



# Leasehold and Freehold Reform Act 2024

## CHAPTER 22

### LEASEHOLD AND FREEHOLD REFORM ACT 2024

#### PART 1

##### LEASEHOLD HOUSES

###### *Ban on grant or assignment of certain long residential leases of houses*

- 1 Ban on grant or assignment of certain long residential leases of houses

###### *Key definitions*

- 2 Long residential leases of houses
- 3 Leases which have a long term
- 4 Series of leases whose term would extend beyond 21 years
- 5 Houses
- 6 Residential leases
- 7 Permitted leases

###### *Regulation of permitted leases*

- 8 Permitted leases: certification by the appropriate tribunal
- 9 Permitted leases: marketing restrictions
- 10 Permitted leases: transaction warning conditions

###### *Land registration*

- 11 Prescribed statements in new long leases
- 12 Restriction on title

###### *Redress*

- 13 Redress: right to acquire a freehold or superior leasehold estate

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- 14 Redress: application of the right to acquire
- 15 Redress: general provision
- 16 Redress regulations: exercising and giving effect to the right to acquire

#### *Enforcement*

- 17 Enforcement by trading standards authorities
- 18 Financial penalties
- 19 Financial penalties: cross-border enforcement
- 20 Lead enforcement authority
- 21 General duties of lead enforcement authority
- 22 Enforcement by lead enforcement authority
- 23 Further powers and duties of enforcement authorities

#### *General*

- 24 Part 1: Crown application
- 25 Power to amend: permitted leases and definitions
- 26 Interpretation of Part 1

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#### LEASEHOLD ENFRANCHISEMENT AND EXTENSION

##### *Eligibility for enfranchisement and extension*

- 27 Removal of qualifying period before enfranchisement and extension claims
- 28 Removal of restrictions on repeated enfranchisement and extension claims
- 29 Change of non-residential limit on collective enfranchisement claims
- 30 Eligibility for enfranchisement and extension: specific cases

##### *Effects of enfranchisement*

- 31 Acquisition of intermediate interests in collective enfranchisement
- 32 Right to require leaseback by freeholder after collective enfranchisement

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- 33 Longer lease extensions
- 34 Lease extensions under the LRA 1967 on payment of premium at peppercorn rent

##### *Price payable on enfranchisement or extension*

- 35 LRA 1967: determining price payable for freehold or lease extension
- 36 LRHUDA 1993: determining price payable for collective enfranchisement or new lease
- 37 Enfranchisement or extension: new method for calculating price payable

##### *Costs of enfranchisement or extension*

- 38 Costs of enfranchisement and extension under the LRA 1967
- 39 Costs of enfranchisement and extension under the LRHUDA 1993

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*Jurisdiction of the county court and tribunals*

- 40 Replacement of sections 20 and 21 of the LRA 1967
- 41 References to “the court” in Part 1 of the LRA 1967
- 42 Amendment of Part 1 of the LRHUDA 1993
- 43 References to “the court” in Part 1 of the LRHUDA 1993

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- 44 No first-instance applications to the High Court in tribunal matters

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- 45 Miscellaneous amendments

*Preservation of existing law for certain purposes*

- 46 LRA 1967: preservation of existing law for certain enfranchisements

*Consequential amendments to other legislation*

- 47 Part 2: consequential amendments to other legislation

**PART 3**

OTHER RIGHTS OF LONG LEASEHOLDERS

*New right to replace rent with peppercorn rent*

- 48 Right to vary long lease to replace rent with peppercorn rent

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- 50 Costs of right to manage claims
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- 54 Notice of future service charge demands
- 55 Service charge demands
- 56 Accounts and annual reports
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- 58 Enforcement of duties relating to service charges

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- 59 Limitation on ability of landlord to charge insurance costs
- 60 Duty to provide information about insurance to tenants

*Administration charges*

- 61 Duty of landlords to publish administration charge schedules

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### *Litigation costs*

- 62 Limits on rights of landlords to claim litigation costs from tenants
- 63 Right of tenants to claim litigation costs from landlords

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- 64 Restriction on recovery of non-litigation costs of enfranchisement, extension and right to manage

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- 74 Limitation of estate management charges: reasonableness
- 75 Limitation of estate management charges: consultation requirements
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- 83 Meaning of “administration charge”
- 84 Duty of estate managers to publish administration charge schedules
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- 86 Limitation of administration charges
- 87 Determination of tribunal as to administration charges

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- 88 Codes of management practice: extension to estate managers

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- 89 Notices of complaint  
90 Appointment of substitute manager  
91 Conditions for applying for appointment order  
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103 Approval and designation of redress schemes  
104 Redress schemes: no Crown status

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107 Decision under a redress scheme may be made enforceable as if it were a court order  
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- 115 Remediation orders
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- 117 Recovery of legal costs etc through service charge
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- 1 Leases granted out of historic leasehold estates
- 2 Community housing leases
- 3 Retirement housing leases
- 4 Leases of certain National Trust property
- 5 Leases granted by the Crown

##### Part 2 — CATEGORIES OF PERMITTED LEASE FOR SELF-CERTIFICATION

- 6 Leases agreed before commencement
- 7 Shared ownership leases
- 8 Home finance plan leases
- 9 Extended leases
- 10 Agricultural leases

#### Schedule 2 — Leasehold houses: financial penalties

- 1 Notice of intent
- 2 Time limits for notice of intent

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- 3 Right to make written representations
  - 4 Final notice
  - 5 Withdrawal or amendment of notice
  - 6 Appeals
  - 7 Recovery of penalty
  - 8 Proceeds of penalties
  - 9 Any proceeds of a penalty which are not applied in...
  - 10 Manner of giving notices
  - 11 Interpretation
- Schedule 3 — Eligibility for enfranchisement and extension: specific cases
- 1 Removal of redevelopment restrictions on enfranchisement and extension
  - 2 Removal of residential restriction on enfranchisement and extension under the LRA 1967
  - 3 Removal of public purposes restriction on enfranchisement and extension under the LRA 1967
  - 4 Exception to enfranchisement for certified community housing providers
  - 5 (1) The LRHUDA 1993 is amended as follows.
  - 6 Removal of restriction on extension claims by sub-lessees
  - 7 Eligibility of leases of National Trust property for extension
  - 8 For section 95 of the LRHUDA 1993 (saving for National...
  - 9 Consequential amendments to the LRA 1967
  - 10 In section 20(2)(d) (jurisdiction and special powers of county court),...
  - 11 In section 21(1)(c) (jurisdiction of tribunals), omit “or 18”.
  - 12 In section 25(5)(a) (mortgagee in possession of landlord’s interest), omit...
  - 13 In section 29 (reservation of future right to develop)—
  - 14 In section 38 (modification of right to possession under Landlord...
  - 15 In Schedule 1 (enfranchisement and extension by sub-tenants), omit paragraph...
  - 16 In Schedule 2 (provisions supplementary to sections 17 and 18)—...
  - 17 In Schedule 3 (procedure)— (a) omit paragraph 7(3);
  - 18 In Schedule 4 (covenants with local authorities etc), in paragraph...
  - 19 Consequential amendments to the LRHUDA 1993
  - 20 In section 13(9) (initial notice for enfranchisement)—
  - 21 Omit section 21(2)(c) (counter-notice for enfranchisement).
  - 22 In section 22 (proceedings relating to validity of initial notice...
  - 23 In section 24(1)(b) (applications in enfranchisement where terms in dispute...
  - 24 In section 25(1)(b) (applications in enfranchisement on failure to give...
  - 25 In section 33(4) (costs of enfranchisement), omit “23(4) or”.
  - 26 In section 37A(8)(c)(i) (compensation for ineffective enfranchisement claim), omit “23(4),”....
  - 27 In section 42(7) (notice of extension)— (a) omit paragraph (b)...
  - 28 Omit section 45(2)(c) (counter-notice for extension).
  - 29 In section 46 (proceedings relating to validity of notice for...
  - 30 In section 48(1)(b) (applications in extension where terms in dispute...
  - 31 In section 49(1)(b) (applications in extension on failure to give...
  - 32 In section 54(6) (suspension of extension during enfranchisement)—
  - 33 In section 60(4) (costs incurred in connection with new lease),...

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- 34 In section 61A(6)(a) (compensation for ineffective extension claim), omit “47(1)...
- 35 In section 62(3)(a) (definitions), omit “47 or”.
- 36 In section 74 (effect of scheme applications on claims)—
- 37 In Schedule 1 (conduct of proceedings by reversioner), omit paragraph...
- 38 In Schedule 2 (special categories of landlord), in paragraph 2,...
- 39 In Schedule 11 (procedure where competent landlord is not tenant’s...
- Schedule 4 — Determining and sharing the market value
- Part 1 — INTRODUCTION
- 1 Determination and sharing of market value for purposes of section 37
- Part 2 — THE MARKET VALUE
- 2 Freehold enfranchisements: the basis of the market value
- 3 Lease extensions: the basis of the market value
- 4 How the market value is determined
- Part 3 — DETERMINING THE MARKET VALUE
- 5 Compulsory use of the standard valuation method
- 6 Tenant holding over or unexpired term of 5 years or less
- 7 Home finance plan leases
- 8 Market rack rent leases
- 9 Property included in the acquisition of a freehold house under section 2(4) of the LRA 1967
- 10 Leases already extended under the old law in the LRA 1967
- 11 Business tenancies
- 12 Acquisition of a freehold house under the LRA 1967: shared ownership leases
- 13 Collective enfranchisement: property other than relevant flats etc and appurtenant property
- 14 Voluntary use of the standard valuation method
- 15 Property that is “subject to the standard valuation method”
- Part 4 — ASSUMPTIONS AND OTHER MATTERS AFFECTING DETERMINATION OF MARKET VALUE
- 16 Application of this Part of this Schedule
- 17 Assumptions in all cases: intermediate leases merged and no marriage or hope value
- 18 Additional assumption on transfer of freehold house or lease extension: repairing obligations and improvements
- 19 Additional assumptions on collective enfranchisements: repairing obligations, improvements & leasebacks
- 20 Any determination of market value: specified matters to be taken into consideration
- 21 Any determination of market value: current lease gives rise to a right to hold over
- 22 Standard valuation method: other matters
- 23 Enfranchisement of house or lease extension: tenant with superior lease
- Part 5 — THE STANDARD VALUATION METHOD
- 24 Introduction
- 25 Step 1: determine the value of right to receive rent (the “term value”)
- 26 Rent (including a notional capped rent) that is to be used for determining the term value
- 27 Step 2 (freehold enfranchisement): determine the value of the freehold reversion (the “reversion value”)



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- 28 Step 2 (lease extensions): determine the value of a 990 year lease (the “reversion value”)
  - 29 Step 3: calculate the market value of the newly owned premises subject to the standard valuation method
    - Part 6 — ENTITLEMENT OF ELIGIBLE PERSONS TO SHARES OF THE MARKET VALUE
  - 30 Entitlement and calculation of share
  - 31 Freehold enfranchisements: the “eligible persons” and “qualifying transactions”
  - 32 Lease extensions: the “eligible persons” and “qualifying transactions”
  - 33 The loss suffered
  - 34 Interpretation
    - Part 7 — DETERMINING THE TERM VALUE
  - 35 Introduction
  - 36 Lease not subject to a rent review
  - 37 Lease subject to a rent review with fixed changes
  - 38 Lease subject to any other rent review
  - 39 Interpretation
- Schedule 5 — Other compensation
- 1 Application of this Schedule
  - 2 Compensation payable
- Schedule 6 — Schedules 4 and 5: interpretation
- 1 Provision to be construed as one with existing enfranchisement legislation
  - 2 Meaning of specific expressions
  - 3 Expressions with different meanings in relation to different statutory grants or leases
- Schedule 7 — Amendments consequential on sections 35 to 37 and Schedules 4 to 6
- 1 Involvement of other landlords: the LRA 1967
  - 2 Involvement of other landlords: collective enfranchisement under the LRHUDA 1993
  - 3 (1) Schedule 1 to the LRHUDA 1993 (conduct of proceedings...
  - 4 In Schedule 8 to the LRHUDA 1993 (discharge of mortgages...
  - 5 Involvement of other landlords: new lease under the LRHUDA 1993
  - 6 (1) Schedule 11 to the LRHUDA 1993 (procedure where competent...
  - 7 Other consequential amendments to the LRA 1967
  - 8 In section 8(1) (obligation to enfranchise), after “price” insert “payable...
  - 9 Omit section 9A (compensation payable in cases where right to...
  - 10 In section 19(10)(b) (price subject to local management scheme), for...
  - 11 In section 23(5)(b) (terms of extended tenancy), omit “section 9(1)...
  - 12 In section 24(1) (application of price), for “under section 9...
  - 13 In section 31 (ecclesiastical property)— (a) in subsection (2)(a), after...
  - 14 Other consequential amendments to the LRHUDA 1993
  - 15 In section 13(3) (initial notice), for paragraph (d) substitute—
  - 16 In section 18(2) (duty to disclose agreements)—
  - 17 In section 27 (vesting orders under section 26: supplementary provision) —...
  - 18 In section 32 (determination of price)— (a) in subsection (2),...

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- 19 In section 39(1) (right to acquire new lease), for “a...
- 20 In section 42(3)(c) (notice to acquire new lease)—
- 21 In section 48(7) (applications where terms in dispute etc), for...
- 22 In section 51 (vesting orders under section 50: supplementary provision)  
—...
- 23 In section 56 (obligation to grant new lease)—
- 24 Omit section 66 (amendments to the LRA 1967).
- 25 In section 70(12) (estate management schemes)— (a) in paragraph (b),...
- 26 In section 73(10) (applications for estate management schemes), for  
the...
- 27 (1) Schedule 2 (special categories of landlords) is amended as...
- 28 (1) Schedule 5 (vesting orders under sections 24 and 25)...
- 29 Omit Schedule 15 (section 9 of the LRA 1967 as...

Schedule 8 — Leasehold enfranchisement and extension: miscellaneous amendments

Part 1 — LRA 1967 AND LRHUDA 1993: GENERAL

- 1 Repeal of section 18 of the LRHUDA 1993
- 2 Application of security of tenure provisions to extended leases
- 3 Required statements in extended leases
- 4 Redevelopment break rights in extended leases
- 5 Consequential amendments to the LRA 1967
- 6 Repeal of obsolete provision in section 19 of the LRA 1967
- 7 Orders and regulations under the LRA 1967
- 8 Reduction of rent under intermediate leases
- 9 In Schedule 11 to the LRHUDA 1993 (procedure where competent...

Part 2 — SHARED OWNERSHIP LEASES AND THE LRA 1967

- 10 Amendment of the LRA 1967
- 11 Repeal of exclusions of shared ownership leases from Part 1 of the LRA  
1967
- 12 Rateable value limits and low rent tests not to apply to shared ownership  
leases
- 13 No right of enfranchisement for certain shared ownership leases
- 14 Inclusion of terms for sharing staircasing payments
- 15 Meaning of “shared ownership lease”

Part 3 — SHARED OWNERSHIP LEASES AND THE LRHUDA 1993

- 16 Amendment of the LRHUDA 1993
- 17 Repeal of special provision for shared ownership leases in definition of  
“long lease”
- 18 No right to collective enfranchisement for certain shared ownership  
leases
- 19 Tenant under shared ownership lease to have right to new lease
- 20 Consequential amendment
- 21 Collective enfranchisement: mandatory leaseback
- 22 Inclusion of terms for sharing staircasing payments
- 23 Meaning of “shared ownership lease”

Part 4 — OTHER LEGISLATION

- 24 Provision about “RTE companies”

Schedule 9 — Part 2: consequential amendments to other legislation

- 1 Parliamentary Commissioner Act 1967
- 2 Leasehold Reform Act 1979
- 3 Local Government Act 1985

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- 4 Housing Act 1985
- 5 Landlord and Tenant Act 1985
- 6 Housing and Planning Act 1986
- 7 Housing Act 1988
- 8 Local Government and Housing Act 1989
- 9 Local Government (Wales) Act 1994
- 10 Housing Act 1996
- 11 Commonhold and Leasehold Reform Act 2002
- 12 Finance Act 2003
- 13 Companies Act 2006
- 14 Enterprise and Regulatory Reform Act 2013
- 15 Immigration Act 2014
- 16 Consumer Rights Act 2015
- 17 Housing and Planning Act 2016
- 18 Tenant Fees Act 2019
- 19 Building Safety Act 2022

Schedule 10 — Right to vary lease to replace rent with peppercorn rent

- 1 Right to vary lease to replace rent with peppercorn rent
- 2 Meaning of “qualifying lease” and exclusion of certain rent from the right to vary
- 3 Claiming the right to a peppercorn rent
- 4 Suspension of rent variation notices
- 5 Counter-notice
- 6 Application to appropriate tribunal where claim or terms not agreed
- 7 Variation of the lease
- 8 Reduction of rent under intermediate leases
- 9 Jurisdiction of the appropriate tribunal in relation to paragraph 8
- 10 Failure to vary lease
- 11 Missing landlord or third party
- 12 Circumstances in which notice ceases to have effect etc
- 13 Tenant’s liability for costs
- 14 Liability for costs: failed claims
- 15 Liability for costs: successful claims
- 16 Duty of landlord to give copies of the rent variation notice to superior landlords
- 17 Duty of superior landlord to give copies of the rent variation notice to other superior landlords
- 18 Actions of immediate landlord binding on other landlords
- 19 Duty of immediate landlord to conduct commutation claim on behalf of affected other landlords
- 20 *Provisions of the LRHUDA 1993 that apply for the purposes of this Schedule*
- 21 Regulations
- 22 Interpretation

Schedule 11 — Part 4: consequential amendments

Part 1 — AMENDMENTS CONSEQUENTIAL ON SECTION 68

- 1 The LTA 1985 is amended in accordance with paragraphs 2...
- 2 In section 5 (information to be contained in rent books)—...
- 3 In section 10B(8) (regulations under section 10A), for the words...
- 4 In section 20 (consultation requirements)— (a) in subsection (4), for...

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- 5 In section 20ZA (consultation requirements: supplementary)— (a) in subsection (3),...
- 6 In section 20E(4) (regulations under section 20D) for the words...
- 7 In section 20F(7) (limitation of service charges: excluded costs for...
- 8 In section 29 (meaning of “recognised tenants’ association”)—
- 9 In section 29A (tenants’ associations: power to request information about...
- 10 In section 30D(9) (liability for building safety costs), for the...
- 11 In section 31 (reserve power to limit rents)—
- 12 In section 35 (application to Isles of Scilly)—
- 13 In paragraph 7(5) of the Schedule (right to notify insurers...
  - Part 2 — OTHER CONSEQUENTIAL AMENDMENTS
- 14 The LTA 1985 is amended in accordance with paragraphs 15...
- 15 In section 23A (effect of change of landlord)—
- 16 In section 26 (exception for tenants of certain public authorities)—...
- 17 In section 27 (exception for rent registered and not entered...
- 18 In Schedule 5 to the Housing and Planning Act 1986...
- 19 In Schedule 2 to the LTA 1987 (amendments to the...
- 20 In Schedule 11 to the Local Government and Housing Act...
- 21 In section 83 of the Housing Act 1996 (determination of...
- 22 In Schedule 1 to the Housing Grants, Construction and Regeneration...
- 23 In the CLRA 2002— (a) omit section 152 (statements of...
- 24 In Schedule 15 to the Housing Act 2004 (minor and...
- 25 In the Housing and Regeneration Act 2008 (service charges)—
- 26 In Schedule 9 to the Crime and Courts Act 2013,...
- 27 In the Housing (Wales) Act 2014 (anaw 7), in the...
- 28 In the Housing and Planning Act 2016, omit section 131...
- 29 In the BSA 2022— (a) in section 112 (implied terms...

#### Schedule 12 — Redress schemes: financial penalties

- 1 Notice of intent
- 2 Right to make representations
- 3 Final notice
- 4 Withdrawal or amendment of notice
- 5 Appeals
- 6 Recovery of financial penalty
- 7 Proceeds of financial penalties

#### Schedule 13 — Part 6: amendments to other Acts

- 1 Local Government Act 1974
- 2 (1) Section 33 (consultation between Local Commissioner and other Commissioners...
- 3 (1) Section 33ZA (collaborative working between Local Commissioners and others)...
- 4 In section 33ZB (arrangements for provision of administrative and other...
- 5 In section 34 (interpretation) in subsection (1), at the appropriate...
- 6 Housing Act 1996
- 7 Building Safety Act 2022