
EXPLANATORY NOTE

(This note is not part of the Order)

These Regulations give a housing authority which is a landlord of a flat under a long lease the power to purchase an equitable interest in the flat in order to assist the tenant to meet some or all of the costs of service charge payments payable by the tenant to the landlord in respect of repairs and improvement contributions. The agreement of the tenant is required. The terms “housing authority” and “long lease” are defined in section 458 of the Housing Act 1985. Section 450D of that Act (under which these Regulations are made) modifies the definition of “housing authority”, and defines “improvement contribution” and “repairs”.

Regulation 2 sets out the conditions which must be met before the power to purchase an equitable interest can be exercised.

Regulation 3 provides that the landlord may exercise the power conferred by regulation 2 whenever the lease was granted or assigned, and whenever the service charge became payable, in both cases including before the coming into force of these Regulations.

Regulation 4 requires the landlord to pay for the equitable interest purchased by reducing or cancelling (as the case may be) the service charge payment for which the tenant is liable. Where the landlord and the tenant have agreed that the tenant will meet the landlord’s administrative expenses in connection with the purchase, the landlord may deduct these expenses from the purchase price.

Regulation 5 allows the landlord and the tenant to agree that the tenant will pay the landlord’s administrative expenses in connection with the purchase.