
Status: Point in time view as at 21/06/2006.

Changes to legislation: Landlord and Tenant Act 1987, Cross Heading: Enforcement by tenants of rights against purchaser is up to date with all changes known to be in force on or before 11 August 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)



Landlord and Tenant Act 1987

1987 CHAPTER 31

PART I

TENANTS' RIGHTS OF FIRST REFUSAL

[^{F1} Enforcement by tenants of rights against purchaser]

Textual Amendments

F1 Ss. 11, 11A, 12A-12D, 13, 14 and crossheading substituted for ss. 11-15 (1.10.1996) by 1996 c. 52, s. 92(1), Sch. 6 Pt. II; S.I. 1996/2212, art. 2(2) (with Sch.)

11 [^{F2} Circumstances in which tenants' rights enforceable against purchaser]

- (1) The following provisions of this Part apply where a landlord has made a relevant disposal affecting premises to which at the time of the disposal this Part applied ("the original disposal"), and either—
 - (a) no notice was served by the landlord under section 5 with respect to that disposal, or
 - (b) the disposal was made in contravention of any provision of sections 6 to 10, and the premises are still premises to which this Part applies.
- (2) In those circumstances the requisite majority of the qualifying tenants of the flats contained in the premises affected by the relevant disposal (the "constituent flats") have the rights conferred by the following provisions—
 - section 11A (right to information as to terms of disposal, &c.),
 - section 12A (right of qualifying tenants to take benefit of contract),
 - section 12B (right of qualifying tenants to compel sale, &c. by purchaser), and
 - section 12C (right of qualifying tenants to compel grant of new tenancy by superior landlord).

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- (3) In those sections the transferee under the original disposal (or, in the case of the surrender of a tenancy, the superior landlord) is referred to as “the purchaser”.

This shall not be read as restricting the operation of those provisions to disposals for consideration.

Textual Amendments

F2 Ss. 11, 11A, 12A-12D, 13, 14 and crossheading substituted for ss. 11-15 (1.10.1996) by 1996 c. 52, s. 92(1), Sch. 6 Pt. II; S.I. 1996/2212, art. 2(2) (with Sch.)

[^{F3}11A Right to information as to terms of disposal, &c.

- (1) The requisite majority of qualifying tenants of the constituent flats may serve a notice on the purchaser requiring him—
- (a) to give particulars of the terms on which the original disposal was made (including the deposit and consideration required) and the date on which it was made, and
 - (b) where the disposal consisted of entering into a contract, to provide a copy of the contract.
- (2) The notice must specify the name and address of the person to whom (on behalf of the tenants) the particulars are to be given, or the copy of the contract provided.
- (3) Any notice under this section must be served before the end of the period of four months beginning with the date by which—
- (a) notices under section 3A of the ^{M1}Landlord and Tenant Act 1985 (duty of new landlord to inform tenants of rights) relating to the original disposal, or
 - (b) where that section does not apply, documents of any other description—
 - (i) indicating that the original disposal has taken place, and
 - (ii) alerting the tenants to the existence of their rights under this Part and the time within which any such rights must be exercised,
 have been served on the requisite majority of qualifying tenants of the constituent flats.
- (4) A person served with a notice under this section shall comply with it within the period of one month beginning with the date on which it is served on him.]

Textual Amendments

F3 Ss. 11, 11A, 12A-12D, 13, 14 and crossheading substituted for ss. 11-15 (1.10.1996) by 1996 c. 52, s. 92(1), Sch. 6 Pt. II; S.I. 1996/2212, art. 2(2) (with Sch.)

Marginal Citations

M1 1985 c 70.

[^{F4}12A Right of qualifying tenants to take benefit of contract.

- (1) Where the original disposal consisted of entering into a contract, the requisite majority of qualifying tenants of the constituent flats may by notice to the landlord elect that

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the contract shall have effect as if entered into not with the purchaser but with a person or persons nominated for the purposes of this section by the requisite majority of qualifying tenants of the constituent flats.

- (2) Any such notice must be served before the end of the period of six months beginning—
 - (a) if a notice was served on the purchaser under section 11A (right to information as to terms of disposal, &c.), with the date on which the purchaser complied with that notice;
 - (b) in any other case, with the date by which documents of any description—
 - (i) indicating that the original disposal has taken place, and
 - (ii) alerting the tenants to the existence of their rights under this Part and the time within which any such rights must be exercised,have been served on the requisite majority of qualifying tenants of the constituent flats.
- (3) The notice shall not have effect as mentioned in subsection (1) unless the nominated person—
 - (a) fulfils any requirements as to the deposit required on entering into the contract, and
 - (b) fulfils any other conditions required to be fulfilled by the purchaser on entering into the contract.
- (4) Unless otherwise agreed, any time limit in the contract as it has effect by virtue of a notice under this section shall start to run again on the service of that notice; and nothing in the contract as it has effect by virtue of a notice under this section shall require the nominated person to complete the purchase before the end of the period of 28 days beginning with the day on which he is deemed to have entered into the contract.
- (5) Where the original disposal related to other property in addition to premises to which this Part applied at the time of the disposal—
 - (a) a notice under this section has effect only in relation to the premises to which this Part applied at the time of the original disposal, and
 - (b) the terms of the contract shall have effect with any necessary modifications.

In such a case the notice under this section may specify the subject-matter of the disposal, and the terms on which the disposal is to be made (whether doing so expressly or by reference to the original disposal), or may provide for that estate or interest, or any such terms, to be determined by a leasehold valuation tribunal.]

Textual Amendments

F4 Ss. 11, 11A, 12A-12D, 13, 14 and crossheading substituted for ss. 11-15 (1.10.1996) by 1996 c. 52, s. 92(1), **Sch. 6 Pt. II**; S.I. 1996/2212, **art. 2(2)** (with **Sch.**)

[^{F5}12B Right of qualifying tenants to compel sale, &c. by purchaser.

- (1) This section applies where—
 - (a) the original disposal consisted of entering into a contract and no notice has been served under section 12A (right of qualifying tenants to take benefit of contract), or
 - (b) the original disposal did not consist of entering into a contract.

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- (2) The requisite majority of qualifying tenants of the constituent flats may serve a notice (a “purchase notice”) on the purchaser requiring him to dispose of the estate or interest that was the subject-matter of the original disposal, on the terms on which it was made (including those relating to the consideration payable), to a person or persons nominated for the purposes of this section by any such majority of qualifying tenants of those flats.
- (3) Any such notice must be served before the end of the period of six months beginning—
- (a) if a notice was served on the purchaser under section 11A (right to information as to terms of disposal, &c.), with the date on which the purchaser complied with that notice;
 - (b) in any other case, with the date by which—
 - (i) notices under section 3A of the ^{M2}Landlord and Tenant Act 1985 (duty of new landlord to inform tenants of rights) relating to the original disposal, or
 - (ii) where that section does not apply, documents of any other description indicating that the original disposal has taken place, and alerting the tenants to the existence of their rights under this Part and the time within which any such rights must be exercised,
 have been served on the requisite majority of qualifying tenants of the constituent flats.
- (4) A purchase notice shall where the original disposal related to other property in addition to premises to which this Part applied at the time of the disposal—
- (a) require the purchaser only to make a disposal relating to those premises, and
 - (b) require him to do so on the terms referred to in subsection (2) with any necessary modifications.
- In such a case the purchase notice may specify the subject-matter of the disposal, and the terms on which the disposal is to be made (whether doing so expressly or by reference to the original disposal), or may provide for those matters to be determined by a leasehold valuation tribunal.
- (5) Where the property which the purchaser is required to dispose of in pursuance of the purchase notice has since the original disposal become subject to any charge or other incumbrance, then, unless the court by order directs otherwise—
- (a) in the case of a charge to secure the payment of money or the performance of any other obligation by the purchaser or any other person, the instrument by virtue of which the property is disposed of by the purchaser to the person or persons nominated for the purposes of this section shall (subject to the provisions of Part I of Schedule 1) operate to discharge the property from that charge; and
 - (b) in the case of any other incumbrance, the property shall be so disposed of subject to the incumbrance but with a reduction in the consideration payable to the purchaser corresponding to the amount by which the existence of the incumbrance reduces the value of the property.
- (6) Subsection (5)(a) and Part I of Schedule 1 apply, with any necessary modifications, to mortgages and liens as they apply to charges; but nothing in those provisions applies to a rentcharge.
- (7) Where the property which the purchaser is required to dispose of in pursuance of the purchase notice has since the original disposal increased in monetary value owing to

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any change in circumstances (other than a change in the value of money), the amount of the consideration payable to the purchaser for the disposal by him of the property in pursuance of the purchase notice shall be the amount that might reasonably have been obtained on a corresponding disposal made on the open market at the time of the original disposal if the change in circumstances had already taken place.]

Textual Amendments

F5 Ss. 11, 11A, 12A-12D, 13, 14 and crossheading substituted for ss. 11-15 (1.10.1996) by 1996 c. 52, s. 92(1), Sch. 6 Pt. II; S.I. 1996/2212, art. 2(2) (with Sch.)

Marginal Citations

M2 1985 c 70.

[^{F6}12C Right of qualifying tenants to compel grant of new tenancy by superior landlord

- (1) This section applies where the original disposal consisted of the surrender by the landlord of a tenancy held by him (“the relevant tenancy”).
- (2) The requisite majority of qualifying tenants of the constituent flats may serve a notice on the purchaser requiring him to grant a new tenancy of the premises which were subject to the relevant tenancy, on the same terms as those of the relevant tenancy and so as to expire on the same date as that tenancy would have expired, to a person or persons nominated for the purposes of this section by any such majority of qualifying tenants of those flats.
- (3) Any such notice must be served before the end of the period of six months beginning—
 - (a) if a notice was served on the purchaser under section 11A (right to information as to terms of disposal, &c.), with the date on which the purchaser complied with that notice;
 - (b) in any other case, with the date by which documents of any description—
 - (i) indicating that the original disposal has taken place, and
 - (ii) alerting the tenants to the existence of their rights under this Part and the time within which any such rights must be exercised,have been served on the requisite majority of qualifying tenants of the constituent flats.
- (4) If the purchaser paid any amount to the landlord as consideration for the surrender by him of that tenancy, the nominated person shall pay that amount to the purchaser.
- (5) Where the premises subject to the relevant tenancy included premises other than premises to which this Part applied at the time of the disposal, a notice under this section shall—
 - (a) require the purchaser only to grant a new tenancy relating to the premises to which this Part then applied, and
 - (b) require him to do so on the terms referred to in subsection (2) subject to any necessary modifications.
- (6) The purchase notice may specify the subject-matter of the disposal, and the terms on which the disposal is to be made (whether doing so expressly or by reference to the original disposal), or may provide for those matters to be determined by a leasehold valuation tribunal.]

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Textual Amendments

F6 Ss. 11, 11A, 12A-12D, 13, 14 and crossheading substituted for ss. 11-15 (1.10.1996) by 1996 c. 52, s. 92(1), **Sch. 6 Pt. II**; S.I. 1996/2212, **art. 2(2)** (with **Sch.**)

[^{F7}12D Nominated persons: supplementary provisions.

- (1) The person or persons initially nominated for the purposes of section 12A, 12B or 12C shall be nominated in the notice under that section.
- (2) A person nominated for those purposes by the requisite majority of qualifying tenants of the constituent flats may be replaced by another person so nominated if, and only if, he has (for any reason) ceased to be able to act as a nominated person.
- (3) Where two or more persons have been nominated and any of them ceases to act without being replaced, the remaining person or persons so nominated may continue to act.
- (4) Where, in the exercise of its power to award costs, the court or the Lands Tribunal makes, in connection with any proceedings arising under or by virtue of this Part, an award of costs against the person or persons so nominated, the liability for those costs is a joint and several liability of that person or those persons together with the qualifying tenants by whom the relevant notice was served.]

Textual Amendments

F7 Ss. 11, 11A, 12A-12D, 13, 14 and crossheading substituted for ss. 11-15 (1.10.1996) by 1996 c. 52, s. 92(1), **Sch. 6 Pt. II**; S.I. 1996/2212, **art. 2(2)** (with **Sch.**)

[^{F8}13 Determination of questions by leasehold valuation tribunal.

- (1) A leasehold valuation tribunal has jurisdiction to hear and determine—
 - (a) any question arising in relation to any matters specified in a notice under section 12A, 12B or 12C, and
 - (b) any question arising for determination as mentioned in section 8C(4), 12A(5) or 12B(4) (matters left for determination by tribunal).
- (2) On an application under this section the interests of the persons by whom the notice was served under section 12A, 12B or 12C shall be represented by the nominated person; and accordingly the parties to any such application shall not include those persons.]

Textual Amendments

F8 Ss. 11, 11A, 12A-12D, 13, 14 and crossheading substituted for ss. 11-15 (1.10.1996) by 1996 c. 52, s. 92(1), **Sch. 6 Pt. II**; S.I. 1996/2212, **art. 2(2)** (with **Sch.**)

[^{F9}14 Withdrawal of nominated person from transaction under s.12B or 12C.

- (1) Where notice has been duly served on the landlord under—

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section 12B (right of qualifying tenants to compel sale, &c by purchaser), or section 12C (right of qualifying tenants to compel grant of new tenancy by superior landlord),

the nominated person may at any time before a binding contract is entered into in pursuance of the notice, serve notice under this section on the purchaser (a “notice of withdrawal”) indicating an intention no longer to proceed with the disposal.

- (2) If at any such time the nominated person becomes aware that the number of qualifying tenants of the constituent flats desiring to proceed with the disposal is less than the requisite majority of those tenants, he shall forthwith serve a notice of withdrawal.
- (3) If a notice of withdrawal is served under this section the purchaser may recover from the nominated person any costs reasonably incurred by him in connection with the disposal down to the time when the notice is served on him.
- (4) If a notice of withdrawal is served at a time when proceedings arising under or by virtue of this Part are pending before the court or the Lands Tribunal, the liability of the nominated person for any costs incurred by the purchaser as mentioned in subsection (3) shall be such as may be determined by the court or (as the case may be) by the Tribunal.
- (5) The costs that may be recovered by the purchaser under this section do not include any costs incurred by him in connection with an application to a leasehold valuation tribunal.]

Textual Amendments

- F9** Ss. 11, 11A, 12A-12D, 13, 14 and crossheading substituted for ss. 11-15 (1.10.1996) by 1996 c. 52, s. 92(1), **Sch. 6 Pt. II**; S.I. 1996/2212, **art. 2(2)** (with **Sch.**)

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