



# Leasehold and Freehold Reform Act 2024

## 2024 CHAPTER 22

### PART 7

#### RENTCHARGES

#### 112 Meaning of “estate rentcharge”

In section 2(4)(b) of the RA 1977 (meaning of “estate rentcharge”), for “or repairs” substitute “, repairs or improvements”.

#### 113 Regulation of remedies for arrears of rentcharges

- (1) The Law of Property Act 1925 is amended in accordance with this section.
- (2) Before section 121 insert—

##### “120A Interpretation

- (1) For the purposes of sections 120B to 122 a rentcharge is “regulated” if it is of a kind that could not be created in accordance with section 2 of the Rentcharges Act 1977.
- (2) In sections 120B to 120D—
  - “charged land” means the land which is, or the land the income of which is, charged by the rentcharge;
  - “demand for payment” means a notice under section 120B(1)(a) demanding payment of regulated rentcharge arrears;
  - “landowner”, in relation to a sum that is charged by rentcharge, means the person who holds the charged land;
  - “regulated rentcharge arrears” means a sum charged by a regulated rentcharge that is unpaid after the time appointed for its payment;
  - “rent owner”, in relation to a sum that is charged by rentcharge, means the person who holds title to the rentcharge.

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### **120B Regulated rentcharges: notice of arrears before enforcement**

- (1) No action to recover or compel payment of regulated rentcharge arrears may be taken unless—
  - (a) the rent owner has served the landowner with notice demanding payment of those arrears,
  - (b) the demand for payment complies with the requirements of subsection (2),
  - (c) the demand for payment either—
    - (i) complies with the requirements of subsection (3), or
    - (ii) does not need to comply with those requirements (see subsection (5)), and
  - (d) the period of 30 days, beginning with the day on which the demand for payment is served, has ended.
- (2) The demand for payment must set out—
  - (a) the name of the rent owner;
  - (b) the address of the rent owner and, if that address is not in England and Wales, an address in England and Wales at which notices (including notices in proceedings) may be served on the rent owner by the landowner;
  - (c) the amount of the regulated rentcharge arrears;
  - (d) how that amount has been calculated;
  - (e) details of how to pay that amount.
- (3) The demand for payment must set out, or be served with—
  - (a) a copy of the instrument creating the regulated rentcharge;
  - (b) proof that title to the regulated rentcharge is held by the rent owner.
- (4) The demand for payment is to be taken to comply with the requirement in subsection (3)(b) if—
  - (a) in a case where the rent owner's title to the regulated rentcharge is registered at the Land Registry, the demand includes a copy of that registered title; or
  - (b) in a case where title to the regulated rentcharge is not registered at the Land Registry, the demand includes copies of the instruments by which title to the rentcharge has passed to the rent owner.
- (5) A demand for payment served by a rent owner on a landowner in relation to a regulated rentcharge does not need to comply with subsection (3) if—
  - (a) a previous demand for payment that has been served by that rent owner on that landowner in relation to that rentcharge complied with that subsection, and
  - (b) since the service of that previous demand, there has been no material change in the matters to which subsection (3) relates.
- (6) No sum is payable by the landowner in respect of the preparation or service of a demand for payment (including obtaining or preparing documents or copies in order to comply with subsection (3)).

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- (7) This section applies to action to recover or compel payment of rentcharge arrears whether the action is authorised by this Act or is otherwise available (and includes bringing proceedings).

#### **120C Service of notice under section 120B: additional requirement**

- (1) This section applies if—
- (a) notice under section 120B demanding the payment of rentcharge arrears is served in compliance with the requirements of section 196(3) or (4), but
  - (b) the place of abode or business at which the notice is left, or to which the notice is sent, in compliance with those requirements is not the charged land.
- (2) The notice is sufficiently served only if (in addition to complying with the requirements of section 196(3) or (4))—
- (a) it is affixed or left for the landowner on the charged land, or
  - (b) it is sent by post in a registered letter addressed to the landowner, by name, at the charged land, and if that letter is not returned by the postal operator (within the meaning of Part 3 of the Postal Services Act 2011) concerned undelivered; and that service shall be deemed to be made at the time at which the registered letter would in the ordinary course be delivered.

#### **120D Regulated rentcharge arrears: administration charges**

- (1) The Secretary of State may by regulations limit the amounts payable by landowners, directly or indirectly, in respect of action to recover or compel payment of regulated rentcharge arrears.
- (2) Regulations under this section may (in particular) provide that no amount is to be payable by landowners in respect of particular descriptions of action to recover or compel payment of regulated rentcharge arrears.
- (3) Regulations under this section may make—
- (a) different provision for different cases;
  - (b) transitional or saving provision.
- (4) Regulations under this section are to be made by statutory instrument.
- (5) A statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of either House of Parliament.”
- (3) In section 121 (remedies for the recovery of annual sums charged on land) after subsection (1) insert—
- “(1A) But where such a sum is charged by way of a regulated rentcharge, the rent owner does not have any of those remedies for recovering and compelling payment of the sum on and after 27 November 2023.”
- (4) In section 122 (creation of rentcharges charged on another rentcharge and remedies for recovery thereof), after subsection (1) insert—

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“(1A) But on and after 27 November 2023 such a rentcharge or other annual sum may not be granted, reserved, charged or created out of or on another rentcharge if it is a regulated rentcharge.”

(5) The amendments made by subsections (1) to (4) have effect in relation to rentcharge arrears arising before or after the coming into force of this section.

(6) After section 122 insert—

**“122A Contrary provision of no effect**

An instrument creating a rentcharge, or a contract or any other arrangement, (whenever entered into) is of no effect to the extent that it makes provision that is contrary to—

- (a) section 120B, 120C, 121(1A) or 122(1A), or
- (b) regulations under section 120D.”