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SCHEDULES

SCHEDULE 4

FURTHER PROVISIONS WITH RESPECT TO SHARED OWNERSHIP LEASES

The Rent Act 1977 (c.42)

- 1 (1) Part I of the Rent Act 1977 (preliminary provisions) is amended as follows.
(2) After section 5 insert—

“5A Certain shared ownership leases.

- (1) A tenancy is not a protected tenancy if it is a qualifying shared ownership lease, that is—
- (a) a lease granted in pursuance of the right to be granted a shared ownership lease under Part V of the Housing Act 1985, or
 - (b) a lease granted by a housing association and which complies with the conditions set out in subsection (2) below.
- (2) The conditions referred to in subsection (1)(b) above are that the lease—
- (a) was granted for a term of 99 years or more and is not (and cannot become) terminable except in pursuance of a provision for re-entry or forfeiture ;
 - (b) was granted at a premium, calculated by reference to the value of the dwelling-house or the cost of providing it, of not less than 25 per cent., or such other percentage as may be prescribed, of the figure by reference to which it was calculated;
 - (c) provides for the tenant to acquire additional shares in the dwelling-house on terms specified in the lease and complying with such requirements as may be prescribed ;
 - (d) does not restrict the tenant's powers to assign, mortgage or charge his interest in the dwelling-house ;
 - (e) if it enables the landlord to require payment for outstanding shares in the dwelling-house, does so only in such circumstances as may be prescribed ;
 - (f) provides, in the case of a house, for the tenant to acquire the landlord's interest on terms specified in the lease and complying with such requirements as may be prescribed ; and
 - (g) states the landlord's opinion that by virtue of this section the lease is excluded from the operation of this Act.
- (3) The Secretary of State may by regulations prescribe anything requiring to be prescribed for the purposes of subsection (2) above.
- (4) The regulations may—

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- (a) make different provision for different cases or descriptions of case, including different provision for different areas, and
 - (b) contain such incidental, supplementary or transitional provisions as the Secretary of State considers appropriate,and shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (5) In any proceedings the court may, if of opinion that it is just and equitable to do so, treat a lease as a qualifying shared ownership lease notwithstanding that the condition specified in subsection (2)(g) above is not satisfied.
- (6) In this section—
 - " house " has the same meaning as in Part I of the Leasehold Reform Act 1967 ;
 - "housing association" has the same meaning as in the Housing Associations Act 1985 ; and
 - " lease" includes an agreement for a lease, and references to the grant of a lease shall be construed accordingly.”.
- (3) In section 19(5) (contracts which are not restricted contracts), after paragraph (c) insert—
 - “(cc) it creates a qualifying shared ownership lease within the meaning of section 5A of this Act; or”.