



# Housing Act 1985

## 1985 CHAPTER 68

### PART V

#### THE RIGHT TO BUY

*[<sup>F1</sup> Right to acquire on rent to mortgage terms]*

<sup>F2</sup>  
**143B Right excluded if minimum initial payment exceeds maximum initial payment.**

- (1) The right to acquire on rent to mortgage terms cannot be exercised if the minimum initial payment in respect of the dwelling-house exceeds the maximum initial payment in respect of it.
- (2) The maximum initial payment in respect of a dwelling-house is 80 per cent. of the price which would be payable if the tenant were exercising the right to buy.
- (3) Where, in the case of a dwelling-house which is a house, the weekly rent at the relevant time did not exceed the relevant amount, the minimum initial payment shall be determined by the formula—

$$P=R \times M$$

where—

P = the minimum initial payment;

R = the amount of the weekly rent at the relevant time;

M = the multiplier which at that time was for the time being declared by the Secretary of State for the purposes of this subsection.

- (4) Where, in the case of a dwelling-house which is a house, the weekly rent at the relevant time exceeded the relevant amount, the minimum initial payment shall be determined by the formula—

$$P=Q+(E \times M)$$

*Status: Point in time view as at 01/04/2013.*

*Changes to legislation: Housing Act 1985, Section 143B is up to date with all changes known to be in force on or before 03 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

where—

P = the minimum initial payment;

Q = the qualifying maximum for the year of assessment which included the relevant time;

E = the amount by which the weekly rent at that time exceeded the relevant amount;

M = the multiplier which at that time was for the time being declared by the Secretary of State for the purposes of this subsection.

- (5) The minimum initial payment in respect of a dwelling-house which is a flat is 80 per cent. of the amount which would be the minimum initial payment in respect of the dwelling-house if it were a house.
- (6) The relevant amount and multipliers for the time being declared for the purposes of this section shall be such that, in the case of a dwelling-house which is a house, they will produce a minimum initial payment equal to the capital sum which, in the opinion of the Secretary of State, could be raised on a 25 year repayment mortgage in the case of which the net amount of the monthly mortgage payments was equal to the rent at the relevant time calculated on a monthly basis.
- (7) For the purposes of subsection (6) the Secretary of State shall assume—
  - (a) that the interest rate applicable throughout the 25 year term were the standard national rate for the time being declared by the Secretary of State under paragraph 2 of Schedule 16 (local authority mortgage interest rates); and
  - (b) that the monthly mortgage payments represented payments of capital and interest only.
- (8) In this section—

“ net amount ”, in relation to monthly mortgage payments, means the amount of such payments after deduction of tax under section 369 of the <sup>MI</sup> Income and Corporation Taxes Act 1988 (mortgage interest payable under deduction of tax);

“ qualifying maximum ” means the qualifying maximum defined in section 367(5) of that Act (limit on relief for interest on certain loans);

“ relevant amount ” means the amount which at the relevant time was for the time being declared by the Secretary of State for the purposes of this section;

“ relevant time ” means the time of the service of the landlord’s notice under section 146 (landlord’s notice admitting or denying right);

“ rent ” means rent payable under the secure tenancy, but excluding any element which is expressed to be payable for services, repairs, maintenance or insurance or the landlord’s costs of management. ]

### Textual Amendments

- F2** Ss. 143, 143A, 143B substituted for s. 143 (2.9.1993 so far as confers on Secretary of State a power to make orders, regulations, or declarations, 11.10.1993 in so far as it is not in force) by [1993 c. 28, s. 108](#); [S.I. 1993/2134](#), [arts. 2, 3, 4\(b\)](#) (with saving in [Sch. 1 para. 4\(1\)](#)).

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**Modifications etc. (not altering text)**

**C11** Ss. 143-151 amended (11.10.1993) by 1993 c. 28, s. 107(c); S.I. 1993/2134, arts. 2, 4(b) (with saving in Sch. 1 para. 4(1)).

**Marginal Citations**

**M1** 1988 c. 1.

**Status:**

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