

1967 No. 1879

LANDLORD AND TENANT

The Leasehold Reform (Enfranchisement and Extension)

Regulations 1967

<i>Made</i>	- - -	15th December 1967
<i>Laid before Parliament</i>		22nd December 1967
<i>Coming into Operation</i>		1st January 1968

I, Gerald, Baron Gardiner, Lord High Chancellor of Great Britain, in exercise of the powers conferred on me by section 22(2) of the Leasehold Reform Act 1967(a) hereby make the following Regulations:—

1.—(1) These Regulations may be cited as the Leasehold Reform (Enfranchisement and Extension) Regulations 1967 and shall come into operation on 1st January 1968.

(2) In these Regulations and the conditions set out in the Schedule to them, unless the context otherwise requires:—

“the Act” means the Leasehold Reform Act 1967;

“conveyance” includes any conveyance, assignment, transfer or other assurance for giving effect to section 8 of the Act;

“landlord” means the estate owner in respect of the fee simple of the property to which the tenant’s notice relates, or the reversioner within the meaning of Schedule 1 to the Act, or any other person who is conducting the proceedings arising out of the notice in accordance with the provisions of the Act or an order of the court;

“lease” means a lease to be granted to give effect to a tenant’s notice;

“property” means the house and premises which are required to be granted to the tenant for an estate in fee simple, pursuant to section 8, or for a term of years pursuant to section 14 of the Act;

“tenant” means a tenant of a house who has given notice under Part I of the Act of his desire to have the freehold or an extended lease and includes his executors, administrators and assigns;

“tenant’s notice” means in relation to Part I of the Schedule a notice given by a tenant under Part I of the Act of his desire to have a freehold, and in relation to Part 2 of the Schedule a notice given by a tenant under Part I of the Act of his desire to have an extended lease.

(3) The Interpretation Act 1889(b) shall apply to the interpretation of these Regulations as it applies to the interpretation of an Act of Parliament.

2. In any transactions undertaken to give effect to a tenant’s notice of his desire to have a freehold the landlord and the tenant shall, unless they otherwise agree, be bound by the conditions laid down in Part I of the Schedule to these Regulations as if the conditions formed part of a contract between them.

3. In any transactions undertaken to give effect to a tenant's notice of his desire to have an extended lease the landlord and the tenant shall, unless they otherwise agree, be bound by the conditions laid down in Part 2 of the Schedule to these Regulations as if the conditions formed part of a contract between them.

4. Where as a result of non-compliance with the conditions laid down in the Schedule to these Regulations, the landlord and the tenant are discharged from the performance of the obligations arising in giving effect to the tenant's notice, such obligations arising between the tenant and persons other than the landlord having an interest superior to the tenancy shall likewise be discharged.

Dated 15th December 1967.

Gardiner, C.

SCHEDULE

PART I

Enfranchisement

Payment of deposit

1.—At any time after receipt of the tenant's notice the landlord may, by notice in writing given to the tenant, require a sum equal to three times the annual rent for the property payable under his tenancy (or, in the case of a notice given under section 34 of the Act, the former long tenancy) or £25, whichever is the greater, to be deposited with the landlord, or a person nominated by him in the notice as his agent or as stakeholder, on account of the price payable for the property and any other sums payable by a tenant in accordance with the provisions of the Act; and the tenant shall, within 14 days of the giving of the notice, pay the sum demanded to the landlord or person nominated by him.

Evidence of tenant's right to enfranchise

2.—At any time after receipt of the tenant's notice the landlord may, by notice in writing given to the tenant, require him to deduce his title to the tenancy and to furnish a statutory declaration as to the particulars of occupation of the property on which the tenant relies in the tenant's notice; and the tenant shall within 21 days of the giving of the landlord's notice comply with the requirement.

Delivery of proof of landlord's title

3.—(1) Where—

- (i) a tenant has received no notice in reply to his tenant's notice within 2 months of giving it, or
- (ii) a tenant has
 - (a) received a notice in reply stating that his right to have the freehold is admitted, or
 - (b) has received a notice in reply that his right is disputed but has established that right by agreement or an order of the court,

and, in either case, the property to be conveyed has been established by agreement or an order of the court,

the tenant may by notice in writing given to the landlord require him to deduce his title by delivering:—

- (a) in the case of land registered in the register of title kept at Her Majesty's Land Registry an authority to inspect the register together with all the particulars and information which pursuant to section 110 of the Land Registration Act 1925(a) have or may be required to be furnished on a sale of registered land,
- (b) in the case of any other land, an abstract of his title to the property,

(a) 1925 c. 21.

and the landlord shall not later than 4 weeks after receipt of the notice, comply with the requirement contained therein.

(2) Where any landlord or the tenant has served notice under paragraph 5(2) of Schedule 1 to the Act, "landlord" in this condition includes a landlord who served the notice or upon whom such a notice has been served.

Requisitions

4.—(1) The tenant shall within 14 days after delivery of the abstract or of the authority to inspect the register together with particulars and information (whether or not delivered within the time required) send to the landlord a statement in writing of all objections and requisitions (if any) to or on the title or the evidence of the title, and the abstract or the particulars and information.

(2) All objections and requisitions, other than those going to the root of the title, not included in any statement sent within the aforesaid period shall be deemed waived, and any matters which could have been raised in such objections or requisitions, other than matters going to the root of the title, shall be deemed not to form a defect in the title for the purposes of section 9(2) of the Act.

(3) The landlord shall give a written answer to any objections or requisitions within 14 days of their receipt, and any observations on the answer shall be made within 7 days of the receipt of the answer, and if they are not so made, the answer shall be considered satisfactory.

(4) Any objections not included in any observations so made shall be deemed waived and any matter which could have been raised in any observations so made shall be deemed not to form a defect in the title for the purposes of section 9(2) of the Act.

Particulars of rights of way and restrictions

5.—(1) When or at any time after giving his notice in reply to the tenant's notice the landlord may by notice in writing given to the tenant require him within 4 weeks to state what rights of way and provisions concerning restrictive covenants he requires to be included in the conveyance in accordance with section 10 of the Act.

(2) At any time when under condition 3 the tenant would be entitled to require the landlord to deduce his title he may by notice in writing given to the landlord require him within 4 weeks to state what rights of way over the property and provisions concerning restrictive covenants he requires to be included in the conveyance in accordance with the provisions of the Act.

(3) A notice given under this condition shall contain a statement as to the rights of way and provisions concerning restrictive covenants required by the person giving the notice to be included in the conveyance.

(4) If the tenant does not comply with a notice given under this condition within the time specified or, where no such notice has been given, does not communicate to the landlord a statement of the rights and provisions he requires to be included in the conveyance when or before serving a notice on the landlord under condition 3, the tenant shall be deemed to require no rights of way or provisions concerning restrictive covenants to be included in the conveyance.

(5) If the landlord does not comply with a notice given under this condition within the time specified, or, where no such notice is given, does not communicate to the tenant a statement of the rights and provisions he requires to be included in the conveyance at or before the time fixed for compliance with a notice served on him under condition 3, the landlord shall be deemed to require no rights of way or provisions concerning restrictive covenants to be included in the conveyance.

Completion

6.—(1) After the expiration of one month after the price payable for the property under section 9 of the Act has been determined by agreement or otherwise, either the tenant or the landlord may give the other notice in writing requiring him to complete

the conveyance of the property to the tenant, and thereupon the completion date shall be the first working day after the expiration of 4 weeks from giving of the notice.

(2) Completion shall take place at the office of the landlord's solicitor or, if he so requires, at the office of the solicitor of his mortgagee.

Apportionment of rent and outgoings

7. The tenant shall (subject to the next following condition) pay rent up to the date when the conveyance is completed (whether on the completion date or subsequently) and shall as from that date pay all outgoings; and any current rent and all rates and other outgoings shall, if necessary, be apportioned as on that date (the date itself being apportioned to the landlord) and the balance be paid by or allowed to the tenant.

Election for interest in lieu of rent

8.—(1) If from any cause whatsoever (save as hereinafter mentioned) completion is delayed beyond the completion date, the rent shall continue to be payable under the tenancy until actual completion unless the landlord by notice in writing given to the tenant elects to receive interest on the price payable for the property in lieu of rent, in which event in lieu of the rent payable under the tenancy, the price payable (or if a deposit has been paid the balance thereof) shall bear interest at a rate per annum of 2 per cent above the bank rate from time to time in force as from the giving of the notice to the tenant until actual completion.

Provided that, unless the delay in completion is attributable solely to the tenant's own act or default, the tenant may—

(a) at his own risk, deposit the price payable or, where a deposit has been paid, the balance thereof, at any bank in England or Wales, and

(b) forthwith give to the landlord or his solicitor notice in writing of the deposit, and in that case the landlord shall (unless and until there is further delay in completion which is attributable solely to the tenant's own act or default) be bound to accept the interest, if any, allowed thereon, as from the date of such deposit, instead of the interest accruing after such date which would otherwise be payable to him under the foregoing provisions of this condition.

(2) No interest under paragraph (1) of this condition shall become payable by a tenant if, and so long as, delay in completion is attributable to any act or default of the landlord or his mortgagee or Settled Land Act trustees.

Preparation of conveyance

9.—(1) The conveyance shall be prepared by the tenant.

(2) A draft of the conveyance shall be delivered at the office of the landlord's solicitor at least 14 days before the date fixed for completion in accordance with condition 6 and the engrossment of the conveyance for execution by the landlord and other parties, if any, shall be delivered at that office a reasonable time before the date for completion.

(3) Where the conveyance is to contain restrictive covenants and the tenant intends contemporaneously with the conveyance to execute a mortgage or convey any interest in the property to a third party, he shall inform the landlord of his intention and, if necessary, allow the landlord time to give a priority notice for the registration of the intended covenants at least 14 days before the conveyance is completed.

(4) Where a conveyance is to contain any covenant by the tenant or any grant or reservation of rights affecting other property of the landlord, the tenant shall, if the landlord so requires, execute and hand over to the landlord on completion as many duplicates of the conveyance as the landlord may reasonably require and the duplicates shall be prepared and engrossed by the tenant, and where any duplicate is executed the tenant shall, if so required by the landlord, produce the original duly stamped so as to enable the stamp on the duplicate to be denoted.

Failure to comply with obligations

10.—(1) If either the landlord or the tenant shall neglect or fail to perform any of his obligations arising from the tenant's notice or arising out of any of these conditions, then the other party may give to the party in default at least 2 months' notice in writing referring to this condition, specifying the default and requiring him to make it good before the expiration of the notice.

(2) If the tenant does not comply with such a notice given by the landlord then, without prejudice to any other rights or remedies available to the landlord under the Act or otherwise,

(a) the landlord and tenant shall thereupon be discharged from the further performance of their obligations, other than the tenant's obligation to pay the landlord's costs, and

(b) the deposit money, if any, shall be forfeited to the landlord,

but if the landlord recovers any sums in the exercise of any remedy he shall give credit for the deposit against any sums so recovered.

(3) If the landlord does not comply with such a notice given by the tenant, then the tenant may require the deposit money, if any, to be returned to him forthwith and shall be discharged from the obligation to pay the landlord's reasonable costs imposed by section 9 of the Act, and thereupon the landlord and the tenant shall be discharged from the further performance of their obligations, but without prejudice to any other rights or remedies available to the tenant under the Act or otherwise.

Cancellation of land charges etc.

11. Where under section 5(5) of the Act a tenant's notice has been registered as a land charge or a notice or caution in respect thereof has been registered and either the tenant gives notice of withdrawal under section 9(3) or section 19(14) of the Act or the landlord is otherwise discharged from the obligations arising out of the notice, the tenant shall at the request of the landlord forthwith at his own cost procure the cancellation of the registration.

Notices

12. Any notice to be given to any person in accordance with these conditions shall be deemed to be effectively given if served personally on that person, or left at his last known place of residence, or sent by post to him or his solicitor or other duly authorised agent at his last known address.

Extension of time limits

13.—(1) These conditions shall have effect as if any period of time for the performance of any act or compliance with any notice (except a notice given under condition 10) by the landlord were twice the length of the period thereby laid down, where a person acting as reversioner under the provisions of Schedule 1 to the Act so requires by notice in writing given to the tenant at any time before the expiration of that period.

(2) Any period when proceedings are pending in any court or tribunal with reference to any matter arising in giving effect to a tenant's notice shall be disregarded in computing any period of time laid down by these conditions or any notice served thereunder.

(3) Any period of time laid down by these conditions or any notice served thereunder shall be extended for such further period as may be reasonable in all the circumstances if any party required to do any act within that period dies or becomes incapable of managing his affairs before the expiration of that period.

PART 2

Extension

Evidence of tenant's right to have an extended lease

1. At any time after receipt of the tenant's notice the landlord may, by notice in writing given to the tenant, require him to deduce his title to the tenancy and to furnish

a statutory declaration as to the particulars of occupation of the property on which the tenant relies in the tenant's notice; and the tenant shall within 21 days of the giving of the landlord's notice comply with the requirement.

Terms of new tenancy

2.—(1) Where—

(a) a tenant has received no notice in reply to his tenant's notice within 2 months of giving it, or

(b) a tenant has

(i) received a notice in reply stating that his right to have an extended lease is admitted, or

(ii) has received a notice in reply that his right is disputed but has established that right by agreement or an order of the court,

and, in either case, the property to be leased has been established by agreement or an order of the court,

then the tenant may, by notice in writing given to the landlord, require him within 4 weeks to state what modifications in the terms of the existing tenancy, and what further provisions, other than as to payment of rent, are to be made by the terms of the new tenancy in accordance with section 15 of the Act.

(2) Where the requirements of paragraph (1)(b) of this condition are satisfied the landlord may, by notice in writing given to the tenant, require him within four weeks to state what modifications in the terms of the existing tenancy and what further provisions other than as to payment of rent are to be made by the terms of the new tenancy, in accordance with section 15 of the Act.

(3) A notice given under this condition shall contain a statement as to the modifications in the terms of the existing tenancy and the further provisions to be made by the terms of the new tenancy, required by the person giving the notice.

(4) If either party does not comply with a notice given under this condition within the time specified or, where no such notice has been given, does not communicate to the other a statement of the modifications and provisions he requires to be made when or before serving a notice under this condition, he shall be deemed to require the new tenancy to be on the same terms as the existing tenancy and not to require any further provisions (other than as to payment of rent) to be made by the terms of the new tenancy in accordance with section 15 of the Act.

Preparation of lease

3.—(1) Within eight weeks after the giving of a notice by either party under condition 2, a draft of the lease shall be submitted by the landlord to the tenant for approval, and the tenant shall approve the draft in writing with or without amendments within 21 days thereafter.

(2) If the tenant does not approve the draft with any amendment required by him within the time laid down by this condition, he shall be deemed to have approved it in the form submitted by the landlord.

(3) The lease and as many counterparts as the landlord may reasonably require shall be prepared by the landlord and the counterpart or counterparts shall be delivered to the tenant for execution a reasonable time before the completion date, and on completion (whether on the completion date or subsequently) the tenant shall deliver the counterpart or counterparts of the lease, duly executed, to the landlord and the landlord shall deliver the lease, duly executed, to the tenant.

Completion

4.—(1) After the expiration of the time for approval of the draft lease by the tenant either the landlord or the tenant may give the other notice in writing requiring him to complete the grant of the lease, and thereupon the completion date shall be the first working day after the expiration of 4 weeks from the giving of the notice.

(2) Completion shall take place at the office of the landlord's solicitor.

Failure to comply with obligations

5.—(1) If either the landlord or the tenant shall neglect or fail to perform any of his obligations arising from the tenant's notice or arising out of any of these conditions, then the other party may give to the party in default at least 2 months' notice in writing referring to this condition, specifying the default and requiring him to make it good before the expiration of the notice.

(2) If the tenant does not comply with such a notice given by the landlord, the landlord and the tenant shall be discharged from the further performance of their obligations, other than the tenant's obligation to pay the landlord's costs, but without prejudice to any other rights or remedies available to the landlord under the Act or otherwise.

(3) If the landlord does not comply with such a notice given by the tenant, the tenant shall be discharged from the obligation to pay the landlord's reasonable costs imposed by section 14 of the Act, and thereupon the landlord and the tenant shall be discharged from the further performance of their obligations, but without prejudice to any other rights or remedies available to the tenant under the Act or otherwise.

Cancellation of land charges etc.

6. Where under section 5(5) of the Act a tenant's notice has been registered as a land charge or a notice or caution in respect thereof has been registered and the landlord is discharged from the obligations arising out of the notice, the tenant shall at the request of the landlord forthwith at his own cost procure the cancellation of the registration.

Notices

7. Any notice to be given to any person in accordance with these conditions shall be deemed to be effectively given if served personally on that person, or left at his last known place of residence, or sent by post to him or his solicitor or other duly authorised agent at his last known address.

Extension of time limits

8.—(1) These conditions shall have effect as if any period of time for the performance of any act or compliance with any notice (except a notice given under condition 5) by the landlord were twice the length of the period thereby laid down, where a person acting as reversioner under the provisions of Schedule 1 to the Act so requires by notice in writing given to the tenant at any time before the expiration of that period.

(2) Any period when proceedings are pending in any court or tribunal with reference to any matter arising in giving effect to a tenant's notice shall be disregarded in computing any period of time laid down by these conditions or any notice served thereunder.

(3) Any period of time laid down by these conditions or any notice served thereunder shall be extended for such further period as may be reasonable in all the circumstances if any party required to do any act within that period dies or becomes incapable of managing his affairs before the expiration of that period.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations prescribe conditions governing the procedure to be followed by landlords and tenants in giving effect to a tenant's notice of his desire to have the freehold or an extended lease of a house, given under Part I of the Leasehold Reform Act 1967. They will apply in the transactions between the landlord and the tenant unless otherwise agreed between them.

The Regulations deal amongst other matters with the payment by the tenant of a deposit on account of the price payable for the freehold and proof of title by the tenant and by the landlord; the various steps leading to the completion of the transaction by the execution of a conveyance of the freehold or a new lease are required to be taken within prescribed time limits. Provision is also made for the rights and remedies of a party in the event of the other party's failure to comply with the obligations arising from the tenant's notice or from these Regulations.

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