



Long Leases (Scotland) Act 2012

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PART 3

ALLOCATION OF RENTS AND RENEWAL PREMIUMS ETC.

Allocation of renewal premium

42 Allocation of *cumulo* renewal premium

- (1) This section applies where—
 - (a) immediately before the appointed day, the renewal premium payable in relation to two or more leases containing a renewal obligation was a *cumulo* renewal premium,
 - (b) on that day, one or more of the leases is extinguished by virtue of Part 1 in respect of any subjects of the leases, and
 - (c) a lease mentioned in paragraph (b) complies with section 1(3)(b) and (c) by virtue of section 71(1)(b).
- (2) The landlord must, before the expiry of the period of 2 years beginning with the appointed day, allocate the *cumulo* renewal premium between the leases mentioned in subsection (1)(a).
- (3) The allocation under subsection (2) must be in such proportions as are reasonable in all the circumstances.
- (4) For the purposes of subsection (3)—
 - (a) the proportions are presumed to be reasonable in so far as they accord with any apportionment of the *cumulo* renewal premium that was effective immediately before the appointed day,
 - (b) where there is no such apportionment, the proportions are presumed to be reasonable in so far as they accord with any allocation of rent under section 40.
- (5) The renewal premium payable from the appointed day under a lease which is not wholly extinguished by virtue of Part 1 is (subject to section 43) the renewal premium allocated to the lease under subsection (2).

43 Partially continuing leases: allocation of renewal premium

- (1) This section applies to a lease which—
 - (a) contains a renewal obligation,
 - (b) complies with section 1(3)(b) and (c) by virtue of section 71(1)(b), and
 - (c) is a partially continuing lease.
- (2) The landlord must, before the expiry of the period of 2 years beginning with the appointed day, allocate the renewal premium between the converted subjects and continuing subjects.
- (3) For the purposes of subsection (2), the renewal premium is—
 - (a) the renewal premium payable under the lease immediately before the appointed day, or
 - (b) where a *cumulo* renewal premium is allocated to the lease under section 42(2), the premium so allocated.
- (4) The allocation under subsection (2) must be in such proportions as are reasonable in all the circumstances.
- (5) For the purposes of subsection (4), the proportions are presumed to be reasonable in so far as they accord with any allocation of rent under section 41.
- (6) The renewal premium payable from the appointed day under the partially continuing lease is the renewal premium allocated to the continuing subjects under subsection (2).