

*Status:* This version of this schedule contains provisions that are prospective.  
*Changes to legislation:* There are currently no known outstanding effects for the  
Leasehold and Freehold Reform Act 2024, Schedule 8. (See end of Document for details)

PROSPECTIVE

## SCHEDULES

### SCHEDULE 8

Section 45

#### LEASEHOLD ENFRANCHISEMENT AND EXTENSION: MISCELLANEOUS AMENDMENTS

#### PART 1

#### LRA 1967 AND LRHUDA 1993: GENERAL

##### *Repeal of section 18 of the LRHUDA 1993*

- 1 (1) The LRHUDA 1993 is amended as follows.
  - (2) Omit section 18 (collective enfranchisement: requirement to disclose agreements affecting specified premises).
  - (3) In consequence—
    - (a) in section 32 (determination of price for collective enfranchisement), omit subsection (2)(b) and the “and” preceding it;
    - (b) in section 91 (jurisdiction of tribunals), omit subsection (2)(c).

##### **Commencement Information**

- II** Sch. 8 para. 1 not in force at Royal Assent, see [s. 124\(3\)](#)

##### *Application of security of tenure provisions to extended leases*

- 2 (1) In section 16 of the LRA 1967 (rights after extension)—
  - (a) in subsection (1), omit paragraphs (c) and (d);
  - (b) omit subsection (1A).
- (2) In section 59 of the LRHUDA 1993 (rights after extension), omit subsection (2).

##### **Commencement Information**

- I2** Sch. 8 para. 2 not in force at Royal Assent, see [s. 124\(3\)](#)

##### *Required statements in extended leases*

- 3 (1) In section 16 of the LRA 1967 (rights after extension), omit subsections (6) to (8).
- (2) In section 59 of the LRHUDA 1993 (rights after extension), omit subsections (4) and (5).

*Status: This version of this schedule contains provisions that are prospective.*  
*Changes to legislation: There are currently no known outstanding effects for the*  
*Leasehold and Freehold Reform Act 2024, Schedule 8. (See end of Document for details)*

### Commencement Information

**I3** Sch. 8 para. 3 not in force at Royal Assent, see [s. 124\(3\)](#)

### *Redevelopment break rights in extended leases*

- 4 (1) In section 17 of the LRA 1967 (redevelopment rights)—
- (a) in subsection (1)—
    - (i) for “not earlier than twelve months before” substitute “during the period of 12 months ending with”;
    - (ii) after “date of the tenancy,” insert “or at any time during the period of five years ending with a break date of the new tenancy granted under that section.”;
  - (b) after subsection (1) insert—
    - “(1A) A “break date” of a new tenancy granted under section 14 is the date with which a break period of that tenancy ends.
    - (1B) A “break period” of a new tenancy granted under section 14 is a period of 90 years beginning with—
      - (a) the original term date of the tenancy extended under that section;
      - (b) the day after the end of a break period.
    - (1C) Where the new tenancy is not the first tenancy granted under section 14 in respect of a house, “original term date” in subsection (1B) means the term date of the first tenancy extended under that section.”
- (2) In section 61 of the LRHUDA 1993 (redevelopment rights)—
- (a) for subsection (2)(b) substitute—
    - “(b) at any time during the period of five years ending with a break date of the new lease.”;
  - (b) after subsection (2) insert—
    - “(2A) A “break date” of a new lease is the date with which a break period of that lease ends.
    - (2B) A “break period” of a new lease is a period of 90 years beginning with—
      - (a) the term date of the lease in relation to which the right to acquire a new lease was exercised;
      - (b) the day after the end of a break period.”;
  - (c) in subsection (3), for “the term date”, in the first place it occurs, substitute “a break date”.

### Commencement Information

**I4** Sch. 8 para. 4 not in force at Royal Assent, see [s. 124\(3\)](#)

---

*Status:* This version of this schedule contains provisions that are prospective.  
*Changes to legislation:* There are currently no known outstanding effects for the  
Leasehold and Freehold Reform Act 2024, Schedule 8. (See end of Document for details)

---

### *Consequential amendments to the LRA 1967*

- 5 (1) The LRA 1967 is amended as follows.
- (2) In section 16 (rights after extension)—
- (a) in subsection (1), omit the words before paragraph (a);
  - (b) omit subsection (5).
- (3) In section 23(5)(b) (terms of extended tenancy), for “section 16(1) to (6)” substitute “section 16(1B)”.

---

#### **Commencement Information**

**I5** Sch. 8 para. 5 not in force at Royal Assent, see [s. 124\(3\)](#)

### *Repeal of obsolete provision in section 19 of the LRA 1967*

- 6 In section 19 of the LRA 1967 (retention of management powers for general benefit of neighbourhood), omit subsections (14) and (15).

---

#### **Commencement Information**

**I6** Sch. 8 para. 6 not in force at Royal Assent, see [s. 124\(3\)](#)

### *Orders and regulations under the LRA 1967*

- 7 (1) The LRA 1967 is amended as follows.
- (2) After section 36 insert—

*“Orders and regulations*

#### **36A Orders and regulations**

- (1) A power to make an order or regulations under any provision of this Part includes power to make—
- (a) consequential, supplementary, incidental, transitional or saving provision;
  - (b) different provision for different purposes.
- (2) In this section “order” does not include an order of a court or tribunal.”
- (3) In paragraph 5(2) of Schedule 4A (regulations relating to exclusion of certain shared ownership leases), for paragraphs (a) and (b) substitute—
- “(a) make different provision for different areas;”.

---

#### **Commencement Information**

**I7** Sch. 8 para. 7 not in force at Royal Assent, see [s. 124\(3\)](#)

*Status: This version of this schedule contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Leasehold and Freehold Reform Act 2024, Schedule 8. (See end of Document for details)*

### *Reduction of rent under intermediate leases*

- 8 (1) Schedule 1 to the LRA 1967 (enfranchisement and extension by sub-tenants) is amended as follows.
- (2) In paragraph 11—
- (a) after sub-paragraph (1) insert—
- “(1A) Any surrender or provision for the surrender, in accordance with this paragraph, of a tenancy comprising property other than the house and premises, is to be limited to the house and premises.”;
- (b) omit sub-paragraphs (2) to (5).
- (3) After paragraph 12 insert—
- “12A (1) This paragraph applies if at the relevant time (see section 37(1)(d))—
- (a) relevant rent is payable under the tenancy in possession,
- (b) that relevant rent is more than a peppercorn rent, and
- (c) there are one or more qualifying intermediate leases.
- (2) But if the tenancy in possession is a shared ownership lease—
- (a) this paragraph does not apply if, at the relevant time, none of the relevant rent payable under the tenancy in possession is payable in respect of the tenant’s share in the house and premises;
- (b) if the tenancy in possession does not reserve separate rents in respect of the tenant’s share in the house and premises and the landlord’s share in the house and premises, any rent reserved is to be treated as reserved in respect of the landlord’s share.
- (3) For the purposes of this paragraph a lease is a “qualifying intermediate lease” if—
- (a) the lease demises the whole or a part of the house and premises,
- (b) the lease is immediately superior to—
- (i) the tenancy in possession, or
- (ii) one or more other leases that are themselves qualifying intermediate leases,
- (c) relevant rent is payable under the lease, and
- (d) that relevant rent is more than a peppercorn rent.
- (4) But any lease that must be surrendered under paragraph 11(1) is to be treated for the purposes of this paragraph as if it had been surrendered immediately before the relevant time.
- (5) The landlord or the tenant under a qualifying intermediate lease may, by giving notice to the reversioner and other landlords before the grant of the lease under section 14, require the rent payable under the qualifying intermediate lease to be reduced in accordance with sub-paragraphs (8) to (10).
- (6) If—
- (a) under sub-paragraph (5) the rent under a lease is required to be reduced in accordance with this paragraph, and
- (b) that lease is superior to one or more other qualifying intermediate leases,

*Status:* This version of this schedule contains provisions that are prospective.

*Changes to legislation:* There are currently no known outstanding effects for the Leasehold and Freehold Reform Act 2024, Schedule 8. (See end of Document for details)

the rent payable under the other qualifying intermediate lease or leases is also to be reduced in accordance with sub-paragraphs (8) to (10).

(7) The landlord and tenant under a qualifying intermediate lease must vary the lease—

- (a) to give effect to a reduction of the rent in accordance with sub-paragraphs (8) to (10), and
- (b) to remove any terms of the lease which provide for an increase in the rent, or part of the rent, so reduced.

(8) If the whole of the rent under a qualifying intermediate lease is relevant rent, the rent under that lease is to be reduced to a peppercorn rent.

(9) If only part of the rent under a qualifying intermediate lease is relevant rent—

- (a) that part of the rent is to be reduced to zero, and
- (b) the total rent is to be reduced accordingly.

(10) But the amount of the reduction in a person's rental liabilities as tenant is limited to the amount of the reduction in that person's rental income as landlord; and here—

- (a) “reduction in a person's rental liabilities as tenant” means the reduction in accordance with sub-paragraph (8) or (9) of the rent payable by the person as tenant under the qualifying intermediate lease;
- (b) “reduction in that person's rental income as landlord” means the amount (or total amount) of the relevant reduction (or reductions) in rent payable to that person as landlord of one or more other reduced rent leases.

(11) In this paragraph—

“reduced rent lease” means—

- (a) the tenancy in possession, or
- (b) a qualifying intermediate lease;

“relevant reduction” means—

- (a) in relation to the tenancy in possession, a reduction resulting from that tenancy being substituted by the tenancy at a peppercorn rent granted under section 14;
- (b) in relation to a qualifying intermediate lease, a reduction resulting from this paragraph;

“relevant rent” means rent that has been, or would properly be, apportioned to the whole or a part of the house and premises.”

#### Commencement Information

**18** Sch. 8 para. 8 not in force at Royal Assent, see [s. 124\(3\)](#)

9 In Schedule 11 to the LRHUDA 1993 (procedure where competent landlord is not tenant's immediate landlord), after paragraph 11 insert—

*Status: This version of this schedule contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Leasehold and Freehold Reform Act 2024, Schedule 8. (See end of Document for details)*

### “PART 3

#### REDUCTION OF RENT UNDER INTERMEDIATE LEASES

- 12 (1) This paragraph applies if at the relevant date—
- (a) relevant rent is payable under the existing lease,
  - (b) that relevant rent is more than a peppercorn rent, and
  - (c) there are one or more qualifying intermediate leases.
- (2) But if the existing lease is a shared ownership lease—
- (a) this paragraph does not apply if, at the relevant date, none of the relevant rent payable under the existing lease is payable in respect of the tenant’s share in the flat;
  - (b) if the existing lease does not reserve separate rents in respect of the tenant’s share in the flat and the landlord’s share in the flat, any rent reserved is to be treated as reserved in respect of the landlord’s share.
- (3) For the purposes of this paragraph a lease is a “qualifying intermediate lease” if—
- (a) the lease demises the whole or a part of the relevant flat,
  - (b) the lease is immediately superior to—
    - (i) the existing lease, or
    - (ii) one or more other leases that are themselves qualifying intermediate leases,
  - (c) relevant rent is payable under the lease, and
  - (d) that relevant rent is more than a peppercorn rent;
- but a lease is not a qualifying intermediate lease if it is superior to the lease whose landlord is the competent landlord.
- (4) But any lease that must be surrendered under paragraph 10(3) is to be treated for the purposes of this paragraph as if it had been surrendered immediately before the relevant date.
- (5) The landlord or the tenant under a qualifying intermediate lease may, by giving notice to the competent landlord and other landlords before the grant of the lease under section 56, require the rent payable under the qualifying intermediate lease to be reduced in accordance with sub-paragraphs (8) to (10).
- (6) If—
- (a) under sub-paragraph (5) the rent under a lease is required to be reduced in accordance with this paragraph, and
  - (b) that lease is superior to one or more other qualifying intermediate leases,
- the rent payable under the other qualifying intermediate lease or leases is also to be reduced in accordance with sub-paragraphs (8) to (10).
- (7) The landlord and tenant under a qualifying intermediate lease must vary the lease—

*Status:* This version of this schedule contains provisions that are prospective.

*Changes to legislation:* There are currently no known outstanding effects for the Leasehold and Freehold Reform Act 2024, Schedule 8. (See end of Document for details)

- (a) to give effect to a reduction of the rent in accordance with sub-paragraphs (8) to (10), and
  - (b) to remove any terms of the lease which provide for an increase in the rent, or part of the rent, so reduced.
- (8) If the whole of the rent under a qualifying intermediate lease is relevant rent, the rent under that lease is to be reduced to a peppercorn rent.
- (9) If only part of the rent under a qualifying intermediate lease is relevant rent—
- (a) that part of the rent is to be reduced to zero, and
  - (b) the total rent is to be reduced accordingly.
- (10) But the amount of the reduction in a person’s rental liabilities as tenant is limited to the amount of the reduction in that person’s rental income as landlord; and here—
- (a) “reduction in a person’s rental liabilities as tenant” means the reduction in accordance with sub-paragraph (8) or (9) of the rent payable by the person as tenant under the qualifying intermediate lease;
  - (b) “reduction in that person’s rental income as landlord” means the amount (or total amount) of the relevant reduction (or reductions) in rent payable to that person as landlord of one or more other reduced rent leases.
- (11) In this paragraph—
- “reduced rent lease” means—
    - (a) the existing lease, or
    - (b) a qualifying intermediate lease;
  - “relevant flat” means the flat and any garage, outhouse, garden, yard and appurtenances that are to be demised by the lease granted under section 56;
  - “relevant reduction” means—
    - (a) in relation to the existing lease, a reduction resulting from that lease being substituted by the lease at a peppercorn rent granted under section 56;
    - (b) in relation to a qualifying intermediate lease, a reduction resulting from this paragraph;
  - “relevant rent” means rent that has been, or would properly be, apportioned to the whole or a part of the relevant flat.”

**Commencement Information**

**19** Sch. 8 para. 9 not in force at Royal Assent, see [s. 124\(3\)](#)

**Commencement Information**

**18** Sch. 8 para. 8 not in force at Royal Assent, see [s. 124\(3\)](#)

**19** Sch. 8 para. 9 not in force at Royal Assent, see [s. 124\(3\)](#)

*Status: This version of this schedule contains provisions that are prospective.*  
*Changes to legislation: There are currently no known outstanding effects for the*  
*Leasehold and Freehold Reform Act 2024, Schedule 8. (See end of Document for details)*

## PART 2

### SHARED OWNERSHIP LEASES AND THE LRA 1967

#### *Amendment of the LRA 1967*

10 The LRA 1967 is amended in accordance with this Part of this Schedule.

#### **Commencement Information**

**I10** Sch. 8 para. 10 not in force at Royal Assent, see [s. 124\(3\)](#)

#### *Repeal of exclusions of shared ownership leases from Part 1 of the LRA 1967*

- 11 (1) In section 1 (tenants entitled to enfranchisement or extension), omit subsection (1A).
- (2) In section 3(2) (tenancies deemed to be long tenancies), omit the words from “(other than” to “this Act)”.
- (3) Omit section 33A and Schedule 4A (exclusion of certain shared ownership leases).

#### **Commencement Information**

**I11** Sch. 8 para. 11 not in force at Royal Assent, see [s. 124\(3\)](#)

#### *Rateable value limits and low rent tests not to apply to shared ownership leases*

- 12 In section 1 (tenants entitled to enfranchisement or extension), after subsection (6) insert—
- “(6A) In determining whether a tenant under a tenancy which is a shared ownership lease has the right to acquire a freehold or extended lease under this Part, the following requirements of this section do not apply—
- (a) any requirement for the tenancy to be at a low rent;
  - (b) any requirement in subsection (1)(a)(i) or (ii) for the house and premises or the tenancy to be above a certain value.”

#### **Commencement Information**

**I12** Sch. 8 para. 12 not in force at Royal Assent, see [s. 124\(3\)](#)

#### *No right of enfranchisement for certain shared ownership leases*

13 Before section 36 insert—

#### **“33B Shared ownership leases which provide for 100% acquisition etc**

- (1) A notice of a person’s desire to have the freehold of a house and premises under this Part is of no effect if, at the relevant time, the tenancy—
- (a) is a shared ownership lease, and
  - (b) meets conditions A to D.



*Status:* This version of this schedule contains provisions that are prospective.

*Changes to legislation:* There are currently no known outstanding effects for the Leasehold and Freehold Reform Act 2024, Schedule 8. (See end of Document for details)

- (2) But conditions C and D do not need to be met if the shared ownership lease is of a description prescribed for this purpose in regulations made by the Secretary of State.
- (3) *Condition A:* the tenancy allows for the tenant to increase the tenant's share in the demised premises by increments of 25% or less (whether or not the tenancy also provides for increments of more than 25%).
- (4) *Condition B:* the tenancy provides—
  - (a) for the price payable for an increase in the tenant's share in the demised premises to be proportionate to the market value of the premises at the time the share is to be increased, and
  - (b) if the tenant's share is increased, for the rent payable by the tenant in respect of the landlord's share in the demised premises to be reduced by an amount reflecting the increase in the tenant's share.
- (5) *Condition C:* the tenancy allows for the tenant's share in the demised premises to reach 100%.
- (6) *Condition D:* if and when the tenant's share of the demised premises is 100%, the tenancy—
  - (a) allows for the tenant to acquire the freehold of the premises (if the landlord has the freehold), or
  - (b) provides that the terms of the lease which make the lease a shared ownership lease cease to have effect (if the landlord does not have the freehold),without the payment of any further consideration.
- (7) Regulations under this section are to be made by statutory instrument.
- (8) A statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of either House of Parliament.
- (9) In this section “demised premises” means the premises demised under the shared ownership lease.”

#### Commencement Information

**I13** Sch. 8 para. 13 not in force at Royal Assent, see [s. 124\(3\)](#)

#### *Inclusion of terms for sharing staircasing payments*

14 In Schedule 1 (enfranchisement and extension by sub-tenants), after paragraph 12A insert—

- “12B (1) This paragraph applies if—
- (a) at the relevant time—
    - (i) the tenancy in possession is a shared ownership lease (the “original shared ownership lease”), and
    - (ii) the tenant's share of the dwelling is less than 100%, and

*Status: This version of this schedule contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Leasehold and Freehold Reform Act 2024, Schedule 8. (See end of Document for details)*

- (b) the landlord who grants the new tenancy (the “new shared ownership lease”) is not the immediate landlord under the original shared ownership lease.
- (2) At any time after the grant of the new shared ownership lease—
- (a) the immediate landlord under the new shared ownership lease, or
- (b) the landlord under any relevant intermediate lease,
- may apply to the appropriate tribunal for an order making provision to secure that each relevant intermediate lease is varied to include (if or to the extent that it does not already do so) a payment sharing term.
- (3) A “payment sharing term” is a term under which staircasing payments are to be shared between—
- (a) the immediate landlord under the new shared ownership lease, and
- (b) each landlord under a relevant intermediate lease,
- in a way which fairly and reasonably reflects staircasing losses that are incurred after the variation of the lease to include this term.
- (4) An order under this paragraph may include—
- (a) an order relating to a relevant intermediate lease not specified in the application;
- (b) an order appointing a person who is not party to a relevant intermediate lease to execute a variation of the lease.
- (5) A lease is a “relevant intermediate lease” if—
- (a) the lease demises some or all of the shared ownership premises, and
- (b) the lease is intermediate between—
- (i) the new shared ownership lease, and
- (ii) the interest of the landlord who granted the new shared ownership lease.
- (6) In this paragraph—
- “shared ownership premises” means the premises demised by the new shared ownership lease;
- “staircasing loss”, in relation to a staircasing payment, means the loss that a landlord incurs because of the increase in the tenant’s share in the shared ownership premises to which the staircasing payment relates;
- “staircasing payment” means a payment made by the tenant under the new shared ownership lease to their immediate landlord in consideration of an increase in the tenant’s share in the shared ownership premises.”

#### **Commencement Information**

**I14** Sch. 8 para. 14 not in force at Royal Assent, see [s. 124\(3\)](#)

*Status: This version of this schedule contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Leasehold and Freehold Reform Act 2024, Schedule 8. (See end of Document for details)*

### *Meaning of “shared ownership lease”*

- 15 In section 37(1) (interpretation of Part 1)—
- (a) after paragraph (b) insert—
    - “(bza) “landlord’s share”, in relation to a shared ownership lease, means the share in the premises demised by the lease which is not comprised in the tenant’s share;”;
  - (b) after paragraph (d) insert—
    - “(da) “shared ownership lease” means a lease of premises—
      - (i) granted on payment of a premium calculated by reference to a percentage of the value of the premises or of the cost of providing them, or
      - (ii) under which the tenant (or the tenant’s personal representatives) will or may be entitled to a sum calculated by reference, directly or indirectly, to the value of the premises;
    - (db) “tenant’s share”, in relation to a shared ownership lease, means the tenant’s initial share in the premises demised by the lease, plus any additional share or shares in those demised premises which the tenant has acquired;”.

#### **Commencement Information**

**I15** Sch. 8 para. 15 not in force at Royal Assent, see [s. 124\(3\)](#)

## **PART 3**

### SHARED OWNERSHIP LEASES AND THE LRHUDA 1993

#### *Amendment of the LRHUDA 1993*

- 16 The LRHUDA 1993 is amended in accordance with this Part of this Schedule.

#### **Commencement Information**

**I16** Sch. 8 para. 16 not in force at Royal Assent, see [s. 124\(3\)](#)

#### *Repeal of special provision for shared ownership leases in definition of “long lease”*

- 17 In section 7 (definition of “long lease”)—
- (a) at the end of subsection (1)(c) insert “or”;
  - (b) omit subsection (1)(d);
  - (c) in subsection (7), omit the definitions of “shared ownership lease” and “total share”.

#### **Commencement Information**

**I17** Sch. 8 para. 17 not in force at Royal Assent, see [s. 124\(3\)](#)

*Status: This version of this schedule contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Leasehold and Freehold Reform Act 2024, Schedule 8. (See end of Document for details)*

*No right to collective enfranchisement for certain shared ownership leases*

18 (1) In section 5 (qualifying tenants), after subsection (2)(c) insert “or  
“(d) the lease is an excluded shared ownership lease (see section 5A);”.

(2) After section 5 insert—

**“5A Excluded shared ownership leases**

(1) For the purposes of this Chapter a lease is an “excluded shared ownership lease” if it—

- (a) is a shared ownership lease, and
- (b) meets conditions A to D.

(2) But conditions C and D do not need to be met if the shared ownership lease is of a description prescribed for this purpose in regulations made by the Secretary of State.

(3) *Condition A*: the lease allows for the tenant to increase the tenant’s share in the demised premises by increments of 25% or less (whether or not the lease also provides for increments of more than 25%).

(4) *Condition B*: the lease provides—

- (a) for the price payable for an increase in the tenant’s share in the demised premises to be proportionate to the market value of the premises at the time the share is to be increased, and
- (b) if the tenant’s share is increased, for the rent payable by the tenant in respect of the landlord’s share in the demised premises to be reduced by an amount reflecting the increase in the tenant’s share.

(5) *Condition C*: the lease allows for the tenant’s share in the demised premises to reach 100%.

(6) *Condition D*: if and when the tenant’s share in the demised premises is 100%, the tenancy provides that the terms of the lease which make the lease a shared ownership lease cease to have effect, without the payment of any further consideration.

(7) In this section “demised premises” means the premises demised under the shared ownership lease.”

(3) In section 38(1) (interpretation of Chapter 1 of Part 1), after the definition of “conveyance” insert—

““excluded shared ownership lease” has the meaning given in section 5A;”.

**Commencement Information**

**118** Sch. 8 para. 18 not in force at Royal Assent, see [s. 124\(3\)](#)

*Tenant under shared ownership lease to have right to new lease*

19 In section 39(3)(a) (definition of qualifying tenant: application of section 5), after “subsections” insert “(2)(d);”.

---

*Status: This version of this schedule contains provisions that are prospective.*  
*Changes to legislation: There are currently no known outstanding effects for the Leasehold and Freehold Reform Act 2024, Schedule 8. (See end of Document for details)*

---

**Commencement Information**

**I19** Sch. 8 para. 19 not in force at Royal Assent, see [s. 124\(3\)](#)

*Consequential amendment*

20 In section 77(2)(b) (qualifying tenants for audit rights), for “that section” substitute “section 101”.

**Commencement Information**

**I20** Sch. 8 para. 20 not in force at Royal Assent, see [s. 124\(3\)](#)

*Collective enfranchisement: mandatory leaseback*

21 In Schedule 9 (grant of leases back to the former freeholder), after paragraph 3 insert—

*“Flats etc let under shared ownership leases*

- 3A (1) This paragraph applies where immediately before the appropriate time—
- (a) any flat falling within [sub-paragraph \(2\)](#) is let under an excluded shared ownership lease (and accordingly the tenant is not a qualifying tenant of the flat), and
  - (b) the landlord under the lease is the freeholder.
- (2) A flat falls within this sub-paragraph if—
- (a) the freehold of the whole of it is owned by the same person, and
  - (b) it is contained in the specified premises.
- (3) Where this paragraph applies, the nominee purchaser shall grant to the freeholder (that is to say, the landlord under the shared ownership lease) a lease of the flat in accordance with section 36 and paragraph 4 below.
- (4) In this paragraph any reference to a flat includes a reference to a unit (other than a flat) which is used as a dwelling.”

**Commencement Information**

**I21** Sch. 8 para. 21 not in force at Royal Assent, see [s. 124\(3\)](#)

*Inclusion of terms for sharing staircasing payments*

22 In Schedule 11 (procedure where competent landlord is not tenant’s immediate landlord), after paragraph 10 insert—

- “10A (1) This paragraph applies if—
- (a) at the relevant date—

*Status: This version of this schedule contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Leasehold and Freehold Reform Act 2024, Schedule 8. (See end of Document for details)*

- (i) the existing lease is a shared ownership lease (the “original shared ownership lease”), and
  - (ii) the tenant’s share of the dwelling is less than 100%, and
  - (b) the landlord who grants the new tenancy (the “new shared ownership lease”) is not the immediate landlord under the original shared ownership lease.
- (2) At any time after the grant of the new shared ownership lease—
- (a) the immediate landlord under the new shared ownership lease, or
  - (b) the landlord under any relevant intermediate lease,
- may apply to the appropriate tribunal for an order making provision to secure that each relevant intermediate lease is varied to include (if or to the extent that it does not already do so) a payment sharing term.
- (3) A “payment sharing term” is a term under which staircasing payments are to be shared between—
- (a) the immediate landlord under the new shared ownership lease, and
  - (b) each landlord under a relevant intermediate lease,
- in a way which fairly and reasonably reflects staircasing losses that are incurred after the variation of the lease to include this term.
- (4) An order under this paragraph may include—
- (a) an order relating to a relevant intermediate lease not specified in the application;
  - (b) an order appointing a person who is not party to a relevant intermediate lease to execute a variation of the lease.
- (5) A lease is a “relevant intermediate lease” if—
- (a) the lease demises some or all of the shared ownership premises, and
  - (b) the lease is intermediate between—
    - (i) the new shared ownership lease, and
    - (ii) the interest of the landlord who granted the new shared ownership lease.
- (6) In this paragraph—
- “shared ownership premises” means the premises demised by the new shared ownership lease;
  - “staircasing loss”, in relation to a staircasing payment, means the loss that a landlord incurs because of the increase in the tenant’s share in the shared ownership premises to which the staircasing payment relates;
  - “staircasing payment” means a payment made by the tenant under the new shared ownership lease to their immediate landlord in consideration of an increase in the tenant’s share in the shared ownership premises.”

*Status:* This version of this schedule contains provisions that are prospective.

*Changes to legislation:* There are currently no known outstanding effects for the Leasehold and Freehold Reform Act 2024, Schedule 8. (See end of Document for details)

#### Commencement Information

**I22** Sch. 8 para. 22 not in force at Royal Assent, see [s. 124\(3\)](#)

#### Meaning of “shared ownership lease”

- 23 In section 101(1) (general interpretation of Part 1)—
- (a) after the definition of “interest” insert—

““landlord’s share”, in relation to a shared ownership lease, means the share in the premises demised by the lease which is not comprised in the tenant’s share;”;
  - (b) after the entry relating to “lease” and “tenancy” insert—

““shared ownership lease” means a lease of premises—

    - (a) granted on payment of a premium calculated by reference to a percentage of the value of the premises or of the cost of providing them, or
    - (b) under which the tenant (or the tenant’s personal representatives) will or may be entitled to a sum calculated by reference, directly or indirectly, to the value of the premises;

“tenant’s share”, in relation to a shared ownership lease, means the tenant’s initial share in the premises demised by the lease, plus any additional share or shares in those demised premises which the tenant has acquired;”.

#### Commencement Information

**I23** Sch. 8 para. 23 not in force at Royal Assent, see [s. 124\(3\)](#)

### PART 4

#### OTHER LEGISLATION

#### Provision about “RTE companies”

- 24 Omit these provisions of the CLRA 2002 (which would have required a freehold to be acquired by an RTE company on a collective enfranchisement)—
- (a) sections 121 to 124 and the italic heading before section 121;
  - (b) Schedule 8.

#### Commencement Information

**I24** Sch. 8 para. 24 not in force at Royal Assent, see [s. 124\(3\)](#)

**Status:**

This version of this schedule contains provisions that are prospective.

**Changes to legislation:**

There are currently no known outstanding effects for the Leasehold and Freehold Reform Act 2024, Schedule 8.