

SCHEDULES

SCHEDULE 1

CATEGORIES OF PERMITTED LEASE

PART 2

CATEGORIES OF PERMITTED LEASE FOR SELF-CERTIFICATION

Shared ownership leases

- 7 (1) A lease that—
- (a) is a shared ownership lease, and
 - (b) meets conditions A to D.
- (2) But conditions C and D do not need to be met if the shared ownership lease is of a description specified for this purpose in regulations made by the Secretary of State.
- (3) A shared ownership lease means a lease of a house—
- (a) granted on payment of a premium calculated by reference to a percentage of the value of the house or of the cost of providing it, or
 - (b) under which the tenant (or the tenant's personal representatives) will or may be entitled to a sum calculated by reference, directly or indirectly, to the value of the house.
- (4) Condition A: the lease allows for the tenant to increase the tenant's share in the house by increments of 25% or less (whether or not the lease also provides for increments of more than 25%).
- (5) Condition B: the lease provides—
- (a) for the price payable for an increase in the tenant's share in the house to be proportionate to the market value of the house at the time the share is to be increased, and
 - (b) if the tenant's share is increased, for the rent payable by the tenant in respect of the landlord's share in the house to be reduced by an amount reflecting the increase in the tenant's share.
- (6) Condition C: the lease allows for the tenant's share in the house to reach 100%.
- (7) Condition D: if and when the tenant's share in the house is 100%, the tenancy—
- (a) allows for the tenant to acquire the freehold of the house (if the landlord has the freehold), or
 - (b) provides that the terms of the lease which make the lease a shared ownership lease cease to have effect (if the landlord does not have the freehold),
- without the payment of further consideration.

Status: This is the original version (as it was originally enacted).

- (8) A statutory instrument containing regulations made under [sub-paragraph \(2\)](#) is subject to the negative procedure.