

SCHEDULE 5A

LIMITS ON AMOUNT OF DISCOUNT RELEVANT COSTS

Relevant costs and relevant works

2. Costs shall be treated as relevant costs if, and only to the extent that, they are not administrative costs or interest.

3. Works of improvement to a qualifying dwelling-house are relevant works but works of repair or maintenance or works to deal with any defect affecting the qualifying dwelling-house are not relevant works.

4. Costs incurred on any relevant works shall not be treated as relevant costs if payment for them is made on or after the date of service of the qualifying person's notice under section 122 (notice claiming to exercise right to buy) unless—

- (a) the landlord has before that date entered into a written contract for the carrying out of the works; or
- (b) the qualifying person has agreed in writing to the carrying out of works and either the works have been carried out not later than the date of service of the landlord's notice under section 125 (notice of purchase price etc.) or the works will be carried out under the proposed terms of the conveyance or grant.