



# Landlord and Tenant Act 1987

## 1987 CHAPTER 31

### PART I

#### TENANTS' RIGHTS OF FIRST REFUSAL

##### *Enforcement by tenants of rights against new landlords*

#### **12 Right of qualifying tenants to compel sale etc. by new landlord**

(1) Where—

(a) paragraphs (a) and (b) of section 11(1) apply to a relevant disposal affecting any premises to which at the time of the disposal this Part applied (other than a disposal consisting of such a surrender as is mentioned in section 15(1)(b)), and

(b) those premises are still premises to which this Part applies,

the requisite majority of qualifying tenants of the constituent flats may, before the end of the period specified in subsection (2), serve a notice ("a purchase notice") on the new landlord requiring him (except as provided by the following provisions of this Part) 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.

(2) The period referred to in subsection (1) is—

(a) in a case where a notice has been served on the new landlord under section 11(1), the period of three months beginning with the date on which a notice is served by him under section 11(3); and

(b) in any other case, the period of three months beginning with the date mentioned in section 11 (2).

(3) A purchase notice—

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- (a) shall, where the estate or interest that was the subject-matter of the original disposal related to any property in addition to the premises to which this Part applied at the time of the disposal—
    - (i) require the new landlord to dispose of that estate or interest only so far as relating to those premises, and
    - (ii) require him to do so on the terms referred to in subsection (1) subject to such modifications as are necessary or expedient in the circumstances;
  - (b) may, instead of specifying the estate or interest to be disposed of or any particular terms on which the disposal is to be made by the new landlord (whether doing so expressly or by reference to the original disposal), provide for that estate or interest, or (as the case may be) for any such terms, to be determined by a rent assessment committee in accordance with section 13.
- (4) Where the property which the new landlord is required to dispose of in pursuance of the purchase notice has at any time 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 new landlord or any other person, the instrument by virtue of which the property is disposed of by the new landlord 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 new landlord corresponding to the amount by which the existence of the incumbrance reduces the value of the property.
- (5) Subsection (4)(a) and Part I of Schedule 1 shall apply, with any necessary modifications, to mortgages and liens as they apply to charges; but nothing in those provisions shall apply to a rentcharge.
- (6) Where the property referred to in subsection (4) has at any time since the original disposal increased in monetary value owing to any change in circumstances (other than a change in the value of money), the amount of the consideration payable to the new landlord 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.
- (7) The person or persons initially nominated for the purposes of this section shall be so nominated in the purchase notice; and any such person may only be replaced by another person so nominated by the requisite majority of qualifying tenants of the constituent flats if he has (for any reason) ceased to be able to act as a person so nominated.
- (8) Where two or more persons have been so nominated and any of them ceases to act as such a person without being replaced in accordance with subsection (7), any remaining person or persons so nominated shall be entitled to continue to act in his or their capacity as such.
- (9) 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

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shall be the joint and several liability of that person or those persons together with the qualifying tenants by whom the relevant purchase notice was served.