



Leasehold Reform (Ground Rent) Act 2022

2022 CHAPTER 1

Prohibited and permitted rent

5 Permitted rent: shared ownership leases

- (1) This section applies to a regulated lease which is a relevant shared ownership lease.
- (2) The permitted rent is—
 - (a) in respect of the tenant's share in the demised premises, a peppercorn rent;
 - (b) in respect of the landlord's share in the demised premises, any rent.
- (3) A shared ownership lease is a lease—
 - (a) granted on payment of a premium calculated by reference to a percentage of the value of the demised premises or 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 those premises.
- (4) A relevant shared ownership lease is a shared ownership lease where the tenant's share in the demised premises is less than 100%.
- (5) The tenant's share in the demised premises is the tenant's initial share in the demised premises, plus any additional share or shares in the demised premises which the tenant has acquired.
- (6) The landlord's share in the demised premises is the share in the demised premises which is not comprised in the tenant's share.
- (7) Where a shared ownership lease does not reserve separate rents in respect of the tenant's share in the demised premises and the landlord's share in the demised premises, any rent reserved is to be treated as reserved in respect of the landlord's share.
- (8) This section does not apply to a regulated lease if section 6 applies to it.