005) by [Housing Act 2004 \(c. 34\)](#), **ss. 180(3)(a)**, 270(3)(a) (with s. 180(5)(6))
- F17** Word in s. 129(2A)(b) substituted (18.1.2005) by [Housing Act 2004 \(c. 34\)](#), **ss. 180(4)**, 270(3)(a) (with s. 180(5)(6))

130 Reduction of discount where previous discount given.

- (1) There shall be deducted from the discount an amount equal to any previous discount qualifying, or the aggregate of previous discounts qualifying, under the provisions of this section.
- (2) A “previous discount” means a discount given before the relevant time—
- (a) on conveyance of the freehold, or a grant or assignment of a long lease, of a dwelling-house by a person within paragraph 7 ^[F18] or 7A] of Schedule 4 (public sector landlords) or, in such circumstances as may be prescribed by order of the Secretary of State, by a person so prescribed, or
- ^[F19](aa) on conveyance of the freehold, or a grant or assignment of a long lease of a dwelling-house by a person against whom the right to buy was exercisable by virtue of section 171A (preservation of right to buy on disposal to private sector landlord) to a person who was a qualifying person for the purposes of the preserved right to buy and in relation to whom that dwelling-house was the qualifying dwelling-house, or]
- ^[F20](ab) in pursuance of the provision required by paragraphs 3 to 5 or paragraph 7 of Schedule 6A (redemption of landlord’s share), or]
- (b) in pursuance of the provision required by paragraph 1 of Schedule 8 (terms of shared ownership lease: right to acquire additional shares), or any other provision to the like effect ^[F21]or].
- ^[F21](c) in pursuance of any provision of, or required by, this Part as it has effect by virtue of section 17 of the Housing Act 1996 (the right to acquire).]
- (3) A previous discount qualifies for the purposes of this section if it was given—
- (a) to the person or one of the persons exercising the right to buy, or
- (b) to the spouse ^[F22], or civil partner,] of that person or one of those persons (if they are living together at the relevant time), or

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- (c) to a deceased spouse ^{F23}, or deceased civil partner,] of that person or one of those persons (if they were living together at the time of the death);
and where a previous discount was given to two or more persons jointly, this section has effect as if each of them had been given an equal proportion of the discount.
- (4) Where the whole or part of a previous discount has been recovered by the person by whom it was given (or a successor in title of his)—
- (a) by the receipt of a payment determined by reference to the discount, or
 - (b) by a reduction so determined of any consideration given by that person (or a successor in title of his), or
 - (c) in any other way,
- then, so much of the discount as has been so recovered shall be disregarded for the purposes of this section.
- (5) An order under this section—
- (a) may make different provision with respect to different cases or descriptions of case, including different provision for different areas, and
 - (b) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (6) In this section “dwelling-house” includes any yard, garden, outhouses and appurtenances belonging to the dwelling-house or usually enjoyed with it.

Textual Amendments

- F18** Words in s. 130(2)(a) inserted (17.8.1992) by [Housing and Planning Act 1986 \(c. 63, SIF 61\)](#), s. 24(2), [Sch. 5 Pt. II para. 29](#); S.I. 1992/1753, [art. 2\(2\)](#) (with restriction in [Sch. para. 2](#))
- F19** S. 130(2)(aa) inserted (17.8.1992) by [Housing and Planning Act 1986 \(c. 63, SIF 61\)](#), s. 24(2), [Sch. 5 Pt. II para. 29](#); S.I. 1992/1753, [art. 2\(2\)](#) (with restriction in [Sch. para. 2](#))
- F20** S. 130(2)(ab) inserted (11.10.1993) by 1993 c. 28, s. 187(1), [Sch. 21 para. 11](#); S.I. 1993/2134, [arts. 2, 4\(b\)](#) (with saving in [Sch. 1 para. 4\(1\)](#)).
- F21** S. 130(2)(c) and word “or” preceding it inserted (1.4.1997) by S.I. 1997/627, [art. 2](#), [Sch. para. 3\(3\)](#)
- F22** Words in s. 130(3)(b) inserted (5.12.2005) by [Civil Partnership Act 2004 \(c. 33\)](#), ss. 81, 263(2), [Sch. 8 para. 29\(a\)](#); S.I. 2005/3175, [art. 2\(1\)](#), [Sch. 1](#)
- F23** Words in s. 130(3)(c) inserted (5.12.2005) by [Civil Partnership Act 2004 \(c. 33\)](#), ss. 81, 263(2), [Sch. 8 para. 29\(b\)](#); S.I. 2005/3175, [art. 2\(1\)](#), [Sch. 1](#)

Modifications etc. (not altering text)

- C1** S. 130 modified by [Housing Associations Act 1985 \(c. 69, SIF 61\)](#), [s. 45\(4\)](#); [Housing Act 1988 \(c.50, SIF 61\)](#), [s. 58\(3\)\(4\)](#)

131 Limits on amount of discount

- (1) Except where the Secretary of State so determines, the discount shall not reduce the price below the amount which, in accordance with a determination made by him, is to be taken as representing so much of the costs incurred in respect of the dwelling-house as, in accordance with the determination—
- ^{F24}(a) is to be treated as incurred at or after the beginning of that period of account of the landlord in which falls the date which is eight years, or such other period of time as may be specified in an order made by the Secretary of State, earlier than the relevant time, and]

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(b) is to be treated as relevant for the purposes of this sub-section;
and if the price before discount is below that amount, there shall be no discount.

[^{F25}(1A) In subsection (1)(a) above “ period of account ”, in relation to any costs, means the period for which the landlord made up those of its accounts in which account is taken of those costs.]

- (2) The discount shall not in any case reduce the price by more than such sum as the Secretary of State may by order prescribe.
- (3) An order or determination under this section may make different provision for different cases or descriptions of case, including different provision for different areas.
- (4) An order under this section shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

Textual Amendments

F24 S. 131(1)(a) substituted by [Housing Act 1988 \(c. 50, SIF 61\)](#), s. **122(2)(4)**

F25 S. 131(1A) inserted by [Housing Act 1988 \(c. 50, SIF 61\)](#), s. **122(3)(4)**

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