# SCHEDULES

# SCHEDULE 10

Section 107.

#### SECTION 107: CONSEQUENTIAL AMENDMENTS

Chapter I of Part I of the <sup>M1</sup>Leasehold Reform, Housing and Urban Development Act 1993 shall be amended as follows.

### Marginal Citations M1 1993 c. 28.

**WII** 1775 C. 20.

1

- 2 In section 1(4) (right to acquire additional property satisfied by grant of rights over that property or other property)—
  - (a) in paragraph (a), for "freeholder" there shall be substituted " person who owns the freehold of that property ", and
  - (b) in paragraph (b), for "freeholder" there shall be substituted " person who owns the freehold of that property ".
- 3 (1) Section 9 (the reversioner and other relevant landlords) shall be amended as follows.
  - (2) In subsection (1), after "any premises" there shall be inserted " the freehold of the whole of which is owned by the same person ".
  - (3) In subsection (2)—
    - (a) after "such claim" there shall be inserted " as is mentioned in subsection (1) ", and
    - (b) in paragraph (b), after "premises," there shall be inserted " every person who owns any freehold interest which it is proposed to acquire by virtue of section 1(2)(a),".
  - (4) After that subsection there shall be inserted—
    - "(2A) In the case of any claim to exercise the right to collective enfranchisement in relation to any premises the freehold of the whole of which is not owned by the same person—
      - (a) the reversioner in respect of the premises shall for the purposes of this Chapter be the person identified as such by Part IA of Schedule 1 to this Act, and
      - (b) every person who owns a freehold interest in the premises, every person who owns any freehold interest which it is proposed to acquire by virtue of section 1(2)(a), and every person who owns any leasehold interest which it is proposed to acquire under or by virtue of section 2(1)(a) or (b), shall be a relevant landlord for those purposes."

(5) In subsection (3), after "subsection (2)" there shall be inserted " or (2A) ".

<sup>F1</sup>4 .....

#### **Textual Amendments**

- F1 Sch. 10 para. 4 repealed (26.7.2002 for E. and 1.1.2003 for W.) by 2002 c. 15, s. 180, Sch. 14; S.I. 2002/1912, art. 2(b)(ii) (subject to the transitional provisions and savings in Sch. 2), Sch. 1 Pt. 2; S.I. 2002/3012, art. 2(b)(ii), Sch. 1 Pt. 2 (subject to the transitional provisions and savings in Sch. 2)
- 5 (1) Section 11 (right of qualifying tenant to obtain information about superior interests etc.) shall be amended as follows.
  - (2) In subsection (1)—
    - (a) for "his immediate landlord", in both places, there shall be substituted " any immediate landlord of his ", and
    - (b) for "the person who owns the freehold of" there shall be substituted " every person who owns a freehold interest in ".
  - (3) In subsection (2)(b), for "the tenant's immediate landlord" there shall be substituted " any immediate landlord of the tenant ".
  - (4) In subsection (3), for "the person who owns the freehold of" there shall be substituted " any person who owns a freehold interest in ".
  - (5) In subsection (4), for paragraph (a) there shall be substituted—
    - "(a) to any person who owns a freehold interest in the relevant premises,
    - (aa) to any person who owns a freehold interest in any such property as is mentioned in subsection (3)(c),".
  - (6) In subsection (8)(b)(i), after "premises" there shall be inserted " or in any such property as is mentioned in subsection (3)(c) ".
  - (7) In subsection (9), in the definition of "the relevant premises"—
    - (a) in paragraph (a), after "owns", where it second occurs, there shall be inserted ", or the persons who own the freehold interests in the flat own, ", and
    - (b) in paragraph (b), after "owns" there shall be inserted ", or those persons own, ".
  - (1) Section 13 (notice by qualifying tenants of claim to exercise right to collective enfranchisement) shall be amended as follows.
    - (2) In subsection (2), in paragraph (a)—
      - (a) after "must" there shall be inserted—

"(i) in a case to which section 9(2) applies,",

and

6

- (b) after "premises;" there shall be inserted "and
  - (ii) in a case to which section 9(2A) applies, be given to the person specified in the notice as the recipient;".
- (3) After that subsection there shall be inserted—

"(2A) In a case to which section 9(2A) applies, the initial notice must specify—

(a) a person who owns a freehold interest in the premises, or

(b) if every person falling within paragraph (a) is a person who cannot be found or whose identity cannot be ascertained, a relevant landlord,

as the recipient of the notice.".

- (4) In subsection (3)(d)(i), there shall be inserted at the end " or, if the freehold of the whole of the specified premises is not owned by the same person, each of the freehold interests in those premises ".
- 7 (1) Section 19 (effect of notice under section 13 on subsequent transactions by freeholder etc) shall be amended as follows.
  - (2) In subsection (1)(a)—
    - (a) for "the person who owns the freehold of the specified premises" there shall be substituted "any person who owns the freehold of the whole or any part of the specified premises or the freehold of any property specified in the notice under section 13(3)(a)(ii)", and
    - (b) in sub-paragraph (i), for the words from "any property" to the end there shall be substituted " that property ".
  - (3) In subsection (2), for paragraph (a) there shall be substituted—
    - "(a) any person who owns the freehold of the whole or any part of the specified premises or the freehold of any property specified in the notice under section 13(3)(a)(ii) disposes of his interest in those premises or that property,".
  - (4) In subsection (4), for paragraph (a) there shall be substituted—
    - "(a) by any person who owns the freehold of the whole or any part of the specified premises or the freehold of any property specified in the notice under section 13(3)(a)(ii),".
- 8 (1) Section 21 (reversioner's counter-notice) shall be amended as follows.
  - (2) In subsection (3)(d), for "the person who owns the freehold of the specified premises, or any other" there shall be substituted " any ".
  - (3) In subsection (4), for "the person who owns the freehold of the specified premises or of any other" there shall be substituted " any ".
- 9 (1) Section 26 (application to court where relevant landlords cannot be found) shall be amended as follows.
  - (2) In subsection (1)(b), after "section 9(2)" there shall be inserted " or (2A) ".
  - (3) In subsection (3), after "If" there shall be inserted ", in a case to which section 9(2) applies, ".
  - (4) After that subsection there shall be inserted—
    - "(3A) Where in a case to which section 9(2A) applies—
      - (a) not less than two-thirds of the qualifying tenants of flats contained in any premises to which this Chapter applies desire to make a claim to exercise the right to collective enfranchisement in relation to those premises, and
      - (b) paragraph (b) of subsection (1) does not apply, but

(c) a copy of a notice of that claim cannot be given in accordance with Part II of Schedule 3 to any person to whom it would otherwise be required to be so given because he cannot be found or his identity cannot be ascertained,

the court may, on the application of the qualifying tenants in question, make an order dispensing with the need to give a copy of such a notice to that person.".

- (5) In subsection (4), for "or (2)" there shall be substituted ", (2) or (3A)".
- (6) In subsection (7), after "(2)" there shall be inserted " or (3A) ".

10 In section 30 (effect on acquisition of institution of compulsory acquisition procedures), at the end of subsection (2)(a) there shall be inserted " or, where the freehold of the whole of the premises is not owned by the same person, any person who owns the freehold of part of them ".

- 11 (1) Section 34 (conveyance to nominee purchaser) shall be amended as follows.
  - (2) In subsection (1)—
    - (a) after "specified premises" there shall be inserted ", of a part of those premises ", and
    - (b) after "those premises" there shall be inserted ", that part of those premises".
  - (3) In subsection (2), after "premises" there shall be inserted ", the part of the specified premises ".
- 12 (1) Section 36 (nominee purchaser required to grant leases back to former freeholder) shall be amended as follows.
  - (2) In subsection (1)—
    - (a) for "the freehold of" there shall be substituted " a freehold interest in ", and
    - (b) for "freehold", where it second occurs, there shall be substituted "interest".
  - (3) In subsection (2), for "of the specified premises" there shall be substituted " interest concerned ".
- 13 In section 38 (interpretation of Chapter I), in subsection (3), after "section 9(2)(b)" there shall be inserted " or (2A)(b)".
- 14 In Schedule 1 (conduct of proceedings by reversioner on behalf of other landlords), in Part I (identification of reversioner in case of premises with relevant landlords), in paragraph 1, after "2 to 4," there shall be inserted " in a case to which section 9(2) applies, ".
- 15 In that Schedule, after Part I there shall be inserted—

## **"PART IA**

# THE REVERSIONER: PREMISES WITH MULTIPLE FREEHOLDERS

# Initial reversioner

5A Subject to paragraphs 5B to 5D, in a case to which section 9(2A) applies, the reversioner in respect of any premises is the person specified in the initial notice in accordance with section 13(2A) as the recipient.

#### Change of reversioner

5B	The court may, on the application of all the relevant landlords of any
	premises, appoint to be the reversioner in respect of those premises (in
	place of the person designated by paragraph 5A) such person as may
	have been determined by agreement between them.

- 5C If it appears to the court, on the application of a relevant landlord of any premises—
  - (a) that the respective interests of the relevant landlords of those premises, the absence or incapacity of the person referred to in paragraph 5A or other special circumstances require that some person other than the person there referred to should act as the reversioner in respect of the premises, or
  - (b) that the person referred to in that paragraph is unwilling to act as the reversioner,

the court may appoint to be the reversioner in respect of those premises (in place of the person designated by paragraph 5A) such person as it thinks fit.

- 5D The court may also, on the application of any of the relevant landlords or of the nominee purchaser, remove the reversioner in respect of any premises and appoint another person in his place, if it appears to the court proper to do so by reason of any delay or default, actual or apprehended, on the part of the reversioner.
- 5E A person appointed by the court under any of paragraphs 5B to 5D—
  - (a) must be a relevant landlord; but
  - (b) may be so appointed on such terms and conditions as the court thinks fit.".
- 16 In Schedule 2 (special categories of landlords), in paragraph 1(1), in the definition of "Chapter I landlord", for "the reversioner or any other" there shall be substituted "a".
- 17 (1) Part II of Schedule 3 (which makes provision for the giving of copies of the notice under section 13 to relevant landlords) shall be amended as follows.
  - (2) In paragraph 11, after "section 9(2)" there shall be inserted " or (2A) ".
  - (3) In paragraph 12, in sub-paragraph (1), there shall be inserted at the beginning "In a case to which section 9(2) applies, ".
  - (4) After that paragraph there shall be inserted—
    - "12A(1) In a case to which section 9(2A) applies, the qualifying tenants by whom the initial notice is given shall, in addition to giving the initial notice to the person specified in it as the recipient, give a copy of the notice to every other person known or believed by them to be a relevant landlord of the specified premises.
      - (2) The initial notice shall state whether copies are being given in accordance with sub-paragraph (1) to anyone other than the person specified in it as the recipient and, if so, to whom.".

- (5) In paragraph 13(3)(a), after "12(2)" there shall be inserted " or, as the case may be, 12A(2)".
- (6) In paragraph 14(2)(b)—
  - (a) after "12" there shall be inserted ", 12A", and
  - (b) for "either" there shall be substituted " any ".
- 18 (1) Schedule 6 (purchase price payable by nominee purchaser) shall be amended as follows.
  - (2) In paragraph 1(1) (interpretation)—
    - (a) the definition of "the freeholder" shall be omitted, and
    - $F^{2}(b)$  ....
  - (3) In paragraph 2 (price payable for the freehold of the specified premises), in subparagraph (1)—
    - (a) after "this paragraph," there shall be inserted " where the freehold of the whole of the specified premises is owned by the same person ", and
    - (b) for "the specified" there shall be substituted " those ".
  - (4) In paragraph 3(1A), after paragraph (b) there shall be inserted—
    - "(ba) an owner of an interest which the nominee purchaser is to acquire in pursuance of section 1(2)(a), or".
  - (5) After paragraph 5 there shall be inserted—

"Price payable for freehold of part of specified premises

- 5A (1) Where different persons own the freehold of different parts of the specified premises—
  - (a) a separate price shall be payable by the nominee purchaser for the freehold of each of those parts, and
  - (b) sub-paragraph (2) shall apply to determine the price so payable.
  - (2) Subject to sub-paragraph (3), the price payable by the nominee purchaser for the freehold of part of the specified premises shall be the aggregate of—
    - (a) the value of the freeholder's interest in the part as determined in accordance with paragraph 3, modified as mentioned in paragraph 5B, and
    - (b) the freeholder's share of the marriage value as determined in accordance with paragraph 4, modified as mentioned in paragraph 5C, and
    - (c) any amount of compensation payable to the freeholder under paragraph 5.
  - (3) Where the amount arrived at in accordance with sub-paragraph (2) is a negative amount, the price payable by the nominee purchaser for the freehold of the part shall be nil.
- 5B (1) In its application in accordance with paragraph 5A(2)(a), paragraph 3 shall have effect with the following modifications.

- (2) In sub-paragraph (1)(a)(ii), there shall be inserted at the end "so far as relating to the part of the premises in which the freeholder's interest subsists".
- (3) In sub-paragraph (1A), after paragraph (a) there shall be inserted—
  - (") an owner of a freehold interest in the specified premises, or".
- (4) In sub-paragraph (4)—
  - (a) the words "the whole of" shall be omitted, and
  - (b) for "2(1)(a)" there shall be substituted "5A(2)(a)".
- 5C (1) In its application in accordance with paragraph 5A(2)(b), paragraph 4 shall have effect with the following modifications.
  - (2) In sub-paragraph (2)—
    - (a) after "the specified premises" there shall be inserted "so far as relating to the part of the premises in which the freeholder's interest subsists",
    - (b) after "participating tenants", where it first occurs, there shall be inserted "in whose flats the freeholder's interest subsists", and
    - (c) in paragraph (a), for "the", where it second occurs, there shall be substituted "those".
  - (3) In sub-paragraph (3)—
    - (a) after "the specified premises" there shall be inserted "so far as relating to the part of the premises in which the freeholder's interest subsists", and
    - (b) in paragraph (a), for "2(1)(a)" there shall be substituted "5A(2)(a)".
  - (4) In sub-paragraph (4)(a), after "3(1)", where it first occurs, there shall be inserted "as applied by paragraph 5A(2)(a)".".
- (6) For paragraph 8 there shall be substituted—
  - "8 (1) Where the owner of the intermediate leasehold interest will suffer any loss or damage to which this paragraph applies, there shall be payable to him such amount as is reasonable to compensate him for that loss or damage.
    - (2) This paragraph applies to—
      - (a) any diminution in value of any interest of the owner of the intermediate leasehold interest in other property resulting from the acquisition of his interest in the specified premises; and
      - (b) any other loss or damage which results therefrom to the extent that it is referable to his ownership of any interest in other property.
    - (3) Without prejudice to the generality of paragraph (b) of sub-paragraph (2), the kinds of loss falling within that paragraph include loss of development value in relation to the specified premises to the extent that it is referable as mentioned in that paragraph.
    - (4) In sub-paragraph (3) "development value", in relation to the specified premises, means any increase in the value of the interest in the premises of the owner of the intermediate leasehold interest which is attributable to the

possibility of demolishing, reconstructing or carrying out substantial works of construction on, the whole or a substantial part of the premises.".

- (7) In paragraph 9 (owners of intermediate interests entitled to part of marriage value), in sub-paragraph (1), after "where" there shall be inserted " paragraph 2 applies and ".
- (8) After that paragraph there shall be inserted—
  - "9A(1) This paragraph applies where paragraph 5A applies and—
    - (a) the price payable for the freehold of a part of the specified premises includes an amount in respect of the freeholder's share of the marriage value, and
    - (b) the nominee purchaser is to acquire any intermediate leasehold interests which subsist in that part.
    - (2) The amount payable to the freeholder of the part in respect of his share of the marriage value shall be divided between the freeholder and the owners of the intermediate leasehold interests which subsist in that part in proportion to the value of their respective interests in the part (as determined for the purposes of paragraph 5A(2)(a) or paragraph 6(1)(b)(i), as the case may be).
    - (3) Where an intermediate leasehold interest subsists not only in the part of the specified premises in which the freeholder's interest subsists ("the relevant part") but also in another part of those premises—
      - (a) the value of the intermediate leasehold interest as determined for the purposes of paragraph 6(1)(b)(i) shall be apportioned between the relevant part and the other part of the specified premises in which it subsists, and
      - (b) sub-paragraph (2) shall have effect as if the reference to the value of the intermediate leasehold interest in the relevant part as determined for the purposes of paragraph 6(1)(b)(i) were to the value of that interest as determined on an apportionment in accordance with paragraph (a).
    - (4) Where the owner of an intermediate leasehold interest is entitled in accordance with sub-paragraph (2) to any part of the amount payable to the freeholder in respect of the freeholder's share of the marriage value, the amount to which he is so entitled shall be payable to him by the freeholder.".
- (9) For paragraph 13 there shall be substituted—
  - "13 (1) Where the owner of any such freehold or leasehold interest as is mentioned in paragraph 10(1) or (2) ("relevant interest") will suffer any loss or damage to which this paragraph applies, there shall be payable to him such amount as is reasonable to compensate him for that loss or damage.
    - (2) This paragraph applies to—
      - (a) any diminution in value of any interest in other property belonging to the owner of a relevant interest, being diminution resulting from the acquisition of the property in which the relevant interest subsists; and
      - (b) any other loss or damage which results therefrom to the extent that it is referable to his ownership of any interest in other property.

- (3) Without prejudice to the generality of paragraph (b) of sub-paragraph (2), the kinds of loss falling within that paragraph include loss of development value in relation to the property in which the relevant interest subsists to the extent that it is referable to his ownership of any interest in other property.
- (4) In sub-paragraph (3) "development value", in relation to the property in which the relevant interest subsists, means any increase in the value of the relevant interest which is attributable to the possibility of demolishing, reconstructing or carrying out substantial works of construction on, the whole or a substantial part of the property.".
- (10) In paragraph 14 (valuation of freehold and intermediate leasehold interests), in subparagraph (1)—
  - (a) in paragraph (a), for "the", where it second occurs, there shall be substituted "a" and for "in accordance with paragraph 3" there shall be substituted "for the relevant purposes",
  - (b) in paragraph (b), for "in accordance with paragraph 7" there shall be substituted " for the relevant purposes ", and
  - (c) for "the relevant" there shall be substituted " those ".
- (11) In that paragraph, after sub-paragraph (3) there shall be inserted—
  - "(3A) Where sub-paragraph (2) applies—
    - (a) for the purposes of paragraph 5A(2)(a), and
    - (b) in relation to an intermediate leasehold interest in relation to which there is more than one immediately superior interest,

any reduction in value made under that sub-paragraph shall be apportioned between the immediately superior interests.".

- (12) In that paragraph, in sub-paragraph (5)(a)—
  - (a) for "the", where it first occurs, there shall be substituted " a ", and
  - (b) after "2(1)(a)" there shall be inserted " or, as the case may be, 5A(2)(a)".
- (13) In paragraph 15 (calculation of marriage value), there shall be inserted at the end—
  - "(4) References in this paragraph to paragraph 4(2), (3) or (4) extend to that provision as it applies in accordance with paragraph 5A(2)(b).".
- (14) In paragraph 16 (apportionment of marriage value), in sub-paragraph (2), for "the", where it first occurs, there shall be substituted " a ".
- (15) In paragraph 17 (adjustment of compensation), in sub-paragraph (4)(a), after "2(1) (c)" there shall be inserted ", 5A(2)(c)".
- (16) In that paragraph, there shall be inserted at the end—
  - "(6) Where any reduction in value under sub-paragraph (2) of paragraph 14 is apportioned in accordance with sub-paragraph (3A) of that paragraph, any amount of compensation payable by virtue of this paragraph shall be similarly apportioned.".

## **Textual Amendments**

- F2 Sch. 10 para. 18(2)(b) and preceding word repealed (28.2.2005 for E., 31.5.2005 for W.) by Commonhold and Leasehold Reform Act 2002 (c. 15), s. 181(1), Sch. 14; S.I. 2004/3056, art. 3(j); S.I. 2005/1353, art. 2(j)
- 19 In Schedule 7 (conveyance to nominee purchaser on enfranchisement), in paragraph 1—
  - (a) for sub-paragraphs (a) and (b) there shall be substituted—
    - "(a) "the relevant premises" means, in relation to the conveyance of any interest, the premises in which the interest subsists;
    - (b) "the freeholder" means, in relation to the conveyance of a freehold interest, the person whose interest is to be conveyed;",

and

- (b) for sub-paragraph (d) there shall be substituted—
  - "(d) "the appropriate time" means, in relation to the conveyance of a freehold interest, the time when the interest is to be conveyed to the nominee purchaser.".
- 20 (1) Schedule 9 (grant of leases back to former freeholder) shall be amended as follows.
  - (2) In paragraph 1—
    - (a) for the definition of "the appropriate time" there shall be substituted—

""the appropriate time", in relation to a flat or other unit contained in the specified premises, means the time when the freehold of the flat or other unit is acquired by the nominee purchaser;", and

(b) for the definition of "the freeholder" there shall be substituted—

""the freeholder", in relation to a flat or other unit contained in the specified premises, means the person who owns the freehold of the flat or other unit immediately before the appropriate time;".

(3) In paragraph 2, in sub-paragraph (1), for "contained in the specified premises" there shall be substituted "falling within sub-paragraph (1A)", and after that sub-paragraph there shall be inserted—

"(1A) A flat falls within this sub-paragraph if—

- (a) the freehold of the whole of it is owned by the same person, and
- (b) it is contained in the specified premises.".
- (4) In paragraph 3, in sub-paragraph (1), for "contained in the specified premises" there shall be substituted "falling within sub-paragraph (1A)", and after that sub-paragraph there shall be inserted—

"(1A) A flat falls within this sub-paragraph if-

- (a) the freehold of the whole of it is owned by the same person, and
- (b) it is contained in the specified premises.".

- (5) In paragraph 5, in sub-paragraph (1), for "contained in the specified premises" there shall be substituted "falling within sub-paragraph (1A)", and after that sub-paragraph there shall be inserted—
  - "(1A) A unit falls within this sub-paragraph if—
    - (a) the freehold of the whole of it is owned by the same person, and
    - (b) it is contained in the specified premises.".
- (6) In paragraph 6, for sub-paragraphs (1) and (2) there shall be substituted—
  - "(1) Sub-paragraph (2) applies where, immediately before the freehold of a flat or other unit contained in the specified premises is acquired by the nominee purchaser—
    - (a) those premises are premises with a resident landlord by virtue of the occupation of the flat or other unit by the freeholder of it, and
    - (b) the freeholder of the flat or other unit is a qualifying tenant of it.
  - (2) If the freeholder of the flat or other unit ("the relevant unit") by notice requires the nominee purchaser to do so, the nominee purchaser shall grant to the freeholder a lease of the relevant unit in accordance with section 36 and paragraph 7 below; and, on the grant of such a lease to the freeholder, he shall be deemed to have surrendered any lease of the relevant unit held by him immediately before the appropriate time.".
- (7) In that paragraph, in sub-paragraph (3), for "(1)(c)" there shall be substituted "(1) (b)".

hanges to legislation: ousing Act 1996, SCHEDULE 10 is up to date with all changes known to be in force on or efore 11 April 2024. There are changes that may be brought into force at a future date. Change at have been made appear in the content and are referenced with annotations. iew outstanding changes Changes and effects yet to be applied to :		
Cha	nges and effects yet to be applied to the whole Act associated Parts and Chapters:	
-	Act savings and transitional provisions for amendments by S.I. 2022/1166 by S.I. 2022/1172 Regulations	
Who	ble provisions yet to be inserted into this Act (including any effects on those	
prov	visions):	
_	s. 124(1A) inserted by 2016 c. 22 Sch. 7 para. 20(2)	
-	s. 124(6) inserted by 2016 c. 22 Sch. 7 para. 20(6)	
-	s. 124A124B inserted by 2016 c. 22 Sch. 7 para. 21	
-	s. 125A(3A)(3B) inserted by 2016 c. 22 Sch. 7 para. 22(3)	
-	s. 130A inserted by 2016 c. 22 Sch. 8 para. 7	
-	s. 133(1A) inserted by 2016 c. 22 Sch. 8 para. 9(2)	
-	s. 143J(3A) inserted by 2016 c. 22 Sch. 8 para. 13(2)	
-	s. $143J(7)(a)$ words omitted by S.I. $2022/1166$ reg. $25(11)(b)$ (This amendment	
	comes into force immediately after 2016 c. 22, s. 120 and Sch. 8 para. 13(3) come	
	into force) s. 143GA143GB inserted by 2016 c. 22 Sch. 8 para. 10	
_	s. 1430A1430B inserted by 2016 c. 22 Sch. 8 para. 10 s. 143MA(3A)-(3D) inserted by 2016 c. 22 Sch. 7 para. 27(3)	
_	s. 143MB inserted by 2016 c. 22 Sch. 7 para. 28	
	s. r. e	