



Local Government and Housing Act 1989

1989 CHAPTER 42

PART VIII

GRANTS TOWARDS COST OF IMPROVEMENTS AND REPAIRS ETC.

Conditions of grants and repayments

124 Meaning of relevant disposal and exempt disposal for the purposes of sections 120 to 123

- (1) A disposal, whether of the whole or part of the dwelling, is a relevant disposal for the purposes of sections 120 to 123 above if it is—
 - (a) a conveyance of the freehold or an assignment of the lease, or
 - (b) the grant of a lease (other than a mortgage term) for a term of more than 21 years otherwise than at a rack rent.
- (2) For the purposes of subsection (1)(b) above it shall be assumed—
 - (a) that any option to renew or extend a lease or sub-lease, whether or not forming part of a series of options, is exercised, and
 - (b) that any option to terminate a lease or sub-lease is not exercised.
- (3) A disposal is an exempt disposal for the purposes of sections 120 to 123 above if it is—
 - (a) a disposal of the whole of the dwelling and a conveyance of the freehold or an assignment of the lease and the person or each of the persons to whom it is made is a qualifying person as defined in subsection (4) below;
 - (b) a vesting of the whole of the dwelling in a person taking under a will or on an intestacy;
 - (c) a disposal of the whole of the dwelling in pursuance of an order made under section 24 of the Matrimonial Causes Act 1973 (property adjustment orders in connection with matrimonial proceedings) or section 2 of the Inheritance (Provision for Family and Dependents) Act 1975 (orders as to financial provision to be made from estate);

Status: This is the original version (as it was originally enacted).

- (d) a compulsory disposal as defined in section 161 of the Housing Act 1985 (meaning of compulsory disposal);
 - (e) a disposal of property consisting of land included in the dwelling by virtue of section 184 of that Act (land let with or used for the purposes of the dwelling-house); or
 - (f) a disposal under which the interest of a person entitled to assistance by way of repurchase under Part XVI of that Act (assistance for owners of defective housing) is acquired in accordance with Schedule 20 to that Act.
- (4) A person is a qualifying person for the purposes of subsection (3)(a) above if—
- (a) in the case of an individual, he is—
 - (i) the person, or one of the persons, by whom the disposal is made;
 - (ii) the spouse, or former spouse, of that person or one of those persons; or
 - (iii) a member of the family of that person or one of those persons; or
 - (b) in the case of a company, it is an associated company of the company by whom the disposal is made;
- and, for the purposes of paragraph (b) above, section 416 of the Income and Corporation Taxes Act 1988 (meaning of associated company) shall apply in determining whether a company is an associated company of another.
- (5) For the purposes of sections 120 to 123 above, the grant of an option enabling a person to call for a relevant disposal which is not an exempt disposal shall be treated as such a disposal made to him.