



Housing Act 1996

1996 CHAPTER 52

PART III

LANDLORD AND TENANT

CHAPTER I

TENANTS' RIGHTS

Right of first refusal

89 Application of right of first refusal in relation to contracts

(1) After section 4 of the Landlord and Tenant Act 1987 (relevant disposals) insert—

“4A Application of provisions to contracts

(1) The provisions of this Part apply to a contract to create or transfer an estate or interest in land, whether conditional or unconditional and whether or not enforceable by specific performance, as they apply in relation to a disposal consisting of the creation or transfer of such an estate or interest.

As they so apply—

- (a) references to a disposal of any description shall be construed as references to a contract to make such a disposal;
- (b) references to making a disposal of any description shall be construed as references to entering into a contract to make such a disposal; and
- (c) references to the transferee under the disposal shall be construed as references to the other party to the contract and include a reference to any other person to whom an estate or interest is to be granted or transferred in pursuance of the contract.

Status: This is the original version (as it was originally enacted).

- (2) The provisions of this Part apply to an assignment of rights under such a contract as is mentioned in subsection (1) as they apply in relation to a disposal consisting of the transfer of an estate or interest in land.

As they so apply—

- (a) references to a disposal of any description shall be construed as references to an assignment of rights under a contract to make such a disposal;
- (b) references to making a disposal of any description shall be construed as references to making an assignment of rights under a contract to make such a disposal;
- (c) references to the landlord shall be construed as references to the assignor; and
- (d) references to the transferee under the disposal shall be construed as references to the assignee of such rights.

- (3) The provisions of this Part apply to a contract to make such an assignment as is mentioned in subsection (2) as they apply (in accordance with subsection (1)) to a contract to create or transfer an estate or interest in land.

- (4) Nothing in this section affects the operation of the provisions of this Part relating to options or rights of pre-emption.”

- (2) In section 4(2) of the Landlord and Tenant Act 1987 (relevant disposals: excluded disposals), for paragraph (i) (certain disposals in pursuance of existing obligations) substitute—

“(i) a disposal in pursuance of a contract, option or right of pre-emption binding on the landlord (except as provided by section 8D (application of sections 11 to 17 to disposal in pursuance of option or right of pre-emption));”

- (3) In section 20(1) (interpretation), in the definition of “disposal” for “has the meaning given by section 4(3)” substitute “shall be construed in accordance with section 4(3) and section 4A (application of provisions to contracts)”.

90 Notice required to be given by landlord making disposal

- (1) In section 4(2) of the Landlord and Tenant Act 1987 (disposals which are not relevant disposals for the purposes of Part I of that Act), for paragraph (1) substitute—

“(1) a disposal by a body corporate to a company which has been an associated company of that body for at least two years.”

- (2) The above amendment does not apply to a disposal made in pursuance of an obligation entered into before the commencement of this section.

91 Offence of failure to comply with requirements of Part I

- (1) After section 10 of the Landlord and Tenant Act 1987 insert—

“10A Offence of failure to comply with requirements of Part I

- (1) A landlord commits an offence if, without reasonable excuse, he makes a relevant disposal affecting premises to which this Part applies—

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

- (a) without having first complied with the requirements of section 5 as regards the service of notices on the qualifying tenants of flats contained in the premises, or
 - (b) in contravention of any prohibition or restriction imposed by sections 6 to 10.
 - (2) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 5 on the standard scale.
 - (3) Where an offence under this section committed by a body corporate is proved—
 - (a) to have been committed with the consent or connivance of a director, manager, secretary or other similar officer of the body corporate, or a person purporting to act in such a capacity, or
 - (b) to be due to any neglect on the part of such an officer or person, he, as well as the body corporate, is guilty of the offence and liable to be proceeded against and punished accordingly.

Where the affairs of a body corporate are managed by its members, the above provision applies in relation to the acts and defaults of a member in connection with his functions of management as if he were a director of the body corporate.
 - (4) Proceedings for an offence under this section may be brought by a local housing authority (within the meaning of section 1 of the Housing Act 1985).
 - (5) Nothing in this section affects the validity of the disposal.”
- (2) The above amendment does not apply to a disposal made in pursuance of an obligation entered into before the commencement of this section.

92 Procedure for exercise of rights of first refusal

- (1) Part I of the Landlord and Tenant Act 1987 (tenants' rights of first refusal) is amended in accordance with Schedule 6.
- (2) The amendments restate the principal provisions of that Part so as to—
 - (a) simplify the procedures for the exercise of the rights conferred on tenants, and
 - (b) apply those procedures in relation to contracts and certain special cases.
- (3) In Schedule 6—
 - Part I sets out provisions replacing sections 5 to 10 of the Act (rights of first refusal),
 - Part II sets out provisions replacing sections 11 to 15 of the Act (enforcement by tenants of rights against purchaser),
 - Part III sets out provisions replacing sections 16 and 17 of the Act (enforcement of rights against subsequent purchasers and termination of rights), and
 - Part IV contains consequential amendments.

93 Duty of new landlord to inform tenant of rights

- (1) In the Landlord and Tenant Act 1985, after section 3 (duty to inform tenant of assignment of landlord's interest) insert—

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

“3A Duty to inform tenant of possible right to acquire landlord’s interest

(1) Where a new landlord is required by section 3(1) to give notice to a tenant of an assignment to him, then if—

- (a) the tenant is a qualifying tenant within the meaning of Part I of the Landlord and Tenant Act 1987 (tenants' rights of first refusal), and
- (b) the assignment was a relevant disposal within the meaning of that Part affecting premises to which at the time of the disposal that Part applied,

the landlord shall give also notice in writing to the tenant to the following effect.

(2) The notice shall state—

- (a) that the disposal to the landlord was one to which Part I of the Landlord and Tenant Act 1987 applied;
- (b) that the tenant (together with other qualifying tenants) may have the right under that Part—
 - (i) to obtain information about the disposal, and
 - (ii) to acquire the landlord’s interest in the whole or part of the premises in which the tenant’s flat is situated; and
- (c) the time within which any such right must be exercised, and the fact that the time would run from the date of receipt of notice under this section by the requisite majority of qualifying tenants (within the meaning of that Part).

(3) A person who is required to give notice under this section and who fails, without reasonable excuse, to do so within the time allowed for giving notice under section 3(1) commits a summary offence and is liable on conviction to a fine not exceeding level 4 on the standard scale.”

(2) In section 32(1) of the Landlord and Tenant Act 1985 (provisions not applying to tenancies within Part II of the Landlord and Tenant Act 1954), for “sections 1 to 3” substitute “sections 1 to 3A”.