

*Status:* This version of this part contains provisions that are prospective.  
*Changes to legislation:* There are currently no known outstanding effects for the  
Leasehold and Freehold Reform Act 2024, Part 1. (See end of Document for details)

PROSPECTIVE

## SCHEDULES

### SCHEDULE 8

#### 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).

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### 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\(3\)](#)

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### *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\(3\)](#)

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### *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,

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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—

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### “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—

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- (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\(3\)](#)

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