
Changes to legislation: Leasehold Reform, Housing and Urban Development Act 1993, Cross Heading: Diminution in value of landlord's interest is up to date with all changes known to be in force on or before 27 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULES

SCHEDULE 13

PREMIUM AND OTHER AMOUNTS PAYABLE BY TENANT ON GRANT OF NEW LEASE

Commencement Information

II Sch. 13 wholly in force at 1.11.1993 see s. 188(2) and S.I. 1993/2134, art. 5

PART II

PREMIUM PAYABLE IN RESPECT OF GRANT OF NEW LEASE

Diminution in value of landlord's interest

- 3 (1) The diminution in value of the landlord's interest is the difference between—
- (a) the value of the landlord's interest in the tenant's flat prior to the grant of the new lease; and
 - (b) the value of his interest in the flat once the new lease is granted.
- (2) Subject to the provisions of this paragraph, the value of any such interest of the landlord as is mentioned in sub-paragraph (1)(a) or (b) is the amount which at [^{F1}the relevant date] that interest might be expected to realise if sold on the open market by a willing seller (with [^{F2}neither the tenant nor any owner of an intermediate leasehold interest] buying or seeking to buy) on the following assumptions—
- (a) on the assumption that the vendor is selling for an estate in fee simple or (as the case may be) such other interest as is held by the landlord, subject to the relevant lease and any intermediate leasehold interests;
 - (b) on the assumption that Chapter I and this Chapter confer no right to acquire any interest in any premises containing the tenant's flat or to acquire any new lease;
 - (c) on the assumption that any increase in the value of the flat which is attributable to an improvement carried out at his own expense by the tenant or by any predecessor in title is to be disregarded; and
 - (d) on the assumption that (subject to paragraph (b)) the vendor is selling with and subject to the rights and burdens with and subject to which the relevant lease has effect or (as the case may be) is to be granted.
- (3) In sub-paragraph (2) “the relevant lease” means either the tenant's existing lease or the new lease, depending on whether the valuation is for the purposes of paragraph (a) or paragraph (b) of sub-paragraph (1).
- (4) It is hereby declared that the fact that sub-paragraph (2) requires assumptions to be made as to the matters specified in paragraphs (a) to (d) of that sub-paragraph does

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not preclude the making of assumptions as to other matters where those assumptions are appropriate for determining the amount which at [^{F1}the relevant date] any such interest of the landlord as is mentioned in sub-paragraph (1)(a) or (b) might be expected to realise if sold as mentioned in sub-paragraph (2).

- (5) In determining any such amount there shall be made such deduction (if any) in respect of any defect in title as on a sale of that interest on the open market might be expected to be allowed between a willing seller and a willing buyer.
- (6) The value of any such interest of the landlord as is mentioned in sub-paragraph (1) (a) or (b) shall not be increased by reason of—
- (a) any transaction which—
 - (i) is entered into on or after the date of the passing of this Act (otherwise than in pursuance of a contract entered into before that date), and
 - (ii) involves the creation or transfer of an interest superior to (whether or not preceding) any interest held by the tenant; or
 - (b) any alteration on or after that date of the terms on which any such superior interest is held.

Textual Amendments

- F1** Words in *Sch. 13 para. 3* substituted (26.7.2002 for E. and 1.1.2003 for W.) by *Commonhold and Leasehold Reform Act 2002 (c. 15), s. 134*; *S.I. 2002/1912, art. 2(b)(i)* (subject to *Sch. 2*); *S.I. 2002/3012, art. 2(b)(i)* (subject to *Sch. 2*)
- F2** Words in *Sch. 13 para. 3(2)* substituted (24.7.1996) by *1996 c. 52, ss. 110(2)(5), 232(1)*

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 12A and cross-heading inserted by [2002 c. 15 s. 123\(1\)](#)
- s. 12A(3)(a)(b) words substituted by [S.I. 2009/1941 Sch. 1 para. 140\(5\)](#)
- s. 12A(4)(a) words substituted by [S.I. 2009/1941 Sch. 1 para. 140\(5\)](#)
- s. 12A(4)(c) words substituted by [S.I. 2009/1941 Sch. 1 para. 140\(5\)](#)
- s. 13(2ZA) inserted by [2002 c. 15 s. 121\(3\)](#)
- s. 13(2ZB) inserted by [2002 c. 15 s. 123\(2\)](#)
- s. 13(5A) inserted by [2002 c. 15 Sch. 8 para. 6\(3\)](#)
- s. 29(4A) inserted by [2002 c. 15 Sch. 8 para. 18\(2\)](#)
- s. 29(4A) words added by [S.I. 2003/2096 Sch. para. 20\(b\)](#)
- s. 29(4A)(a) words omitted by [S.I. 2003/2096 Sch. para. 20\(a\)](#)
- s. 29(4A)(d) words substituted by [S.I. 2009/1941 Sch. 1 para. 140\(6\)](#)
- s. 70(15) inserted by [2023 asc 3 Sch. 13 para. 166\(b\)](#)
- s. 78(5A)-(5C) inserted by [2008 c. 17 Sch. 12 para. 15\(3\)](#)
- s. 78(7) inserted by [2008 c. 17 Sch. 12 para. 15\(4\)](#)
- s. 79(2)(2A) substituted for s. 79(2) by [2002 c. 15 Sch. 10 para. 16\(3\)](#)
- s. 156(4) repealed by [2014 asp 14 sch. 2 para. 7](#)
- Sch. 20 para. 5(1A) inserted by [2008 c. 29 Sch. 9 para. 5\(2\)](#)