

HOUSING (SCOTLAND) ACT 2001

EXPLANATORY NOTES

BACKGROUND AND OVERVIEW

Part 2 – Tenants of Social Landlords

Chapter 2 – Right to Buy

Section 49: Discounts

85. Section 62 of the Housing (Scotland) Act 1987 sets out provisions for calculating the price at which a property should be sold under the right to buy. This section amends those provisions in the following ways for new Scottish secure tenants. (The existing provisions will continue to apply to tenants who currently have the right to buy by virtue of an order made under section 11(1)).
86. *Subsection (2)* changes the level of discount to be applied to the market value of the house. It removes the distinction between houses and flats. It sets a new minimum discount of 20% for all those with a 5 year eligibility period. It sets a single rate at which the level of discount increases from the minimum, of 1% of the market value for every year beyond 5 years that the tenant has occupied a house let by a relevant landlord. It reduces the maximum level of discount from 60% of the market value of the house to 35% or £15,000, whichever is the less.
87. In calculating a discount, section 62 of the 1987 Act requires account to be taken of any previous discounts received by the applicant(s). *Subsection (4)* inserts a new provision in section 62 making clear that a previous discount received by two or more persons jointly should be deemed to have been received in equal proportions.
88. *Subsection (3)* broadens the definition of appropriate persons for calculation purposes of any previous discount to be deducted from discount entitlement. The definition in section 62(4)(a)(i) to (iv) of the 1987 Act refers to the tenant, the tenant's spouse, or joint tenant. These will now reflect cohabitees of either sex, by virtue of section 108. *Subsection (5)* makes technical changes consequential to the changes made by *subsections (2)* and *(3)*.
89. *Subsections (6), (7) and (8)* allow the Scottish Ministers to vary the discount rates and set different discount regimes, including different caps, in different areas of the country by order.