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[CONFIDENTIAL.]

(Rough Draft for Consideration Only.)

No. , 1916.

A BILL

To amend the law of landlord and tenant.

BE it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the "Landlord and Tenant (Amendment) Act, 1916." Short title.

2. In this Act the word "lease" includes any instrument of demise or sub-demise at Common Law or under the Real Property Act, 1900, or other Act, signed or executed before or after this Act. Definition of lease, &c. The word "income" includes

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includes rents and profits, and the word "rent" includes yearly or other rent, duty, royalty, or other reservation, by the acre, the ton, or otherwise.

3. Rent reserved by a lease, and the benefit of every covenant or provision therein contained having reference to the subject-matter thereof and on the lessee's part to be observed or performed, and every condition of re-entry and other condition therein contained, shall be annexed and incident to and shall go with the reversionary estate in the land or in any part thereof, immediately expectant on the term granted by the lease, notwithstanding severance of that reversionary estate, and shall be capable of being recovered, received, enforced, and taken advantage of by the person from time to time entitled, subject to the term, to the income of the whole or any part, as the case may require of the land leased.

Rent, and benefit of lessees' covenants to run with reversion. 44 and 45 Vic. c. 41, s. 10.

4. The obligation of a covenant entered into by a lessor with reference to the subject-matter of the lease, shall if, and as far as the lessor has power to bind the reversionary estate immediately expectant on the term granted by the lease, be annexed and incident to and shall go with that reversionary estate or the several parts thereof, notwithstanding severance of that reversionary estate, and may be taken advantage of and enforced by the person in whom the term is from time to time vested by conveyance, devolution in law, or otherwise, and if, and as far as the lessor has power to bind the person from time to time entitled to that reversionary estate, the obligation aforesaid may be taken advantage of and enforced against any person entitled.

Obligation of lessor's covenants to run with reversion. *Ibid.* s. 11.

5. Notwithstanding the severance by conveyance, surrender, or otherwise of the reversionary estate in any land comprised in a lease, and notwithstanding the avoidance or cesser in any other manner of the term granted by a lease as to part only of the land comprised therein, every condition or right of re-entry and every other condition contained in the lease shall be apportioned, and shall remain annexed to the severed parts of the reversionary estate as severed, and shall be in force with respect to the term whereon each severed part is reversionary, or the term in any land which has not been surrendered, or

Apportionment of conditions on severance, &c. *Ibid.* s. 12.

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as to which the term has not been avoided, or has not otherwise ceased, in like manner as if the land comprised in each severed part, or the land as to which the term remains subsisting, as the case may be, had alone originally been comprised in the lease.

6. On sale of the reversion of part of the land comprised in a lease, or on purchase of the leasehold of such part, the reversioner may, by the conveyance or transfer executed by the parties for giving effect to such sale or purchase, or by separate deed, agree that the rent payable in respect of the leasehold interest in such part, as evidenced by the title deeds relating to such part, shall be taken to be the apportioned rent chargeable in respect of such part, and thereafter the rent of such lease shall be deemed to have been legally apportioned as between such reversioner or persons claiming under him, and the persons claiming the residue of the lands comprised in the said lease for the unexpired term thereof, and the reversioner or persons claiming under him shall be entitled to receive and recover from the persons claiming the residue of the lands comprised in the said lease only so much of the rent reserved by the said lease as remains after deducting the amount of the rent as agreed to be chargeable in respect of the part so sold or purchased as aforesaid.

How rent
may be appor-
tioned where
reversion
severed.

7. When the reversion expectant on a lease of any land shall, after the passing of this Act, be surrendered or merge the estate which shall for the time being confer as against the tenant under the same lease, the next vested right to the same land shall, to the extent and for the purpose of preserving such incidents to and obligations on the same reversion as but for the surrender or merger thereof should have subsisted, be deemed the reversion expectant on the same lease.

When the re-
version of a
lease is gone,
the next
estate to be
deemed the
reversion.