

2012 No. 734

HOUSING, ENGLAND

**The Housing (Right to Buy) (Limit on Discount) (England)
Order 2012**

<i>Made</i> - - - -	<i>7th March 2012</i>
<i>Laid before Parliament</i>	<i>12th March 2012</i>
<i>Coming into force</i> - -	<i>2nd April 2012</i>

The Secretary of State for Communities and Local Government makes the following Order in exercise of the powers conferred by section 131 of the Housing Act 1985(a):

Citation, commencement, application and interpretation

1.—(1) This Order may be cited as the Housing (Right to Buy) (Limit on Discount) (England) Order 2012 and shall come into force on 2nd April 2012.

(2) This Order applies in relation to England only(b).

(3) In this Order a reference to a numbered section is to the section of the Housing Act 1985 bearing that number.

Period of account

2. The period of time specified for the purpose of section 131(1)(a) shall be—

(a) ten years (instead of the period of eight years mentioned in that section) in relation to dwelling-houses built or acquired by the landlord prior to 2 April 2012; and

(b) fifteen years (instead of that period of eight years) in relation to dwelling-houses built or acquired by the landlord on or after 2 April 2012.

Maximum discount

3. The sum prescribed for the purpose of section 131(2) is £75 000.

Application

4.—(1) This Order applies where—

(a) a notice pursuant to section 122(1) is served after the date this Order comes into force; or

(b) before that date a notice pursuant to that subsection has been served but the conveyance or grant under Part V of the Housing Act 1985 has not yet taken place.

(a) 1985 c.68.

(b) The National Assembly for Wales was given legislative competence in relation to the disposals of land to which Part 5 of the Housing Act 1985 applies by the National Assembly for Wales (Legislative Competence)(Housing and Local Government) Order 2010 (S.I.2010/1838).

(2) Where paragraph (1)(b) applies and the notice served by the landlord under section 125 (Landlord's notice of purchase price and other matters) ("the section 125 notice") has been served on the tenant—

- (a) the statement in the section 125 notice of—
 - (i) the price at which the tenant is entitled to have the freehold conveyed or the lease granted to him is to be read as a statement of the price (if different from the price stated in the notice) resulting from the application of the limit on the amount of discount provided for under section 131(2) as set out in this Order; and
 - (ii) the discount to which the tenant is entitled shall be read accordingly;
- (b) if the price stated in the section 125 notice as originally served is different from the price applicable in accordance with this paragraph, the section 125 notice must be amended by the landlord to include the latter price and served upon the secure tenant; and
- (c) the discount to be applied under section 126 shall be the discount as calculated applying the limits on the amount of discount provided for under section 131(2) set out in this Order.

(3) The requirements in paragraph (2) do not affect the time limits set in sections 125D and 125E or the valuation of the dwelling-house under section 127.

(4) Where paragraph (1)(b) applies and the section 125 notice has not been served by the landlord, the landlord shall ensure that the notice, when served, states the amount of discount to which the tenant is entitled by reference to the limits provided for under section 131(2) as set out in this Order.

Revocation

5. The Housing (Right to Buy) (Limits on Discount) Order 1998(a) is revoked.

Signed by authority of the Secretary of State for Communities and Local Government

7th March 2012

Grant Shapps
Minister of State
Department for Communities and Local Government

(a) S.I. 1998/2997 as amended by S.I. 2003/498.

EXPLANATORY NOTE

(This note is not part of the Order)

A person exercising the right to buy a dwelling-house under Part V of the Housing Act 1985 may be entitled, under sections 129 to 131 of and Schedule 4 to the Act, to a discount equal to a percentage of the price before discount.

The discount may not reduce the price by more than such sum as the Secretary of State may by order prescribe nor may it reduce the price below an amount representing the costs incurred by the landlord over a specified period of time in respect of the dwelling-house in accordance with a determination by the Secretary of State.

This Order prescribes the maximum discount as £75 000 and also specifies the period of time used in the calculation of costs as ten years for dwelling-houses acquired by the landlord prior to 2nd April 2012 and fifteen years for dwelling-houses acquired by the landlord on or after 2nd April 2012. The maximum discount prescribed in this Order applies to applications for the right to buy made by notice under section 122 of the Act served after the date this Order comes into force and to applications where the notice under section 122 was served before that date but the conveyance or grant under Part V of the Act has not taken place on or before that date.

The Housing (Right to Buy) (Limits on Discount) Order 1998 is revoked.

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STATUTORY INSTRUMENTS

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