



Housing Act 2004

2004 CHAPTER 34

PART 6

OTHER PROVISIONS ABOUT HOUSING

CHAPTER 2

DISPOSALS ATTRACTING DISCOUNTS OTHER THAN UNDER RIGHT TO BUY

Disposals by local authorities

195 Repayment of discount: periods and amounts applicable

- (1) Section 35 of the Housing Act 1985 (repayment of discount on early disposal) is amended in accordance with subsections (2) and (3).
- (2) In subsection (2) for the words from “to pay to the authority” to the end of the subsection substitute “ to the following effect. ”
- (3) After subsection (2) insert—
 - “(3) The covenant shall be to pay to the authority such sum (if any) as the authority may demand in accordance with subsection (4) on the occasion of the first relevant disposal (other than an exempted disposal) which takes place within the period of five years beginning with the conveyance, grant or assignment.
 - (4) The authority may demand such sum as they consider appropriate, up to and including the maximum amount specified in this section.
 - (5) The maximum amount which may be demanded by the authority is a percentage of the price or premium paid for the first relevant disposal which is equal to the percentage discount given to the purchaser in respect of the disposal of the house under section 32.

Changes to legislation: Housing Act 2004, Section 195 is up to date with all changes known to be in force on or before 27 May 2023. 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](#)

- (6) But for each complete year which has elapsed after the conveyance, grant or assignment and before the first relevant disposal the maximum amount which may be demanded by the landlord is reduced by one-fifth.
- (7) Subsections (4) to (6) are subject to section 35A.”
- (4) The amendments made by this section do not apply in any case where—
 - (a) the purchaser has accepted an offer for the disposal of the house from the authority, or
 - (b) the authority has accepted an offer for the disposal of the house from the purchaser,
 before the day on which this section comes into force.
- (5) Subsection (6), however, applies in any such case if the first relevant disposal by the purchaser to which the covenant for repayment of discount applies takes place on or after the day on which this section comes into force.
- (6) In the following provisions—
 - (a) section 35(2) of the Housing Act 1985 (c. 68) (as it has effect without the amendments made by this section), and
 - (b) any covenant for repayment of discount,
 any reference (however expressed) to a person being liable to pay an amount to the authority on demand is to be read as a reference to his being liable to pay to the authority so much of that amount (if any) as the authority may demand.
- (7) In subsections (5) and (6) “covenant for repayment of discount” means the covenant contained in a conveyance, grant or assignment in accordance with section 35 of that Act.

Changes to legislation:

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Changes 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

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

- s. 66(1A) inserted by [2016 c. 22 s. 125\(3\)\(a\)](#)
- s. 66(3A)(3B) inserted by [2016 c. 22 s. 125\(3\)\(c\)](#)
- s. 89(1A) inserted by [2016 c. 22 s. 125\(6\)\(a\)](#)
- s. 89(3A)(3B) inserted by [2016 c. 22 s. 125\(6\)\(c\)](#)
- s. 139(7A)(7B) inserted by [2016 c. 22 s. 127\(3\)](#)