
STATUTORY INSTRUMENTS

1989 No. 368

**HOUSING, ENGLAND AND WALES
LOCAL GOVERNMENT, ENGLAND AND
WALES
LONDON GOVERNMENT**

The Housing (Preservation of Right to Buy) Regulations 1989

Made - - - - *6th March 1989*
Laid before Parliament *15th March 1989*
Coming into force *5th April 1989*

**THE HOUSING (PRESERVATION OF
RIGHT TO BUY) REGULATIONS 1989**

1. (1) These Regulations may be cited as the Housing (Preservation...
 2. Where a landlord disposes of an interest in a dwelling-house...
 3. Part V as it continues to apply by virtue of...
 4. The Local Government Reorganisation (Preservation of Right to Buy) Order...
- Signature

SCHEDULE 1 — MODIFICATIONS TO PART V AS APPLIED TO THE
PRESERVED RIGHT TO BUY

PART I — EXCEPTIONS AND ADAPTATIONS

1. (1) Subject to the following provisions of this paragraph, in...
2. In section 118 (the right to buy)–
3. In section 119 (qualifying period for right to buy), in...
4. In section 122 (qualifying person's notice claiming to exercise right...
5. In section 123 (claim to share right to buy with...
6. In section 124 (landlord's notice admitting or denying right to...
7. In section 125 (landlord's notice of purchase price and other...
8. In section 125A (estimates and information about service charges), in...
9. In section 127 (value of dwelling-house), for subsection (4) substitute–...
10. In section 128 (determination of value by district valuer) for...
11. In section 129 (discount on right to buy and similar...
12. In section 130 (reduction of discount where previous discount given)–...

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13. For section 131 (limits on amount of discount) substitute the...
14. Omit sections 132 to 135 (the right to a mortgage)....
15. In section 136 (change of qualifying person after notice claiming...
16. In section 137 (change of landlord after claiming right to...
17. In section 138 (duty of landlord to convey freehold or...
18. In section 139 (terms and effect of conveyance or grant)–...
19. In section 140 (landlord’s first notice to complete)–
20. For section 142 (when qualifying person is entitled to defer...
21. Omit sections 143 to 153 and Schedules 8 and 9...
22. In section 153A (qualifying person’s notices of delay)–
23. In section 153B (payments of rent attributable to purchase price...
24. In section 154 (registration of title)– (a) in subsection (1)–...
25. In section 155 (repayment of discount on early disposal)–
26. In section 156 (liability to repay is a charge on...
27. In section 157 (restriction on disposal of dwelling-houses in National...
28. In section 158 (consideration for reconveyance or surrender under s.157)–...
29. In section 162 (exempted disposals which end liability under covenants),...
30. Omit sections 164 to 170 (various powers of Secretary of...
31. Omit section 171 (power to extend right to buy, etc.)....
32. In section 171A (cases in which right to buy is...
33. In section 171B (extent of preserved right: qualifying persons and...
34. In subsection 171H (disposal after notice claiming to exercise right...
35. Omit section 173 (exclusion of shared ownership leases granted under...
36. In section 174 (leases granted under this Part to be...
37. In section 176 (notices) omit subsections (1), (2) and (5)....
38. Omit section 177 (errors and omissions in notices).
39. In section 178 (costs)– (a) in subsection (1)–
40. In section 179 (provisions restricting right to buy, etc. of...
41. In section 180 (statutory declarations) for the words from the...
42. In section 181 (jurisdiction of county court), in subsection (1)–...
43. Omit section 182 (power to repeal or amend local Acts)....
44. In section 184 (land let with or used for purposes...
45. In section 187 (minor definitions) omit the definition of “total...
46. In section 188 (the index of defined expressions: Part V)–...
47. In Schedule 4 (qualifying period for right to buy and...
48. In Schedule 5 (exceptions to the right to buy)–
49. In Schedule 6 (conveyance of freehold and grant of lease...
50. Omit Schedule 7 (mortgage in pursuance of right to a...
PART II — SCHEDULES TO BE INSERTED AFTER SCHEDULES 5 AND 6
 1. After Schedule 5 insert the following Schedule– SCHEDULE 5A
LIMITS...
 2. In place of Schedule 7 insert the following Schedule– SCHEDULE...

SCHEDULE 2 — PART V AS IT APPLIES IN CASES WHERE THE RIGHT TO
BUY IS PRESERVED
— THE RIGHT TO BUY

The right to buy

118. The right to buy.
119. Qualifying period for right to buy.
120. Exceptions to the right to buy.
121. Circumstances in which the right to buy cannot be exercised.

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Claim to exercise right to buy

- 122. Qualifying person's notice claiming to exercise right to buy.
- 123. Claim to share right to buy with members of family.
- 124. Landlord's notice admitting or denying right to buy.
- 125. Landlord's notice of purchase price and other matters.
- 125A Estimates and information about service charges.
- 125B Estimates and information about improvement contributions.
- 125C Reference period for purposes of ss. 125A and 125B.

Purchase Price

- 126. Purchase Price.
- 127. Value of dwelling-house.
- 128. Determination of value by district valuer.
- 129. Discount.
- 130. Reduction of discount where previous discount given.
- 131. Limits on amount of discount

Change of qualifying person or landlord after service of notice claiming right to buy

- 136. Change of qualifying person after notice claiming right to buy.
- 137. Change of landlord after notice claiming right to buy.

Completion of purchase in pursuance of right to buy

- 138. Duty of landlord to convey freehold or grant lease.
- 139. Terms and effect of conveyance or grant.
- 140. Landlord's first notice to complete.
- 141. Landlord's second notice to complete.
- 142. When qualifying person is entitled to defer completion.
- 153A Qualifying person's notices of delay.
- 153B Payments of rent attributable to purchase price etc.

Registration of title

- 154. Registration of title.

Provisions affecting future disposals

- 155. Repayment of discount on early disposal.
- 156. Liability to repay is a charge on the premises.
- 157. Restriction on disposal of dwelling-houses in National Parks, etc.
- 158. Consideration for re-conveyance or surrender under s. 157.
- 159. Relevant disposals.
- 160. Exempted disposals.
- 161. Meaning of "compulsory disposal".
- 162. Exempted disposals which end liability under covenants.
- 163. Treatment of options.

Preservation of right to buy on disposal to private sector landlord

- 171A Cases in which right to buy is preserved.
- 171B Extent of preserved right: qualifying persons and dwelling-house.
- 171C Modifications of this Part in relation to preserved right.

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- 171D Subsequent dealings: disposal of landlord's interest in qualifying dwelling-house.
- 171E Subsequent dealings: termination of landlord's interest in qualifying dwelling-house.
- 171F Subsequent dealings: transfer of qualifying person to alternative accommodation.
- 171G Land registration and related matters.
- 171H Disposal after notice claiming to exercise right to buy, etc.

Modifications of Leasehold Reform Act 1967 in relation to leases granted under this Part

- 172. Exclusion of leases where landlord is housing association and freeholder is a charity.
- 174. Leases granted under this Part to be treated long leases at a low rent.
- 175. Determination of price payable.

Supplementary Provisions

- 176. Notices.
- 178. Costs.
- 179. Provisions restricting right to buy, etc of no effect.
- 180. Statutory declarations.
- 181. Jurisdiction of county court.
- 183. Meaning of "house", "flat" and "dwelling-house".
- 184. Land let with or used for purposes of dwelling-house.
- 185. Meaning of "secure tenancy" and "secure tenant".
- 186. Member of a person's family.
- 187. Minor definitions.
- 188. Index of defined expressions: Part V.

SCHEDULE 4 — QUALIFYING PERIOD FOR RIGHT TO BUY AND DISCOUNT

Introductory

- 1. The period to be taken into account—

Periods occupying accommodation subject to public sector tenancy

- 2. A period qualifies under this paragraph if it is a...
- 3. For the purposes of paragraph 2 a person who, as...
- 4. (1) This paragraph applies where the public sector tenant of...

Periods occupying forces accommodation

- 5. A period qualifies under this paragraph if it is a...

Periods during which right to buy is preserved

- 5A A period qualifies under this paragraph if it is a...

Meaning of "public sector tenant"

- 6. (1) In this Schedule a "public sector tenant" means a...

The landlord condition

- 7. (1) The landlord condition is, subject to paragraph 7A, that...

- 7A (1) The landlord condition shall be treated as having been...

The tenant condition

9. (1) The tenant condition is that the tenant was an...

Application to certain housing association tenancies

10. For the purpose of determining whether at any time a...

SCHEDULE 5 — EXCEPTIONS TO THE RIGHT TO BUY

Certain housing associations

2. The right to buy does not arise if the landlord...

Landlord with insufficient interest in the property

4. The right to buy does not arise unless the landlord...

Dwelling-houses let in connection with employment

5. (1) The right to buy does not arise if the...

Certain dwelling-houses for the disabled

7. The right to buy does not arise if the dwelling-house...
9. (1) The right to buy does not arise if—

Certain dwelling-houses for persons of pensionable age

10. (1) The right to buy does not arise if the...
11. (1) The right to buy does not arise if the...

Dwelling-houses held on Crown tenancies

12. (1) The right to buy does not arise if the...

SCHEDULE 5A — LIMITS ON AMOUNT OF DISCOUNT RELEVANT COSTS

Introductory

1. In this Schedule— “cost floor” means the amount mentioned in...

Relevant costs and relevant works

2. Costs shall be treated as relevant costs if, and only...
3. (1) Works of improvement to a dwelling-house are relevant works...
4. Costs incurred on any relevant works shall not be treated...

Ascertainment of cost floor

5. (1) The cost floor is an amount equal to the...

Estimates

6. An estimate may be made for the purposes of arriving...

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Companies

7. (1) In a case where a landlord is a company,...

SCHEDULE 6 — CONVEYANCE OF FREEHOLD AND GRANT OF LEASE IN
PURSUANCE OF RIGHT TO BUY
PART I — COMMON PROVISIONS

Rights to be conveyed or granted—general

1. The conveyance or grant shall not exclude or restrict the...

Rights of support, passage of water, etc.

2. (1) The conveyance or grant shall, by virtue of this...

Rights of way

3. The conveyance or grant shall include— (a) such provisions (if...

Covenants and conditions

4. The conveyance or grant shall include such provisions (if any)...
5. Subject to paragraph 6, and to Parts II and III...

No charge to be made for landlord's consent or approval

6. A provision of the conveyance or lease is void in...

Meaning of "incumbrances" and "tenant's incumbrance"

7. In this Schedule— "incumbrances" includes personal liabilities attaching in respect...

PART II — CONVEYANCE OF FREEHOLD

General

8. The conveyance shall not exclude or restrict the all estate...
9. (1) The conveyance shall be of an estate in fee...

Covenants

10. The conveyance shall be expressed to be made by the...
PART III — LEASES

General

11. A lease shall be for the appropriate term defined in...

The appropriate term

12. (1) If at the time the grant is made the...

Common use of premises and facilities

13. Where the dwelling-house is a flat and the qualifying person...

Covenants by the landlord

- 14. (1) This paragraph applies where the dwelling-house is a flat...
- 15. (1) This paragraph applies where the landlord's interest in the...

Covenant by tenant

- 16. Unless otherwise agreed between the landlord and the qualifying person,...

Service charges and other contributions payable by the tenant

- 16A (1) The lease may require the tenant to bear a...
- 16B (1) Where a lease of a flat requires the tenant...
- 16C (1) Where a lease of a flat requires the tenant...

Inflation allowances

- 16E The inflation allowance for the purposes of paragraphs 16B(2) and...
- 16F (1) The inflation allowance for the purposes of paragraph 16B(3)(a)...

Information for tenants

- 16G (1) The information which must be given to a tenant...
- 16H (1) The information which must be given to a tenant...

Avoidance of certain provisions

- 17. (1) A provision of the lease, or of an agreement...
- 18. Where the dwelling-house is a flat, a provision of the...
- 19. A provision of the lease, or of an agreement collateral...

PART IV — CHARGES

Grant of lease

- 20. A charge (however created or arising) on the interest of...

Conveyance of freehold

- 21. (1) This paragraph applies to a charge (however created or...

SCHEDULE 7A — RECKONABLE AMOUNT OF QUALIFYING PERSON FOR PURPOSES OF RIGHT TO DEFER COMPLETION

Introductory

- 1. This Schedule has effect with respect to the calculation of...
- 2. In this Schedule— “admissible source” means a source of income...

Reckonable amount

- 3. The qualifying person's reckonable amount for the purposes of section...

Income from employment

- 4. (1) This paragraph applies to income from an employment.

Income from a business

- 5. (1) This paragraph applies to income from a business carried...

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Other income

6. (1) This paragraph applies to income from a source to...

Income from more than one source

7. If the qualifying person has income from more than one...

Estimates

8. The landlord may accept any estimate for the purposes of...

Joint tenants

9. Where the right to buy is being exercised by more...

Multipliers

10. (1) This paragraph specifies the appropriate factor to be applied...

SCHEDULE 9A — LAND REGISTRATION AND RELATED MATTERS WHERE
RIGHT TO BUY PRESERVED

Statement to be contained in instrument effecting qualifying disposal

1. On a qualifying disposal, the disponor shall secure that the...

Registration of title on qualifying disposal

2. (1) Where on a qualifying disposal the disponor's title to...
3. Where a qualifying disposal takes the form of the grant...

Entries on register protecting preserved right to buy

4. The Chief Land Registrar on application being made for registration...

Change of qualifying dwelling-house

5. (1) This paragraph applies where by virtue of section 171B(6)...

Effect of non-registration

6. (1) The rights of a qualifying person under this Part...

Statement required on certain disposals on which right to buy ceases to be preserved

7. (1) A conveyance of the freehold or grant of a...

Removal of entries on land register

8. Where the registered title to land contains an entry made...

Liability to compensate or indemnify

9. (1) An action for breach of statutory duty lies where—...

Meaning of “disposal” and “instrument effecting disposal”

10. References in this Schedule to a disposal or to the...

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Explanatory Note