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PROSPECTIVE

## SCHEDULES

### SCHEDULE 3

#### ELIGIBILITY FOR ENFRANCHISEMENT AND EXTENSION: SPECIFIC CASES

##### *Eligibility of leases of National Trust property for extension*

7 For section 32 of the LRA 1967 (saving for National Trust) substitute—

##### **“32 National Trust property**

- (1) Property is “inalienable National Trust property” for the purposes of this section if an interest in the property is vested inalienably in the National Trust for Places of Historic Interest or Natural Beauty under section 21 of the National Trust Act 1907.
- (2) This Part does not prejudice the operation of section 21 of the National Trust Act 1907, and accordingly a tenant does not have the right under this Part to acquire the freehold of inalienable National Trust property.
- (3) The right to an extended lease has effect subject to the following provisions of this section only if and to the extent that the existing tenancy demises inalienable National Trust property.
- (4) In a case where the existing tenancy is a post-commencement protected National Trust tenancy, the tenant does not have the right to an extended lease.
- (5) In a case where the existing tenancy is a pre-commencement protected National Trust tenancy, this Act is to have effect in relation to the right to an extended lease without the amendments made by the Leasehold and Freehold Reform Act 2024 (but without altering the effect of this subsection).
- (6) In any other case, the right to an extended lease has effect subject to subsections (7) and (8).
- (7) In determining whether the tenant has the right to an extended lease, the following requirements in section 1 do not apply—
  - (a) any requirement for the tenancy to be at a low rent;
  - (b) any requirement in section 1(1)(a)(i) or (ii) for the house and premises or the tenancy to be above a certain value.
- (8) If the tenant exercises the right to an extended lease, the new tenancy must contain the buy-back term which is prescribed for this purpose in regulations made by the Secretary of State (the “prescribed buy-back term”).

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- (9) A “buy-back term” is a term which gives the National Trust the right to buy the whole or part of the extended lease if—
- (a) it is proposed to make a disposal of the extended lease that is of a description specified in that term (which may be a disposal of the whole or a part of the property demised), or
  - (b) the National Trust exercises a prescribed buy-back term that is contained in a lease which is inferior to the extended lease.
- (10) The prescribed buy-back term may, in particular, make provision about—
- (a) the procedure where it is proposed to make a disposal that is of a description specified in the term;
  - (b) the procedure for exercising the right to buy;
  - (c) the price payable;
  - (d) the payment of costs incurred in connection with the operation of the term (including requirements for one person to pay costs incurred by another person);
  - (e) the operation of the term if the National Trust is not a party to the extended lease.
- (11) If the National Trust is not the landlord under the extended lease, the National Trust may at any time apply to the appropriate tribunal for an order to secure that the extended lease is varied to contain (if or to the extent that it does not already do so) the prescribed buy-back term; and an order made on such an application may appoint a person who is not party to the extended lease to execute a variation of the lease.

### **32ZA Section 32: supplementary provision**

- (1) For the purposes of section 32, the existing tenancy is a “protected National Trust tenancy” if the tenancy is prescribed, or is of a description of tenancies prescribed, in regulations made by the Secretary of State.
- (2) Regulations may not provide for a tenancy to be a protected National Trust tenancy unless the tenancy is within case A or case B.
- (3) *Case A*: some or all of the property let under the tenancy is—
  - (a) property to which the general public has access, or
  - (b) part of property to which the general public has access (whether or not the general public has access to any property let under the tenancy),
 whether the arrangements for public access are managed by the National Trust, the tenant or another person.
- (4) *Case B*: the existing tenancy was granted to—
  - (a) a former owner,
  - (b) a relative of a former owner, or
  - (c) the trustees of a trust whose beneficiaries are or include—
    - (i) a former owner, or
    - (ii) a relative of a former owner.
- (5) Regulations under section 32 or this section are to be made by statutory instrument.

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(6) A statutory instrument containing regulations under section 32 or this section is subject to annulment in pursuance of a resolution of either House of Parliament.

(7) In section 32 and this section—

“commencement” means the day on which paragraph 7 of Schedule 3 to the Leasehold and Freehold Reform Act 2024 comes into force;

“disposal”, in relation to an extended lease, includes—

- (a) the grant of a sub-lease of property demised by the extended lease;
- (b) a change in control of a body (whether or not incorporated) which owns the extended lease;
- (c) the surrender of the extended lease;
- (d) a disposal (of any kind) for no consideration;

“former owner”, in relation to inalienable National Trust property let under a tenancy, means—

- (a) a person who transferred the freehold of the property to the National Trust,
- (b) a person who owned the freehold of the property immediately before its transfer to the National Trust by, or at the direction of—
  - (i) the Commissioners for His Majesty’s Revenue and Customs,
  - (ii) the Commissioners of Inland Revenue, or
  - (iii) the Treasury,
- (c) a person whose executors transferred, or directed the transfer of, the freehold of the property to the National Trust, or
- (d) a person who was a beneficiary under a trust whose trustees transferred, or directed the transfer of, the freehold of the property to the National Trust;

“post-commencement protected National Trust tenancy” means a tenancy which—

- (a) was granted on or after commencement, unless it was granted under an agreement made before commencement, and
- (b) is a protected National Trust tenancy;

“pre-commencement protected National Trust tenancy” means a tenancy which—

- (a) was granted—
  - (i) before commencement, or
  - (ii) on or after commencement under an agreement made before commencement, and
- (b) is a protected National Trust tenancy;

“relative” includes a person who is related by marriage or civil partnership;

“right to an extended lease” means the right under this Part to acquire an extended lease.”

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### Commencement Information

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

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