

Changes to legislation: Leasehold and Freehold Reform Act 2024 is up to date with all changes known to be in force on or before 30 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

PROSPECTIVE

SCHEDULES

SCHEDULE 1

Section 7

CATEGORIES OF PERMITTED LEASE

PART 1

CATEGORIES OF PERMITTED LEASE FOR TRIBUNAL CERTIFICATION

Leases granted out of historic leasehold estates

- 1 A lease granted out of a leasehold estate (the “superior leasehold estate”) where—
- (a) the superior leasehold estate was granted before 22 December 2017, or
 - (b) the superior leasehold estate was granted on or after 22 December 2017 in pursuance of an agreement entered into before that date.

Commencement Information

II Sch. 1 para. 1 not in force at Royal Assent, see [s. 124\(3\)](#)

Community housing leases

- 2 (1) A lease that—
- (a) is a community housing lease, and
 - (b) meets any further conditions which may be specified in regulations made by the Secretary of State.
- (2) A lease is a community housing lease if—
- (a) the landlord under the lease is a community land trust within the meaning of section 2(7A) of the LR(GR)A 2022 (excepted leases), or
 - (b) it is a lease of a house which is, or is in, a building within paragraph 2B of Schedule 14 to the Housing Act 2004 (buildings controlled or managed by co-operative societies), disregarding sub-paragraph (3)(b) of that paragraph.
- (3) A statutory instrument containing regulations made under sub-paragraph (1)(b) is subject to the negative procedure.

Commencement Information

I2 Sch. 1 para. 2 not in force at Royal Assent, see [s. 124\(3\)](#)

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Retirement housing leases

- 3 (1) A lease that—
- (a) is a retirement housing lease, and
 - (b) meets any further conditions which may be specified in regulations made by the Secretary of State.
- (2) A lease is a retirement housing lease if—
- (a) it is a term of the lease that the house comprised in the lease may be occupied only by persons who have attained a minimum age,
 - (b) that minimum age is not less than 55, and
 - (c) the house comprised in the lease is part of a retirement development or scheme in which the leases of all the houses in that development or scheme meet the requirements set out in paragraphs (a) and (b).
- (3) A statutory instrument containing regulations made under sub-paragraph (1)(b) is subject to the negative procedure.

Commencement Information

I3 Sch. 1 para. 3 not in force at Royal Assent, see [s. 124\(3\)](#)

Leases of certain National Trust property

- 4 A lease of a house where the house comprised in the lease—
- (a) is a property or part of a property vested inalienably in the National Trust for Places of Historic Interest or Natural Beauty (“the National Trust”) under section 21 of the National Trust Act 1907, or
 - (b) is inalienable by the National Trust by virtue of section 8 of the National Trust Act 1939.

Commencement Information

I4 Sch. 1 para. 4 not in force at Royal Assent, see [s. 124\(3\)](#)

Leases granted by the Crown

- 5 (1) A lease granted out of a freehold estate by the Crown.
- (2) In this paragraph “the Crown” means—
- (a) His Majesty in right of the Crown, in right of His private estates, or in right of the Duchy of Lancaster, or
 - (b) the Duchy of Cornwall.

Commencement Information

I5 Sch. 1 para. 5 not in force at Royal Assent, see [s. 124\(3\)](#)

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PART 2

CATEGORIES OF PERMITTED LEASE FOR SELF-CERTIFICATION

Leases agreed before commencement

- 6 A lease granted in pursuance of an agreement entered into before the day on which section 1 comes into force.

Commencement Information

- I6** Sch. 1 para. 6 not in force at Royal Assent, see [s. 124\(3\)](#)

Shared ownership leases

- 7 (1) A lease that—
- (a) is a shared ownership lease, and
 - (b) meets conditions A to D.
- (2) But conditions C and D do not need to be met if the shared ownership lease is of a description specified for this purpose in regulations made by the Secretary of State.
- (3) A shared ownership lease means a lease of a house—
- (a) granted on payment of a premium calculated by reference to a percentage of the value of the house or of the cost of providing it, 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 the house.
- (4) Condition A: the lease allows for the tenant to increase the tenant's share in the house by increments of 25% or less (whether or not the lease also provides for increments of more than 25%).
- (5) Condition B: the lease provides—
- (a) for the price payable for an increase in the tenant's share in the house to be proportionate to the market value of the house at the time the share is to be increased, and
 - (b) if the tenant's share is increased, for the rent payable by the tenant in respect of the landlord's share in the house to be reduced by an amount reflecting the increase in the tenant's share.
- (6) Condition C: the lease allows for the tenant's share in the house to reach 100%.
- (7) Condition D: if and when the tenant's share in the house is 100%, the tenancy—
- (a) allows for the tenant to acquire the freehold of the house (if the landlord has the freehold), or
 - (b) provides that the terms of the lease which make the lease a shared ownership lease cease to have effect (if the landlord does not have the freehold),
- without the payment of further consideration.
- (8) A statutory instrument containing regulations made under [sub-paragraph \(2\)](#) is subject to the negative procedure.

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Commencement Information

I7 Sch. 1 para. 7 not in force at Royal Assent, see [s. 124\(3\)](#)

Home finance plan leases

- 8 (1) A lease that —
- (a) is a home finance plan lease, and
 - (b) meets any further conditions which may be specified in regulations made by the Secretary of State.
- (2) A lease is a home finance plan lease if—
- (a) it is granted pursuant to an arrangement which is a regulated home reversion plan within the meaning of Article 63B of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 ([S.I. 2001/544](#)), or
 - (b) it is granted by a finance provider to a home buyer, pursuant to a rent to buy arrangement.
- (3) A “rent to buy arrangement” is an arrangement in relation to which the following conditions are met—
- (a) a person (the “finance provider”) buys a qualifying interest, or an undivided share of a qualifying interest, in land, and
 - (b) the arrangement provides for the obligation of another person (the “home buyer”) to buy the interest bought by the finance provider over the course of, or at the end of, a specified period.
- (4) A “qualifying interest in land” means an estate in fee simple absolute or a term of years absolute, whether subsisting at law or in equity.
- (5) A statutory instrument containing regulations made under sub-paragraph (1)(b) is subject to the negative procedure.

Commencement Information

I8 Sch. 1 para. 8 not in force at Royal Assent, see [s. 124\(3\)](#)

Extended leases

- 9 (1) An extended lease, which is a lease that falls within any of cases A to C.
- (2) Case A: a lease of a house granted under Part 1 of the LRA 1967 (tenant of leasehold house entitled to extended lease) in substitution for a lease of a house granted before this Part comes into force.
 - (3) Case B: a lease of a house granted in consideration of the surrender in whole or part of a lease of that house granted before this Part comes into force.
 - (4) Case C: a lease of a house which takes effect as a deemed surrender and regrant of a lease of a house granted before this Part comes into force.

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Commencement Information

I9 Sch. 1 para. 9 not in force at Royal Assent, see [s. 124\(3\)](#)

Agricultural leases

- 10 An agricultural lease, which is a lease where the house is comprised in—
- (a) an agricultural holding within the meaning of the Agricultural Holdings Act 1986 which is held under a tenancy to which that Act applies, or
 - (b) a farm business tenancy within the meaning of the Agricultural Tenancies Act 1995.

Commencement Information

I10 Sch. 1 para. 10 not in force at Royal Assent, see [s. 124\(3\)](#)

SCHEDULE 2

Section 18

LEASEHOLD HOUSES: FINANCIAL PENALTIES

Notice of intent

- 1 (1) Before imposing a financial penalty on a person under section 18, an enforcement authority must give the person notice of its proposal to do so (a “notice of intent”).
- (2) A notice of intent must set out—
- (a) the date on which it is given,
 - (b) the amount of the proposed penalty,
 - (c) the reasons for proposing to impose the penalty, and
 - (d) information about the right to make representations under [paragraph 3](#).

Commencement Information

I11 Sch. 2 para. 1 not in force at Royal Assent, see [s. 124\(3\)](#)

Time limits for notice of intent

- 2 (1) A notice of intent may not be given to a person in respect of a breach of a leasehold house restriction after the earlier of the following—
- (a) the end of the period of 6 years beginning with the day the breach occurs, and
 - (b) the end of the period of 6 months beginning with the day on which evidence comes to the knowledge of the enforcement authority which the authority considers sufficient to justify giving the notice.
- (2) For the purposes of [sub-paragraph \(1\)\(a\)](#)—
- (a) a breach of section [1\(1\)](#) or [10\(1\)](#) occurs on the day the lease is granted or (as the case may be) the agreement is entered into (or, in the case of a breach of

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either of those provisions consisting of entering into an agreement to grant a lease and subsequently granting it, the day on which the agreement is entered into);

- (b) a breach of section 1(2) occurs on the day of the assignment or (as the case may be) the agreement is entered into (or, in the case of a breach of that provision consisting of entering into an agreement to assign a lease and subsequently assigning it, the day on which the agreement is entered into);
- (c) a breach of section 9(2) occurs on the day the marketing material is made available (or, in the case of marketing material made available in relation to the same lease on more than one occasion, the first day on which such material is made available).

Commencement Information

I12 Sch. 2 para. 2 not in force at Royal Assent, see [s. 124\(3\)](#)

Right to make written representations

- 3 A person who is given a notice of intent may, within the period of 28 days beginning with the day on which the notice is given, make written representations about the proposal.

Commencement Information

I13 Sch. 2 para. 3 not in force at Royal Assent, see [s. 124\(3\)](#)

Final notice

- 4 (1) After the period allowed for representations has expired, the enforcement authority must—
- (a) decide whether to impose a penalty on the person, and
 - (b) if it decides to do so, decide the amount of the penalty.
- (2) If the enforcement authority decides to impose a penalty, it must do so by giving the person a notice (a “final notice”).
- (3) A final notice must require the penalty to be paid before the end of the period of 28 days beginning with the day after that on which the notice is given.
- (4) A final notice must set out—
- (a) the date on which it is given,
 - (b) the amount of the penalty,
 - (c) the reasons for imposing the penalty,
 - (d) information about how to pay the penalty,
 - (e) the period for payment of the penalty,
 - (f) information about rights of appeal, and
 - (g) the consequences of failure to comply with the notice.

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Commencement Information

I14 Sch. 2 para. 4 not in force at Royal Assent, see [s. 124\(3\)](#)

Withdrawal or amendment of notice

- 5 An enforcement authority may at any time—
- (a) withdraw a notice of intent or final notice, or
 - (b) reduce an amount specified in a notice of intent or final notice,
- by giving a notice to that effect to the person to whom the notice of intent or final notice is given.

Commencement Information

I15 Sch. 2 para. 5 not in force at Royal Assent, see [s. 124\(3\)](#)

Appeals

- 6 (1) A person who is given a final notice may appeal to the appropriate tribunal against—
- (a) the decision to impose the penalty, or
 - (b) the amount of the penalty.
- (2) An appeal must be brought before the end of the period of 28 days beginning with the day after that on which the final notice is given.
- (3) If an appeal is brought under this paragraph, the final notice is suspended so far as it relates to the matter which is the subject of the appeal until the appeal is finally determined or withdrawn.
- (4) An appeal under this paragraph—
- (a) is to be a re-hearing of the enforcement authority's decision, but
 - (b) may be determined having regard to evidence which was not available to the authority when giving the notice.
- (5) On an appeal under this paragraph the appropriate tribunal may quash, confirm or vary the notice.
- (6) If the appropriate tribunal varies the amount of the penalty imposed by the notice, the new amount must be an amount that the enforcement authority had power to impose.

Commencement Information

I16 Sch. 2 para. 6 not in force at Royal Assent, see [s. 124\(3\)](#)

Recovery of penalty

- 7 (1) A penalty is recoverable by the enforcement authority that imposed it, if the county court so orders, as if it were payable under an order of that court.
- (2) In proceedings before the county court for the recovery of a penalty, a certificate that—

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- (a) is signed by the chief finance officer of the authority that imposed the penalty, and
 - (b) states that the amount due has not been received by a date specified in the certificate,
- is evidence of that fact.
- (3) A certificate to that effect and purporting to be so signed is to be treated as being so signed unless the contrary is proved.
- (4) In this paragraph “chief finance officer” has the same meaning as in section 5 of the Local Government and Housing Act 1989.

Commencement Information

I17 Sch. 2 para. 7 not in force at Royal Assent, see [s. 124\(3\)](#)

Proceeds of penalties

- 8 An enforcement authority may apply the proceeds of a penalty towards meeting the costs and expenses (whether administrative or legal) incurred in, or associated with, carrying out its enforcement functions under this Part.

Commencement Information

I18 Sch. 2 para. 8 not in force at Royal Assent, see [s. 124\(3\)](#)

- 9 Any proceeds of a penalty which are not applied in accordance with [paragraph 8](#) must be paid—
- (a) if the penalty was imposed in relation to a lease of a house in England, to the Secretary of State;
 - (b) if the penalty was imposed in relation to a lease of a house in Wales, to the Welsh Ministers.

Commencement Information

I19 Sch. 2 para. 9 not in force at Royal Assent, see [s. 124\(3\)](#)

Commencement Information

I18 Sch. 2 para. 8 not in force at Royal Assent, see [s. 124\(3\)](#)

I19 Sch. 2 para. 9 not in force at Royal Assent, see [s. 124\(3\)](#)

Manner of giving notices

- 10 (1) The Secretary of State may by regulations make provision about—
- (a) how any notice under this Schedule is to be given to a person;
 - (b) when such a notice is to be treated as being given.
- (2) A statutory instrument containing regulations under this paragraph is subject to the negative procedure.

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Commencement Information

I20 Sch. 2 para. 10 not in force at Royal Assent, see [s. 124\(3\)](#)

Interpretation

- 11 In this Schedule—
- “enforcement authority” has the meaning given by section 26;
 - “leasehold house restriction” has the meaning given by section 17(2);
 - “notice” means notice in writing;
 - “penalty” means a financial penalty under section 18.

Commencement Information

I21 Sch. 2 para. 11 not in force at Royal Assent, see [s. 124\(3\)](#)

SCHEDULE 3

Section 30

ELIGIBILITY FOR ENFRANCHISEMENT AND EXTENSION: SPECIFIC CASES

Removal of redevelopment restrictions on enfranchisement and extension

- 1 (1) In section 17 of the LRA 1967 (redevelopment rights)—
- (a) omit subsections (4) and (5);
 - (b) in subsection (6)(a), omit the words from “, or” to “application”.
- (2) Omit sections 23 and 47 of the LRHUDA 1993 (tenants’ claim liable to be defeated where landlord intends to redevelop).

Commencement Information

I22 Sch. 3 para. 1 not in force at Royal Assent, see [s. 124\(3\)](#)

Removal of residential restriction on enfranchisement and extension under the LRA 1967

- 2 Omit section 18 of the LRA 1967 (residential restriction on enfranchisement and extension rights).

Commencement Information

I23 Sch. 3 para. 2 not in force at Royal Assent, see [s. 124\(3\)](#)

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Removal of public purposes restriction on enfranchisement and extension under the LRA 1967

- 3 Omit section 28 of the LRA 1967 (restrictions on enfranchisement and extension where land required for public purposes).

Commencement Information

I24 Sch. 3 para. 3 not in force at Royal Assent, see [s. 124\(3\)](#)

Exception to enfranchisement for certified community housing providers

- 4 (1) The LRA 1967 is amended as follows.
- (2) In section 1 (tenants eligible for enfranchisement and extension), after subsection (1B) insert—
- “(1C) This Part of this Act does not confer on a tenant a right to acquire the freehold of a house and premises if the landlord under the existing tenancy is a certified community housing provider (see section 4B).”
- (3) After section 4A insert—

“4B Meaning of “certified community housing provider”

- (1) For the purposes of this Part of this Act, a person is a “certified community housing provider” if the appropriate tribunal has issued a community housing certificate in respect of the person.
- (2) A community housing certificate is a certificate that the tribunal has determined that the person—
- (a) is a community land trust within the meaning of section 2(7A) of the Leasehold Reform (Ground Rent) Act 2022, or
 - (b) is of a description, or satisfies conditions, specified for this purpose in regulations made by the Secretary of State.
- (3) The tribunal may issue a community housing certificate only in respect of a person that has made an application to the tribunal for the certificate.
- (4) The tribunal may cancel a community housing certificate—
- (a) on the application of the person in respect of which the certificate is issued, or
 - (b) on the application of a tenant affected by the certificate, if the tribunal considers that—
 - (i) the person in respect of which the certificate is issued does not fall within subsection (2)(a) or (b), or
 - (ii) the certificate was obtained by deception or fraud.

For this purpose a tenant is “affected by” a certificate if, by virtue of section 1(1C), the tenant does not have the right to acquire the freehold because the certificate is issued in respect of their landlord.

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- (5) The effect of the tribunal cancelling the certificate is that the person is not a certified community housing provider unless the tribunal issues a new community housing certificate.
- (6) The Secretary of State may by regulations provide for—
 - (a) the procedure to be followed in connection with an application for a community housing certificate;
 - (b) the procedure to be followed for the cancellation of a community housing certificate (including in connection with an application for the cancellation);
 - (c) any matters to which the tribunal must have regard in deciding whether to issue or cancel a community housing certificate.
- (7) The Secretary of State may by regulations make provision about the application of this Part in circumstances where—
 - (a) a landlord’s application for a community housing certificate has not been concluded when a tenant gives notice of their desire to have the freehold of a house and premises under this Part, or
 - (b) a tenant’s claim to have the freehold of a house and premises under this Part has not been concluded when a landlord’s application for a community housing certificate is made.
- (8) Regulations under subsection (7) may in particular provide for—
 - (a) the claim for the freehold to be paused or to have no effect;
 - (b) a time period for the purposes of this Part to be extended in connection with the application;
 - (c) the landlord to compensate a tenant or reversioner in respect of reasonable costs incurred in connection with a claim to acquire the freehold—
 - (i) if the tenant ceases to have the right to acquire the freehold because of the issue of a certificate under this section, or
 - (ii) if the costs are incurred as a result of the claim being suspended because of an application for a certificate under this section;
 - (d) enforcement by the appropriate tribunal of any of the requirements of the regulations;
 - (e) the appropriate tribunal to make orders that are supplementary to the issue of a community housing certificate.
- (9) Regulations under this section are to be made by statutory instrument.
- (10) A statutory instrument containing regulations under this section (whether alone or with other provision) may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament.”

Commencement Information

I25 Sch. 3 para. 4 not in force at Royal Assent, see [s. 124\(3\)](#)

- 5 (1) The LRHUDA 1993 is amended as follows.

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- (2) In section 5 (qualifying tenants for enfranchisement), after subsection (2)(a) insert—
- “(aa) the immediate landlord under the lease is a certified community housing provider (see section 8B); or”.
- (3) Before section 9 insert—

“8B Meaning of “certified community housing provider”

- (1) For the purposes of this Chapter, a person is a “certified community housing provider” if the appropriate tribunal has issued a community housing certificate in respect of the person.
- (2) A community housing certificate is a certificate that the tribunal has determined that the person—
- (a) is a community land trust within the meaning of section 2(7A) of the Leasehold Reform (Ground Rent) Act 2022, or
 - (b) is of a description, or satisfies conditions, specified for this purpose in regulations made by the Secretary of State.
- (3) The tribunal may issue a community housing certificate only in respect of a person that has made an application to the tribunal for the certificate.
- (4) The tribunal may cancel a community housing certificate—
- (a) on the application of the person in respect of which the certificate is issued, or
 - (b) on the application of a leaseholder affected by the certificate, if the tribunal considers that—
 - (i) the person in respect of which the certificate is issued does not fall within subsection (2)(a) or (b), or
 - (ii) the certificate was obtained by deception or fraud.
- For this purpose a leaseholder is “affected by” a certificate if, by virtue of section 5(2)(aa), the leaseholder is not a qualifying tenant because the certificate is issued in respect of their immediate landlord.
- (5) The effect of the tribunal cancelling the certificate is that the person is not a certified community housing provider unless the tribunal issues a new community housing certificate.
- (6) The Secretary of State may by regulations provide for—
- (a) the procedure to be followed in connection with an application for a community housing certificate;
 - (b) the procedure to be followed for the cancellation of a community housing certificate (including in connection with an application for the cancellation);
 - (c) any matters to which the tribunal must have regard in deciding whether to issue or cancel a community housing certificate.
- (7) The Secretary of State may by regulations make provision about the application of this Chapter in circumstances where—
- (a) a landlord’s application for a community housing certificate has not been concluded when a nominee purchaser gives notice

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under section 13 of a claim to exercise the right to collective enfranchisement, or

- (b) a claim to exercise the right to collective enfranchisement has not been concluded when a landlord’s application for a community housing certificate is made.

(8) Regulations under subsection (7) may in particular provide for—

- (a) the claim for the freehold to be paused or to have no effect;
- (b) a time period for the purposes of this Chapter to be extended in connection with the application;
- (c) the landlord to compensate the nominee purchaser, a tenant or a reversioner in respect of reasonable costs incurred in connection with a claim to exercise the right to collective enfranchisement—
 - (i) if a person ceases to be a participating tenant because of the issue of a certificate under this section (and in this case the compensation may relate to reasonable costs for which the person is liable that are incurred after the person ceases to be a participating tenant),
 - (ii) if the participating tenants cease to have the right to collective enfranchisement because of the issue of a certificate under this section, or
 - (iii) if the costs are incurred as a result of the claim being suspended because of an application for a certificate under this section;
- (d) enforcement by the appropriate tribunal of any of the requirements of the regulations;
- (e) the appropriate tribunal to make orders that are supplementary to the issue of a community housing certificate.”

(4) In section 39(3)(a) (qualifying tenants for extension), before “(5)” insert “(2)(aa),”.

(5) In section 100 (orders and regulations), after subsection (2) insert—

“(2A) But a statutory instrument containing regulations under section 8B (whether alone or with other provision) may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament.”

Commencement Information

I26 Sch. 3 para. 5 not in force at Royal Assent, see [s. 124\(3\)](#)

Commencement Information

I25 Sch. 3 para. 4 not in force at Royal Assent, see [s. 124\(3\)](#)

I26 Sch. 3 para. 5 not in force at Royal Assent, see [s. 124\(3\)](#)

Removal of restriction on extension claims by sub-lessees

6 (1) In the LRA 1967—

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- (a) in section 15(8) (terms of new tenancy), omit the words from “shall make” to “, and”;
 - (b) in section 16 (exclusion of further rights after extension)—
 - (i) omit subsection (4);
 - (ii) in subsection (5), omit the words from “and the instrument” to the end.
- (2) In the LRHUDA 1993—
- (a) in section 57(7) (terms of new lease), omit paragraph (a);
 - (b) in section 59 (further renewal after grant of new lease), omit subsection (3).

Commencement Information

I27 Sch. 3 para. 6 not in force at Royal Assent, see [s. 124\(3\)](#)

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.

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- (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”).
- (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—

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- (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.
- (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;

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“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.”

Commencement Information

I28 Sch. 3 para. 7 not in force at Royal Assent, see [s. 124\(3\)](#)

8 For section 95 of the LRHUDA 1993 (saving for National Trust) substitute—

“95 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) Chapter 1 does not prejudice the operation of section 21 of the National Trust Act 1907, and accordingly there is no right under Chapter 1 to acquire an interest in inalienable National Trust property.
- (3) The right to a new lease has effect subject to the following provisions of this section only if and to the extent that the existing lease demises inalienable National Trust property.
- (4) In a case where the existing lease is a protected National Trust tenancy, the tenant does not have the right to a new lease.
- (5) If—
 - (a) the existing lease is not a protected National Trust tenancy, and
 - (b) the tenant exercises the right to a new lease,the new lease must contain the buy-back term which is prescribed in regulations made by the Secretary of State (the “prescribed buy-back term”).
- (6) A “buy-back term” is a term which gives the National Trust the right to buy the whole or part of the new lease if—
 - (a) it is proposed to make a disposal of the new 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.
- (7) 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);

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(e) the operation of the term if the National Trust is not a party to the new lease.

(8) If the National Trust is not the landlord under the new lease, the National Trust may at any time apply to the appropriate tribunal for an order to secure that the new 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 new lease to execute a variation of the lease.

95A Section 95: supplementary provision

(1) For the purposes of section 95, the existing lease is a “protected National Trust tenancy” if the lease is prescribed, or is of a description of leases prescribed, in regulations made by the Secretary of State.

(2) Regulations may not provide for a lease to be a protected National Trust tenancy unless the lease is within case A or case B.

(3) *Case A*: some or all of the property let under the lease 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 lease),

whether the arrangements for public access are managed by the National Trust, the tenant or another person.

(4) *Case B*: the existing lease 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 95 or this section—

- (a) may make different provision for different purposes;
- (b) are to be made by statutory instrument.

(6) A statutory instrument containing regulations under section 95 or this section is subject to annulment in pursuance of a resolution of either House of Parliament.

(7) In section 95 and this section—

“disposal”, in relation to a new lease, includes—

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

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

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- (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;
- “relative” includes a person who is related by marriage or civil partnership;
- “right to a new lease” means the right under Chapter 2 to a new lease.”

Commencement Information

I29 Sch. 3 para. 8 not in force at Royal Assent, see [s. 124\(3\)](#)

Commencement Information

I28 Sch. 3 para. 7 not in force at Royal Assent, see [s. 124\(3\)](#)

I29 Sch. 3 para. 8 not in force at Royal Assent, see [s. 124\(3\)](#)

Consequential amendments to the LRA 1967

9 The LRA 1967 is amended in accordance with paragraphs 10 to 18.

Commencement Information

I30 Sch. 3 para. 9 not in force at Royal Assent, see [s. 124\(3\)](#)

10 In section 20(2)(d) (jurisdiction and special powers of county court), omit “or 18”.

Commencement Information

I31 Sch. 3 para. 10 not in force at Royal Assent, see [s. 124\(3\)](#)

11 In section 21(1)(c) (jurisdiction of tribunals), omit “or 18”.

Commencement Information

I32 Sch. 3 para. 11 not in force at Royal Assent, see [s. 124\(3\)](#)

12 In section 25(5)(a) (mortgage in possession of landlord’s interest), omit “or 18”.

Changes to legislation: *Leasehold and Freehold Reform Act 2024 is up to date with all changes known to be in force on or before 30 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Commencement Information

I33 Sch. 3 para. 12 not in force at Royal Assent, see [s. 124\(3\)](#)

- 13 In section 29 (reservation of future right to develop)—
- (a) for subsection (5) substitute—
- “(5) For the purposes of this section “local authority” means—
- (a) the Common Council of the City of London;
 - (b) any county council, county borough council, borough council or district council;
 - (c) any joint authority established by Part IV of the Local Government Act 1985;
 - (d) any economic prosperity board established under section 88 of the Local Democracy, Economic Development and Construction Act 2009;
 - (e) any combined authority established under section 103 of that Act;
 - (f) any combined county authority established under section 9(1) of the Levelling-up and Regeneration Act 2023;
 - (g) any fire and rescue authority created by an order under section 4A of the Fire and Rescue Services Act 2004;
 - (h) the London Fire Commissioner;
 - (i) any police and crime commissioner;
 - (j) the Mayor’s Office for Policing and Crime;
 - (k) any joint board in which all the constituent authorities are local authorities within this subsection.”;
- (b) in subsection (6)(b), omit “as defined in section 28(5)(c) above”;
- (c) after subsection (6) insert—
- “(6ZA) In this section—
- (a) “university body” means any university, university college or college of a university;
 - (b) “college of a university” includes—
 - (i) in the case of a university organised on a collegiate basis, a constituent college or other society recognised by the university, and
 - (ii) in the case of London University, a college incorporated in the university or a school of the university;
 - (c) a university and the colleges of that university are, in relation to each other, “related university bodies”.”;
- (d) in subsection (6B)(a), omit “(within the meaning of section 28(6)(b) above)”;
- (e) after subsection (8) insert—
- “(9) The Secretary of State may by regulations made by statutory instrument make provision (including provision amending this

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Act) so as to add bodies to those within the meaning of “local authority”.

- (10) A statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of either House of Parliament.”

Commencement Information

I34 Sch. 3 para. 13 not in force at Royal Assent, see [s. 124\(3\)](#)

14 In section 38 (modification of right to possession under Landlord and Tenant Act 1954)—

- (a) in subsection (1), omit the words from “, except” to “so required”;
- (b) for subsection (2) substitute—

“(2) In section 57 of the Landlord and Tenant Act 1954, references to a local authority include—

- (a) a local authority within the meaning given in section 29(5);
- (b) the Broads Authority;
- (c) any National Park authority;
- (d) the new towns residuary body;
- (e) any development corporation within the meaning of the New Towns Act 1981;
- (f) a university body within the meaning given in section 29(6ZA);
- (g) NHS England;
- (h) any integrated care board;
- (i) any Local Health Board;
- (j) any Special Health Authority;
- (k) any National Health Service trust;
- (l) any NHS foundation trust;
- (m) any clinical commissioning group;
- (n) any Strategic Health Authority;
- (o) any Primary Care Trust;
- (p) any body corporate established by or under any enactment for the purpose of carrying on under national ownership any industry or part of an industry or undertaking;
- (q) the Environment Agency;
- (r) a body not within paragraphs (a) to (q) that is a harbour authority within the meaning of the Harbours Act 1964 (but only in respect of the body’s functions as a harbour authority);
- (s) a housing action trust established under Part 3 of the Housing Act 1988.”;

- (c) omit subsection (3).

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Commencement Information

I35 Sch. 3 para. 14 not in force at Royal Assent, see [s. 124\(3\)](#)

15 In Schedule 1 (enfranchisement and extension by sub-tenants), omit paragraph 6(1).

Commencement Information

I36 Sch. 3 para. 15 not in force at Royal Assent, see [s. 124\(3\)](#)

16 In Schedule 2 (provisions supplementary to sections 17 and 18)—

- (a) in the heading of the Schedule, for “Sections 17 and 18” substitute “section 17”;
- (b) in paragraph 1(1), in the words before paragraph (a), omit “or 18”;
- (c) in paragraph 1(1)(a), omit “or 18(1)”;
- (d) in paragraph 1(1)(b), omit “or 18(4)”;
- (e) omit paragraph 1(2);
- (f) in paragraph 2(2), omit the words from “; and in a case” to “original term date”;
- (g) in paragraph 3(2), omit the words from “(or any earlier date” to “on the tenant”;
- (h) in paragraph 3(3), omit “or 18”;
- (i) in paragraph 5(1), for “sections 17 and 18” substitute “section 17”;
- (j) omit paragraph 5(2);
- (k) in paragraph 7(3), omit “or 18”;
- (l) in paragraph 9(1), omit “or 18”.

Commencement Information

I37 Sch. 3 para. 16 not in force at Royal Assent, see [s. 124\(3\)](#)

17 In Schedule 3 (procedure)—

- (a) omit paragraph 7(3);
- (b) in paragraph 10, omit sub-paragraphs (2)(c) (and the “and” preceding it) and (4).

Commencement Information

I38 Sch. 3 para. 17 not in force at Royal Assent, see [s. 124\(3\)](#)

18 In Schedule 4 (covenants with local authorities etc), in paragraph 5(3), for “section 28(5)(c)” substitute “29(6ZA)”.

Commencement Information

I39 Sch. 3 para. 18 not in force at Royal Assent, see [s. 124\(3\)](#)

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Commencement Information

- I30 Sch. 3 para. 9 not in force at Royal Assent, see [s. 124\(3\)](#)
- I31 Sch. 3 para. 10 not in force at Royal Assent, see [s. 124\(3\)](#)
- I32 Sch. 3 para. 11 not in force at Royal Assent, see [s. 124\(3\)](#)
- I33 Sch. 3 para. 12 not in force at Royal Assent, see [s. 124\(3\)](#)
- I34 Sch. 3 para. 13 not in force at Royal Assent, see [s. 124\(3\)](#)
- I35 Sch. 3 para. 14 not in force at Royal Assent, see [s. 124\(3\)](#)
- I36 Sch. 3 para. 15 not in force at Royal Assent, see [s. 124\(3\)](#)
- I37 Sch. 3 para. 16 not in force at Royal Assent, see [s. 124\(3\)](#)
- I38 Sch. 3 para. 17 not in force at Royal Assent, see [s. 124\(3\)](#)
- I39 Sch. 3 para. 18 not in force at Royal Assent, see [s. 124\(3\)](#)

Consequential amendments to the LRHUDA 1993

- 19 The LRHUDA 1993 is amended in accordance with paragraphs 20 to 39.

Commencement Information

- I40 Sch. 3 para. 19 not in force at Royal Assent, see [s. 124\(3\)](#)

- 20 In section 13(9) (initial notice for enfranchisement)—
- (a) omit paragraph (b) and the “or” preceding it;
 - (b) omit the words from “or with the time” to “case may be”.

Commencement Information

- I41 Sch. 3 para. 20 not in force at Royal Assent, see [s. 124\(3\)](#)

- 21 Omit section 21(2)(c) (counter-notice for enfranchisement).

Commencement Information

- I42 Sch. 3 para. 21 not in force at Royal Assent, see [s. 124\(3\)](#)

- 22 In section 22 (proceedings relating to validity of initial notice for enfranchisement)—
- (a) in subsection (1)(a), omit the words from “(whether” to “or (c) of that section”;
 - (b) in subsection (3), omit “(subject to subsection (4))”;
 - (c) omit subsection (4).

Commencement Information

- I43 Sch. 3 para. 22 not in force at Royal Assent, see [s. 124\(3\)](#)

- 23 In section 24(1)(b) (applications in enfranchisement where terms in dispute etc), omit “or section 23(5) or (6)”.

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Commencement Information

I44 Sch. 3 para. 23 not in force at Royal Assent, see [s. 124\(3\)](#)

- 24 In section 25(1)(b) (applications in enfranchisement on failure to give counter-notice), omit “or section 23(5) or (6)”.

Commencement Information

I45 Sch. 3 para. 24 not in force at Royal Assent, see [s. 124\(3\)](#)

- 25 In section 33(4) (costs of enfranchisement), omit “23(4) or”.

Commencement Information

I46 Sch. 3 para. 25 not in force at Royal Assent, see [s. 124\(3\)](#)

- 26 In section 37A(8)(c)(i) (compensation for ineffective enfranchisement claim), omit “23(4),”.

Commencement Information

I47 Sch. 3 para. 26 not in force at Royal Assent, see [s. 124\(3\)](#)

- 27 In section 42(7) (notice of extension)—
 (a) omit paragraph (b) (and the “or” preceding it);
 (b) omit the words from “or with the time” to “case may be”).

Commencement Information

I48 Sch. 3 para. 27 not in force at Royal Assent, see [s. 124\(3\)](#)

- 28 Omit section 45(2)(c) (counter-notice for extension).

Commencement Information

I49 Sch. 3 para. 28 not in force at Royal Assent, see [s. 124\(3\)](#)

- 29 In section 46 (proceedings relating to validity of notice for extension)—
 (a) in subsection (1)(a), omit the words from “(whether” to “or (c) of that section”);
 (b) in subsection (4), omit “(subject to subsection (5))”;
 (c) omit subsection (5).

Commencement Information

I50 Sch. 3 para. 29 not in force at Royal Assent, see [s. 124\(3\)](#)

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- 30 In section 48(1)(b) (applications in extension where terms in dispute etc), omit “or section 47(4) or (5)”.

Commencement Information

I51 Sch. 3 para. 30 not in force at Royal Assent, see [s. 124\(3\)](#)

- 31 In section 49(1)(b) (applications in extension on failure to give counter-notice), omit “or section 47(4) or (5)”.

Commencement Information

I52 Sch. 3 para. 31 not in force at Royal Assent, see [s. 124\(3\)](#)

- 32 In section 54(6) (suspension of extension during enfranchisement)—
- (a) in paragraph (b)—
 - (i) omit “or (c)”;
 - (ii) omit “or 47(1)”;
 - (b) in paragraph (c), omit “or 47(4)”.

Commencement Information

I53 Sch. 3 para. 32 not in force at Royal Assent, see [s. 124\(3\)](#)

- 33 In section 60(4) (costs incurred in connection with new lease), omit “47(1) or”.

Commencement Information

I54 Sch. 3 para. 33 not in force at Royal Assent, see [s. 124\(3\)](#)

- 34 In section 61A(6)(a) (compensation for ineffective extension claim), omit “47(1) or”.

Commencement Information

I55 Sch. 3 para. 34 not in force at Royal Assent, see [s. 124\(3\)](#)

- 35 In section 62(3)(a) (definitions), omit “47 or”.

Commencement Information

I56 Sch. 3 para. 35 not in force at Royal Assent, see [s. 124\(3\)](#)

- 36 In section 74 (effect of scheme applications on claims)—
- (a) in subsection (3)(c)—
 - (i) omit “or 23”;
 - (ii) for “either of those sections” substitute “that section”.
 - (b) omit subsection (8)(b) and the “or” preceding it.

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Commencement Information

I57 Sch. 3 para. 36 not in force at Royal Assent, see [s. 124\(3\)](#)

- 37 In Schedule 1 (conduct of proceedings by reversioner), omit paragraph 9 and the italic heading preceding it.

Commencement Information

I58 Sch. 3 para. 37 not in force at Royal Assent, see [s. 124\(3\)](#)

- 38 In Schedule 2 (special categories of landlord), in paragraph 2, omit sub-paragraphs (2) and (3).

Commencement Information

I59 Sch. 3 para. 38 not in force at Royal Assent, see [s. 124\(3\)](#)

- 39 In Schedule 11 (procedure where competent landlord is not tenant's immediate landlord), omit paragraph 9 and the italic heading preceding it.

Commencement Information

I60 Sch. 3 para. 39 not in force at Royal Assent, see [s. 124\(3\)](#)

Commencement Information

- I40** Sch. 3 para. 19 not in force at Royal Assent, see [s. 124\(3\)](#)
I41 Sch. 3 para. 20 not in force at Royal Assent, see [s. 124\(3\)](#)
I42 Sch. 3 para. 21 not in force at Royal Assent, see [s. 124\(3\)](#)
I43 Sch. 3 para. 22 not in force at Royal Assent, see [s. 124\(3\)](#)
I44 Sch. 3 para. 23 not in force at Royal Assent, see [s. 124\(3\)](#)
I45 Sch. 3 para. 24 not in force at Royal Assent, see [s. 124\(3\)](#)
I46 Sch. 3 para. 25 not in force at Royal Assent, see [s. 124\(3\)](#)
I47 Sch. 3 para. 26 not in force at Royal Assent, see [s. 124\(3\)](#)
I48 Sch. 3 para. 27 not in force at Royal Assent, see [s. 124\(3\)](#)
I49 Sch. 3 para. 28 not in force at Royal Assent, see [s. 124\(3\)](#)
I50 Sch. 3 para. 29 not in force at Royal Assent, see [s. 124\(3\)](#)
I51 Sch. 3 para. 30 not in force at Royal Assent, see [s. 124\(3\)](#)
I52 Sch. 3 para. 31 not in force at Royal Assent, see [s. 124\(3\)](#)
I53 Sch. 3 para. 32 not in force at Royal Assent, see [s. 124\(3\)](#)
I54 Sch. 3 para. 33 not in force at Royal Assent, see [s. 124\(3\)](#)
I55 Sch. 3 para. 34 not in force at Royal Assent, see [s. 124\(3\)](#)
I56 Sch. 3 para. 35 not in force at Royal Assent, see [s. 124\(3\)](#)
I57 Sch. 3 para. 36 not in force at Royal Assent, see [s. 124\(3\)](#)
I58 Sch. 3 para. 37 not in force at Royal Assent, see [s. 124\(3\)](#)
I59 Sch. 3 para. 38 not in force at Royal Assent, see [s. 124\(3\)](#)
I60 Sch. 3 para. 39 not in force at Royal Assent, see [s. 124\(3\)](#)

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SCHEDULE 4

Section 37(2)

DETERMINING AND SHARING THE MARKET VALUE

PART 1

INTRODUCTION

Determination and sharing of market value for purposes of section 37

- 1 (1) **This Schedule** sets out how to determine, for the purposes of **section 37**, the market value on—
- (a) the transfer of a freehold house under the LRA 1967,
 - (b) the grant of an extended lease of a house under the LRA 1967,
 - (c) the collective enfranchisement of a building under the LRHUDA 1993, or
 - (d) the grant of a new lease of a flat under the LRHUDA 1993.
- (2) This Schedule also sets out how to divide the market value into shares (where loss is suffered by certain landlords in addition to the landlord with responsibility for conducting the claim under the LRA 1967 or the LRHUDA 1993).
- (3) In this Schedule—
- “collective enfranchisement” means the collective enfranchisement of a building under the LRHUDA 1993;
 - “freehold enfranchisement” means—
 - (a) the transfer of a freehold house under the LRA 1967, or
 - (b) a collective enfranchisement;
 - “lease extension” means—
 - (a) the grant of an extended lease of a house under the LRA 1967, or
 - (b) the grant of a new lease of a flat under the LRHUDA 1993.

Commencement Information

I61 Sch. 4 para. 1 not in force at Royal Assent, see **s. 124(3)**

PART 2

THE MARKET VALUE

Freehold enfranchisements: the basis of the market value

- 2 (1) The paragraph applies to a freehold enfranchisement.
- (2) The market value is the amount which the relevant freehold could have been expected to realise if it had been sold on the open market by a willing seller at the valuation date.
- (3) In the following provisions of this Schedule, that market value is referred to as the market value of the relevant freehold.

Changes to legislation: *Leasehold and Freehold Reform Act 2024 is up to date with all changes known to be in force on or before 30 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- (4) If the nominee purchaser acquires a leasehold interest in any property under section 21(4) of the LRHUDA 1993, but does not acquire the freehold of that property, a reference in this Schedule to the relevant freehold is a reference to the relevant freehold together with that leasehold interest.

Commencement Information

I62 Sch. 4 para. 2 not in force at Royal Assent, see [s. 124\(3\)](#)

Lease extensions: the basis of the market value

- 3 (1) This paragraph applies to a lease extension.
- (2) It must be assumed that—
- (a) the current lease will continue on the terms on which it is granted, and therefore will not be substituted by the statutory lease;
 - (b) the current lease will continue (on those terms) until its term date;
 - (c) a notional lease is granted out of the interest of the person granting the statutory lease;
 - (d) the notional lease is subject to, and enjoys the benefit of, the current lease (and therefore enjoys the right to receive the rent payable under the current lease);
 - (e) the term of the notional lease begins on the date for valuation;
 - (f) subject to that, the terms of the notional lease are the same as the terms of the statutory lease that will be granted under the LRA 1967 or the LRHUDA 1993, including the peppercorn rent (and any other rent payable under a shared ownership lease in respect of the landlord's share), the property demised, and the term expiring 990 years after the term date of the current lease.
- (3) But if the tenant is holding over under the Local Government and Housing Act 1989 at the valuation date—
- (a) in the assumption in sub-paragraph (2)(a), the reference to the terms on which the current lease is granted has effect as a reference to the terms on which the tenant is holding over under that Act;
 - (b) the assumption in sub-paragraph (2)(b) does not apply.
- (4) Paragraph 21 makes provision about whether any right to hold over under the Local Government and Housing Act 1989 is to be taken into consideration in determining the market value of the notional lease (if the tenant is not holding over under that Act at the valuation date).
- (5) The market value is the amount which the notional lease could have been expected to realise if it had been sold on the open market by a willing seller at the valuation date.
- (6) In the following provisions of this Schedule, that market value is referred to as the market value of the notional lease.

Commencement Information

I63 Sch. 4 para. 3 not in force at Royal Assent, see [s. 124\(3\)](#)

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How the market value is determined

- 4 (1) The market value of the relevant freehold or notional lease is to be determined in accordance with Part 3.
- (2) If the market value of different parts of the relevant freehold or notional lease are determined (in accordance with Part 3) in different ways, the market value is the total of the amounts determined in those ways.
- (3) Part 4 sets out—
- (a) assumptions that must be made in determining the market value of the relevant freehold or notional lease, and
 - (b) certain matters that must, or must not, be taken into consideration in determining the market value.

Commencement Information

I64 Sch. 4 para. 4 not in force at Royal Assent, see [s. 124\(3\)](#)

PART 3

DETERMINING THE MARKET VALUE

Compulsory use of the standard valuation method

- 5 (1) The standard valuation method (see [Part 5](#) of [this Schedule](#)) must be used to determine the market value of the relevant freehold or notional lease for the purposes of [this Schedule](#).
- (2) But this Schedule does not require the standard valuation method to be used to determine the market value of—
- (a) the relevant freehold or notional lease if all of the property comprised in that freehold or lease is property for which the standard valuation method is not compulsory, or
 - (b) any part or parts of the relevant freehold or notional lease which comprise property for which the standard valuation method is not compulsory.
- (3) Paragraphs 6 to 13 contain provision about the kinds of property for which the standard valuation method is not compulsory.
- (4) Paragraphs 6 to 8 apply in relation to any kind of freehold enfranchisement or lease extension.
- (5) Paragraphs 9 to 13 specify the kinds of freehold enfranchisement or lease extension to which they apply.

Commencement Information

I65 Sch. 4 para. 5 not in force at Royal Assent, see [s. 124\(3\)](#)

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Tenant holding over or unexpired term of 5 years or less

- 6 The standard valuation method is not compulsory for the property comprised in a current lease if—
- (a) the tenant is holding over under the Local Government and Housing Act 1989 at the valuation date, or
 - (b) the term date of the current lease is within the period of five years beginning at the valuation date.

Commencement Information

I66 Sch. 4 para. 6 not in force at Royal Assent, see [s. 124\(3\)](#)

Home finance plan leases

- 7 (1) The standard valuation method is not compulsory for the property comprised in a current lease if it is an excepted home finance plan lease at the valuation date.
- (2) An “excepted home finance plan lease” is a home finance plan lease within the meaning of section 2(9) of the LR(GR)A 2022 which meets any further specified conditions as mentioned in section 2(8)(b) of that Act.

Commencement Information

I67 Sch. 4 para. 7 not in force at Royal Assent, see [s. 124\(3\)](#)

Market rack rent leases

- 8 (1) The standard valuation method is not compulsory for the property comprised in a current lease if it is a market rack rent lease at the valuation date.
- (2) If section 3(3) of the LRA 1967 applies to the current lease (successive leases treated as a single lease), sub-paragraph (1) is to apply only if the one of those leases which is in effect at the valuation date is a market rack rent lease.
- (3) A “market rack rent lease” is a lease which—
- (a) was granted—
 - (i) for no premium, or
 - (ii) for a premium which was low relative to the value of the freehold of the property with vacant possession at the time of the grant,
 - (b) was granted at a market rack rent, and
 - (c) the parties entered into with the intention that the rent would be a market rack rent.
- (4) In this paragraph “market rack rent” means a rent which was, or was reasonably close to, a market rack rent at the time of the grant.

Commencement Information

I68 Sch. 4 para. 8 not in force at Royal Assent, see [s. 124\(3\)](#)

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Property included in the acquisition of a freehold house under section 2(4) of the LRA 1967

- 9 (1) This paragraph applies only to—
- (a) the transfer of a freehold house under the LRA 1967, or
 - (b) the grant of an extended lease of a house under the LRA 1967.
- (2) The standard valuation method is not compulsory for any parts of the property comprised in the newly owned premises that are included by virtue of section 2(4) of the LRA 1967 (separately let property enjoyed with the house).

Commencement Information

I69 Sch. 4 para. 9 not in force at Royal Assent, see [s. 124\(3\)](#)

Leases already extended under the old law in the LRA 1967

- 10 (1) This paragraph applies only to—
- (a) the transfer of a freehold house under the LRA 1967, or
 - (b) the grant of an extended lease of a house under the LRA 1967.
- (2) The standard valuation method is not compulsory for the property comprised in the current lease if that lease is a pre-commencement lease granted under section 14 of the LRA 1967.
- (3) A lease granted under section 14 of the LRA 1967 is a “pre-commencement” lease unless it is granted in accordance with sections 14 and 15 of the LRA 1967 as amended by sections [33\(1\)](#) and [34](#) of this Act (under which a lease will be extended by 990 years at a peppercorn rent on payment of a premium).

Commencement Information

I70 Sch. 4 para. 10 not in force at Royal Assent, see [s. 124\(3\)](#)

Business tenancies

- 11 (1) This paragraph applies only to—
- (a) the transfer of a freehold house under the LRA 1967, or
 - (b) the grant of an extended lease of a house under the LRA 1967.
- (2) The standard valuation method is not compulsory for the property comprised in the current lease if that lease is a tenancy to which Part 2 of the Landlord and Tenant Act 1954 applies (see section 1(1ZC) of the LRA 1967).

Commencement Information

I71 Sch. 4 para. 11 not in force at Royal Assent, see [s. 124\(3\)](#)

Acquisition of a freehold house under the LRA 1967: shared ownership leases

- 12 (1) This paragraph applies only to the transfer of a freehold house under the LRA 1967.

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- (2) The standard valuation method is not compulsory for any property comprised in the newly owned premises if it, or any part of it, is demised by a shared ownership lease.

Commencement Information

I72 Sch. 4 para. 12 not in force at Royal Assent, see [s. 124\(3\)](#)

Collective enfranchisement: property other than relevant flats etc and appurtenant property

- 13 (1) This paragraph applies only to a collective enfranchisement.
- (2) The requirement under paragraph 5(1) to use the standard valuation method applies only in relation to property comprised in the newly owned premises that is—
- (a) a relevant flat, or
 - (b) appurtenant property leased with a relevant flat.
- (3) Accordingly, the standard valuation method is not compulsory for any other property comprised in the newly owned premises.
- (4) A flat is a “relevant flat” for the purposes of this paragraph if the flat is—
- (a) demised to a qualifying tenant, or
 - (b) demised to a person who is not a qualifying tenant, but only because of section 5(5) and (6) of the LRHUDA 1993 (a person who is the tenant of three or more flats in the building).
- (5) But a flat is not a relevant flat if—
- (a) it, or any part of it, is demised by a lease which the nominee purchaser could acquire, but is not acquiring, under paragraph 2(5) of Schedule A1 to the LRHUDA 1993 (acquisition of intermediate leases);
 - (b) it, or any part of it, is demised by a shared ownership lease.
- (6) Appurtenant property is “leased with” a relevant flat for the purposes of this paragraph if—
- (a) the appurtenant property and the relevant flat are leased under the same lease (including where, under section 7(6) of the LRHUDA 1993, two or more leases are treated as a single lease), and
 - (b) by virtue of that lease, the tenant is a qualifying tenant or, but for the impediment referred to in sub-paragraph (4)(b), would be a qualifying tenant.
- (7) By virtue of paragraph 1(1)(c) of [Schedule 6](#), the references in this paragraph to a flat, a qualifying tenant, appurtenant property or a shared ownership lease have the same meanings that they have in Chapter 1 of Part 1 of the LRHUDA 1993 (see, respectively, sections 101(1), 5, 1(7) and 101(1) of that Act).

Commencement Information

I73 Sch. 4 para. 13 not in force at Royal Assent, see [s. 124\(3\)](#)

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Voluntary use of the standard valuation method

- 14 **This Schedule** does not prevent the standard valuation method from being used to determine the market value of property comprised in the relevant freehold or notional lease for which the standard valuation method is not compulsory.

Commencement Information

I74 Sch. 4 para. 14 not in force at Royal Assent, see [s. 124\(3\)](#)

Property that is “subject to the standard valuation method”

- 15 Property comprised in the relevant freehold or notional lease is “subject to the standard valuation method” if—
- (a) this Part of this Schedule requires the standard valuation method to be used in relation to the property, or
 - (b) the standard valuation method is to be used (otherwise than where its use is required by this Part of this Schedule) in relation to the property.

Commencement Information

I75 Sch. 4 para. 15 not in force at Royal Assent, see [s. 124\(3\)](#)

PART 4

ASSUMPTIONS AND OTHER MATTERS AFFECTING DETERMINATION OF MARKET VALUE

Application of this Part of this Schedule

- 16 (1) This Part of this Schedule, except for paragraph [22](#), applies to the determination of the market value in accordance with this Schedule—
- (a) whether or not the standard valuation method is being used, and
 - (b) whether or not that method is being used because [this Schedule](#) requires its use.
- (2) Paragraph [22](#) applies to the determination of the market value in accordance with this Schedule only if the standard valuation method is being used.

Commencement Information

I76 Sch. 4 para. 16 not in force at Royal Assent, see [s. 124\(3\)](#)

Assumptions in all cases: intermediate leases merged and no marriage or hope value

- 17 (1) This paragraph applies when determining the market value of the relevant freehold (on any freehold enfranchisement) or notional lease (on any lease extension).
- (2) *Assumption 1:* it must be assumed that the following occurred immediately before the valuation date—
- (a) in the case of the transfer of a freehold house under the LRA 1967—

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- (i) the merger with the freehold of any lease which the claimant will acquire as part of the statutory transfer;
 - (ii) the surrender of any lease of the currently leased premises that belongs to the qualifying tenant and is superior to the current lease;
 - (b) in the case of the grant of an extended lease of a house under the LRA 1967—
 - (i) the merger with the interest of the person granting the statutory lease of any lease which will be deemed to be surrendered and regranted as part of the statutory grant;
 - (ii) the surrender of any lease that will be surrendered under paragraph 11(1) of Schedule 1 to the LRA 1967 as part of the statutory grant;
 - (c) in the case of the collective enfranchisement of a building under the LRHUDA 1993, the merger with the freehold of any lease which the claimant will acquire as part of the enfranchisement;
 - (d) in the case of the grant of a new lease of a flat under the LRHUDA 1993—
 - (i) the merger with the interest of the person granting the statutory lease of any lease which will be deemed to be surrendered and regranted as part of the statutory grant;
 - (ii) the surrender of any lease that will be surrendered under paragraph 10(3) of Schedule 11 to the LRHUDA 1993 as part of the statutory grant.
- (3) *Assumption 2*: it must be assumed (having made assumption 1) that—
- (a) the claimant is not seeking, and will never seek, to acquire the relevant freehold or notional lease;
 - (b) in the case of a collective enfranchisement, the nominee purchaser is not seeking, and will never seek, to acquire the relevant freehold;
 - (c) any persons holding any leasehold interests in the newly owned premises or any part of those premises (including, in the case of a collective enfranchisement, the qualifying tenants) are not seeking, and will never seek—
 - (i) to acquire the relevant freehold or notional lease, or
 - (ii) to dispose of their leasehold interests;
 - (d) in the case of a lease extension, the freeholder is not seeking, and will never seek, to acquire the notional lease or to dispose of their freehold interest; and
 - (e) in the case of a freehold enfranchisement where there are two or more freeholders, none of them is seeking, or will ever seek, to acquire any of the relevant freehold which they do not already own.

Accordingly, no marriage or hope value is payable.

- (4) This paragraph does not prevent other assumptions from being made when determining the market value as long as they are consistent with assumptions 1 and 2 and the other provisions of [this Schedule](#).
- (5) In this paragraph “claimant” means the person or persons making the claim under the LRA 1967 or the LRHUDA 1993 for the freehold enfranchisement or lease extension.

Commencement Information

I77 Sch. 4 para. 17 not in force at Royal Assent, see [s. 124\(3\)](#)

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Additional assumption on transfer of freehold house or lease extension: repairing obligations and improvements

- 18 (1) This paragraph applies when determining the market value of—
- (a) the relevant freehold on the transfer of a freehold house under the LRA 1967, or
 - (b) the notional lease on a lease extension.
- (2) *Assumption 3*: it must be assumed—
- (a) that the qualifying tenant has complied with any tenant’s repairing obligations under the current lease at the valuation date, so that the property has not been devalued by any breach of those obligations, and
 - (b) that any improvements to the currently leased premises that have been made by any tenant under the current lease (including the current tenant) at the tenant’s own expense have not been made, unless they were required to be made by any tenant’s repairing obligations under the lease.
- (3) In the case of the transfer of a freehold house, if section 3(3) of the LRA 1967 applies to the current lease (successive leases treated as single lease), assumption 3 is to apply only to the one of those leases which is in effect at the valuation date.
- (4) This paragraph does not prevent other assumptions from being made when determining the market value as long as they are consistent with assumption 3 and the other provisions of [this Schedule](#).
- (5) In this paragraph “tenant’s repairing obligation”, in relation to a lease, means an obligation under the lease (however expressed or described) for the tenant under the lease to repair, maintain or decorate the currently leased premises.

Commencement Information

178 Sch. 4 para. 18 not in force at Royal Assent, see [s. 124\(3\)](#)

Additional assumptions on collective enfranchisements: repairing obligations, improvements & leasebacks

- 19 (1) This paragraph applies when determining the market value of the relevant freehold on a collective enfranchisement.
- (2) *Assumption 4*: it must be assumed—
- (a) as respects each current lease held by a relevant tenant, that the relevant tenant has complied with any tenant’s repairing obligations under the lease at the valuation date, so that the property has not been devalued by any breach of those obligations, and
 - (b) as respects each current lease held by a participating tenant, any improvements to the currently leased premises that have been made by any tenant under the lease (including the participating tenant) at the tenant’s own expense have not been made, unless they were required to be made by any tenant’s repairing obligations under the lease.
- (3) *Assumption 5*: it must be assumed that the relevant freehold is subject to any leases to be granted in accordance with section 36 of the LRHUDA 1993.

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- (4) This paragraph does not prevent other assumptions from being made when determining the market value as long as they are consistent with assumptions 4 and 5 and the other provisions of [this Schedule](#).
- (5) In this paragraph—
- “relevant tenant” means—
- (a) a qualifying tenant, or
- (b) a person who is not a qualifying tenant, but only because of section 5(5) and (6) of the LRHUDA 1993 (a person who is the tenant of three or more flats in the building);
- “tenant’s repairing obligation”, in relation to a lease, means an obligation under the lease (however expressed or described) for the tenant under the lease to repair, maintain or decorate the currently leased premises.

Commencement Information

179 Sch. 4 para. 19 not in force at Royal Assent, see [s. 124\(3\)](#)

Any determination of market value: specified matters to be taken into consideration

- 20 (1) This paragraph applies if any specified matters arise in relation to newly owned premises.
- (2) The specified matters that arise must be taken into consideration when determining the market value of those premises.
- (3) If the standard valuation method is being used to determine the market value (on any freehold enfranchisement or lease extension), the effect of those specified matters on the market value, including during the period between—
- (a) the valuation date, and
- (b) the term date of the current lease,
- must be taken into consideration.
- (4) In this paragraph “specified matters” means—
- (a) any defects in the title to the relevant freehold or statutory lease;
- (b) any property rights that burden or benefit the title to the relevant freehold or statutory lease;
- (c) any burden on, or benefit to, the title to the relevant freehold or statutory lease that arises under or by virtue of legislation (including any permanent or extended rights and burdens that are to be created in order to give effect to section 10 of the LRA 1967 or Schedule 7 to the LRHUDA 1993) or any other law;
- (d) any physical characteristics of the newly owned premises giving rise to a liability under or by virtue of legislation or any other law;
- (e) any order of a court or tribunal enforceable against the relevant freehold or statutory lease;
- (f) any obligation in a contract or other arrangement—
- (i) which runs with the newly owned premises, or
- (ii) which will bind the owner for the time being of the relevant freehold or statutory lease (including where the owner for the time being is

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required to ensure that an immediate successor in title enters into the obligation, in particular by a limitation on transfer of the title to the relevant freehold or statutory lease or on registration of such a transfer).

- (5) But, as this paragraph has effect subject to any assumptions that must be made in accordance with other provisions of this Schedule, the effect of those assumptions must form part of the determination of what, if any, specified matters arise.
- (6) In this paragraph “legislation” means—
- (a) an Act of Parliament or Act of Senedd, or
 - (b) any instrument made under an Act of Parliament or Act of Senedd.

Commencement Information

180 Sch. 4 para. 20 not in force at Royal Assent, see [s. 124\(3\)](#)

Any determination of market value: current lease gives rise to a right to hold over

- 21 (1) This paragraph applies when determining the market value of the relevant freehold or the notional lease if—
- (a) some or all of the newly owned premises are comprised in a current lease which gives rise to a right to hold over under the Local Government and Housing Act 1989, and
 - (b) the tenant is not holding over under that Act at the valuation date.
- (2) That right to hold over, and the likelihood of that right being exercised, is to be taken into consideration in determining the market value only if—
- (a) the term date of the current lease is within the period of five years beginning at the valuation date, and
 - (b) that right to hold over is likely to be exercised.

Commencement Information

181 Sch. 4 para. 21 not in force at Royal Assent, see [s. 124\(3\)](#)

Standard valuation method: other matters

- 22 (1) This paragraph applies if the standard valuation method is used to determine the market value.
- (2) In the case of a lease extension, if the terms of the notional lease differ from the terms of the current lease, the effect of that difference on the market value during the period between—
- (a) the valuation date, and
 - (b) the term date of the current lease,
- must be taken into consideration when determining the market value of the notional lease.
- (3) In the case of a collective enfranchisement, this Schedule applies with the modification in sub-paragraph (4) if any property comprised in the newly owned

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premises is demised under a lease, or part of a lease, which the nominee purchaser could not acquire under paragraph 2 of Schedule A1 to the LRHUDA 1993 because of paragraph 2(7) (the tenant under that superior lease is also the qualifying tenant).

- (4) In the application of this Schedule to the use of the standard valuation method to value that property, any reference to the current lease has effect as a reference to the lease, or the part of the lease, that could not be acquired under paragraph 2(7) of Schedule A1 to the LRHUDA 1993.

Commencement Information

I82 Sch. 4 para. 22 not in force at Royal Assent, see [s. 124\(3\)](#)

Enfranchisement of house or lease extension: tenant with superior lease

- 23 (1) This paragraph applies when determining—
- (a) the market value of the relevant freehold on the transfer of a freehold house under the LRA 1967, or
 - (b) the market value of the notional lease on a lease extension, if the qualifying tenant is also the tenant of a relevant superior lease.
- (2) A “relevant superior lease” is a lease that—
- (a) is superior to the current lease, and
 - (b) in accordance with paragraph 17(2)(a)(ii), (b)(ii) or (d)(ii) must be assumed to have been surrendered.
- (3) After the application of the other provisions of this Schedule for the purposes of calculating the market value, including the assumptions in paragraph 17(2)—
- (a) the amount produced by the application of those other provisions must be reduced to take account of the value of the relevant superior lease, and
 - (b) the amount produced after that reduction is the market value.

Commencement Information

I83 Sch. 4 para. 23 not in force at Royal Assent, see [s. 124\(3\)](#)

PART 5

THE STANDARD VALUATION METHOD

Introduction

- 24 (1) [This Part](#) of this Schedule sets out the standard valuation method.
- (2) The standard valuation method consists of steps 1 to 3 (see paragraph 25, paragraph 27 or 28, and paragraph 29).
- (3) There are two versions of step 2—
- (a) the version in paragraph 27 applies to freehold enfranchisements;
 - (b) the version in paragraph 28 applies to lease extensions.

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Commencement Information

184 Sch. 4 para. 24 not in force at Royal Assent, see [s. 124\(3\)](#)

Step 1: determine the value of right to receive rent (the “term value”)

- 25 (1) *Step 1*: determine the value of the right to receive rent over the remainder of the term of the current lease.
- (2) The “right to receive rent” is—
- (a) in the case of a freehold acquisition, the landlord’s right to receive the rent under the current lease;
 - (b) in the case of a lease extension, the right of the tenant under the notional lease to receive the rent under the current lease.
- Paragraph 26 contains provision about the rent that is to be used in step 1, including if and when a capped notional rent is to be used.
- (3) In the case of a collective enfranchisement, step 1 is to be followed separately in relation to each current lease.
- (4) In [this Schedule](#) the value determined under step 1 in relation to a lease is referred to as the “term value” of the lease.
- (5) Part 7 of this Schedule contains provision about the determination of the term value under this paragraph.
- (6) But, if there is no rent under a lease, or the rent under a lease is only a peppercorn rent, the term value of the lease is nil (and so sub-paragraph (5) does not apply).
- (7) If a current lease is a deemed single lease, step 1 is to be followed separately in relation to each constituent lease (as if the constituent lease were itself a current lease).
- (8) In [this paragraph](#) “rent” has the same meaning as in the LR(GR)A 2022 (see section 22(2) and (3) of that Act).

Commencement Information

185 Sch. 4 para. 25 not in force at Royal Assent, see [s. 124\(3\)](#)

Rent (including a notional capped rent) that is to be used for determining the term value

- 26 (1) The rent under the current lease must be used in step 1 to determine the lease’s term value.
- (2) If only some of the property demised by the current lease is subject to the standard valuation method, the rent under the lease that is attributable to that property must be used in step 1.
- (3) But, as respects any period when the notional annual rent for the current lease is lower than the actual annual rent, the notional annual rent must be used instead (and accordingly sub-paragraphs (1) and (2) are not to apply in relation to that period).

Changes to legislation: Leasehold and Freehold Reform Act 2024 is up to date with all changes known to be in force on or before 30 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (4) The “notional annual rent” for the current lease is an amount equivalent to 0.1% of the market value of the premises being valued.
- (5) The “premises being valued” are the premises that—
 - (a) are demised by the current lease, and
 - (b) are subject to the standard valuation method.
- (6) The “market value” of the premises being valued is—
 - (a) in the case of a freehold enfranchisement, or lease extension, under the LRA 1967, the amount which the freehold of the premises being valued could have been expected to realise if it had been sold on the open market with vacant possession by a willing seller at the valuation date;
 - (b) in the case of a collective enfranchisement or lease extension under the LRHUDA 1993, the share of the relevant freehold market value which is attributable to the premises being valued.
- (7) The “relevant freehold market value” is —
 - (a) in the case of a collective enfranchisement, the amount which the freehold to be acquired on the collective enfranchisement could have been expected to realise if it had been sold on the open market with vacant possession by a willing seller at the valuation date;
 - (b) in the case of a lease extension under the LRHUDA 1993, the amount which the freehold of the building and any other land which contain the premises being valued could have been expected to realise if it had been sold on the open market with vacant possession by a willing seller at the valuation date.
- (8) The “actual annual rent” is the rent referred to in sub-paragraph (1) or (2).
- (9) The notional annual rent must not be used in step 1 if—
 - (a) no premium was payable on the grant of the current lease, or
 - (b) the current lease was granted on the basis that—
 - (i) the premium was lower, and the rent was higher, than each would otherwise have been, and
 - (ii) the value of paying the lower premium was (at the time of the grant) broadly equivalent to, or greater than, the capitalised value of the extra rent.
- (10) It must be assumed that sub-paragraph (9)(b) is not applicable unless it is shown to be applicable.
- (11) If section 3(3) of the LRA 1967 applies to the current lease (successive leases treated as a single lease), sub-paragraph (9) is to apply only if the one of those leases which is in effect at the valuation date meets the condition in sub-paragraph (9)(a) or (b).
- (12) If the current lease is a shared ownership lease—
 - (a) the rent that is to be used for the purposes of sub-paragraph (1) and (2) is the rent that is payable under the lease in respect of the tenant’s share in the property demised by the lease;
 - (b) where the lease does not reserve separate rents in respect of the tenant’s share in the demised premises and the landlord’s share in the property demised by the lease, any rent reserved is to be treated as reserved in respect of the landlord’s share.

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Commencement Information

186 Sch. 4 para. 26 not in force at Royal Assent, see [s. 124\(3\)](#)

Step 2 (freehold enfranchisement): determine the value of the freehold reversion (the “reversion value”)

- 27 (1) This version of step 2 applies to freehold enfranchisements.
- (2) *Step 2*: for the newly owned premises which are subject to the standard valuation method (the “premises being valued”)—
- determine the market value of those premises, and
 - then reduce that market value by using this formula:

$$\frac{v}{(1 + d)^n}$$

where—

d is the applicable deferment rate;

n is the period (in years) that begins with the valuation date and ends at the end of the term of the current lease;

v is the market value.

- The “market value” of the premises being valued is—
 - in the case of the transfer of a freehold house under the LRA 1967, the amount which the freehold of the premises being valued could have been expected to realise if it had been sold on the open market with vacant possession by a willing seller at the valuation date;
 - in the case of a collective enfranchisement, the share of the relevant freehold market value which is attributable to the premises being valued.
- The “relevant freehold market value” is the amount which the freehold to be acquired on the collective enfranchisement could have been expected to realise if it had been sold on the open market with vacant possession by a willing seller at the valuation date.
- In the case of a collective enfranchisement, step 2 is to be followed separately in relation to each part of the premises being valued that is subject to a different current lease.
- In this Schedule the amount determined under step 2 in relation to the premises being valued, or a part of those premises, is referred to as the “reversion value” of the premises or part.
- If a current lease is a deemed single lease, step 2 is to be followed separately in relation to each constituent lease (as if the constituent lease were itself a current lease).
- In [this paragraph](#) “applicable deferment rate”, in relation to the determination of the reversion value of premises, means the deferment rate prescribed in regulations made by the Secretary of State that is applicable to that determination — and for this purpose a “deferment rate” is a rate applied to an anticipated future receipt to ascertain its value at an earlier date.

Changes to legislation: Leasehold and Freehold Reform Act 2024 is up to date with all changes known to be in force on or before 30 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

(9) A statutory instrument containing regulations under this paragraph is subject to the negative procedure.

(10) The Secretary of State must review the deferment rate or rates every ten years.

Commencement Information

187 Sch. 4 para. 27 not in force at Royal Assent, see [s. 124\(3\)](#)

Step 2 (lease extensions): determine the value of a 990 year lease (the “reversion value”)

28 (1) This version of step 2 applies to lease extensions.

(2) *Step 2*: for the newly owned premises which are subject to the standard valuation method (the “premises being valued”)—

(a) determine the market value of a lease of the premises being valued that is granted—

(i) for a term of 990 years beginning with the date for valuation, and

(ii) otherwise on the same terms as the statutory lease that will be granted under the LRA 1967 or the LRHUDA 1993, including the peppercorn rent and the property demised, and

(b) then reduce that market value by using this formula:

$$\frac{v}{(1 + d)^n}$$

where—

d is the applicable deferment rate;

n is the period (in years) that begins with the valuation date and ends at the end of the term of the current lease;

v is the market value.

(3) The “market value” of the lease of the premises being valued is the amount which that lease could have been expected to realise if it had been sold on the open market with vacant possession by a willing seller at the valuation date.

(4) If a current lease is a deemed single lease, step 2 is to be followed separately in relation to each constituent lease (as if the constituent lease were itself a current lease).

(5) In this Schedule the amount determined under step 2 in relation to the premises being valued is referred to as the “reversion value” of those premises.

(6) But if the current lease is a shared ownership lease—

(a) the amount determined under step 2 must be multiplied by the tenant’s share in the premises being valued, and

(b) the amount so calculated is the “reversion value” of the premises being valued.

(7) In this paragraph “applicable deferment rate”, in relation to the determination of the reversion value of premises, means the deferment rate prescribed in regulations made by the Secretary of State that is applicable to that determination by virtue of

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the regulations — and for this purpose a “deferment rate” is a rate applied to an anticipated future receipt to ascertain its value at an earlier date.

- (8) A statutory instrument containing regulations under this section is subject to the negative procedure.
- (9) The Secretary of State must review the deferment rate or rates every ten years.

Commencement Information

188 Sch. 4 para. 28 not in force at Royal Assent, see [s. 124\(3\)](#)

Step 3: calculate the market value of the newly owned premises subject to the standard valuation method

- 29 (1) *Step 3*: add together—
- (a) the term value amount, and
 - (b) the reversion value amount.
- (2) The “term value amount” is—
- (a) the term value determined under step 1 (if there is only one term value), or
 - (b) the total of all the term values determined under step 1 (if there are two or more of them by virtue of paragraph [25\(3\)](#) or [\(7\)](#)).
- (3) The “reversion value amount” is—
- (a) the reversion value determined under step 2 (if there is only one reversion value), or
 - (b) the total of all the reversion values determined under step 2 (if there are two or more of them by virtue of paragraph [27\(5\)](#) or [\(7\)](#) or [28\(4\)](#)).
- (4) The amount calculated under step 3 (with any adjustment resulting from paragraph [20](#) or [22](#)) is the market value of that property comprised in the relevant freehold or notional lease which is subject to the standard valuation method.
- (5) See paragraph [4\(2\)](#) for provision about the market value where only some of the property comprised in the relevant freehold or notional lease is subject to the standard valuation method.

Commencement Information

189 Sch. 4 para. 29 not in force at Royal Assent, see [s. 124\(3\)](#)

PART 6

ENTITLEMENT OF ELIGIBLE PERSONS TO SHARES OF THE MARKET VALUE

Entitlement and calculation of share

- 30 (1) This Part of this Schedule applies if there are two or more eligible persons.

Changes to legislation: *Leasehold and Freehold Reform Act 2024 is up to date with all changes known to be in force on or before 30 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(2) Each eligible person is entitled to be paid a share of the market value of the relevant freehold or notional lease that is determined in accordance with this Schedule.

(3) An eligible person’s share of the market value is to be determined using this formula—

$$\text{market value} \times \frac{\text{loss suffered by the eligible person}}{\text{total losses suffered by all eligible persons}}$$

Commencement Information

I90 Sch. 4 para. 30 not in force at Royal Assent, see [s. 124\(3\)](#)

Freehold enfranchisements: the “eligible persons” and “qualifying transactions”

31 (1) A person is an “eligible person” if the whole or a part of a relevant interest of the person is acquired on a freehold enfranchisement.

(2) The eligible person’s “qualifying transaction” is the acquisition of the whole or the part of the person’s relevant interest.

(3) But if—

- (a) an eligible person’s relevant interest is a freehold, and
- (b) that person is granted a lease in accordance with section 36 of the LRHUDA 1993,

that person’s qualifying transaction is the acquisition of the freehold together with the grant of that lease.

Commencement Information

I91 Sch. 4 para. 31 not in force at Royal Assent, see [s. 124\(3\)](#)

Lease extensions: the “eligible persons” and “qualifying transactions”

32 (1) In the case of a lease extension, a person is an “eligible person” if —

- (a) the statutory lease is granted in whole or in part out of a relevant interest of the person, or
- (b) the whole or a part of a relevant interest of the person is deemed to be surrendered and regranted under the LRA 1967 or the LRHUDA 1993 as a result of the claim for the lease extension, or
- (c) the person is the landlord under a lease which is varied under paragraph 12A of Schedule 1 to the LRA 1967 or paragraph 12 of Schedule 11 to the LRHUDA 1993 as a result of the lease extension.

(2) The eligible person’s “qualifying transaction” is—

- (a) where sub-paragraph (1)(a) or (b) applies, the grant of the statutory lease, or
- (b) where sub-paragraph (1)(c) applies, the variation of the lease.

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Commencement Information

192 Sch. 4 para. 32 not in force at Royal Assent, see [s. 124\(3\)](#)

The loss suffered

- 33 (1) The loss suffered by an eligible person is the loss which the person suffers as a result of the person's qualifying transaction (taking into account, where paragraph 32(1)(c) applies, any reduction under paragraph 12A of Schedule 1 to the LRA 1967 or paragraph 12 of Schedule 11 to the LRHUDA 1993 in the rent of a lease of which the eligible person is a tenant).
- (2) In determining the loss suffered by an eligible person, assumption 2 (in [paragraph 17\(3\)](#)) must be made in relation to the person's qualifying transaction and, accordingly, no marriage or hope value is taken into account in determining the loss.
- (3) In determining the loss suffered by an eligible person, the value of the eligible person's relevant interest must not be increased by reason of—
- (a) any transaction which—
 - (i) is entered into on or after the relevant date (otherwise than in pursuance of a contract entered into before the relevant date), and
 - (ii) involves the creation or transfer of an interest superior to (whether or not preceding) any interest held by a relevant tenant, or
 - (b) any alteration on or after the relevant date of the terms on which any such superior interest is held.
- (4) In this paragraph—
- “eligible person's relevant interest” means the relevant interest to which the eligible person's qualifying transaction relates;
 - “relevant date” means—
 - (a) 15 February 1979, in relation to the transfer of a freehold house under the LRA 1967;
 - (b) 20 July 1993, in relation to—
 - (i) the collective enfranchisement of a building under the LRHUDA 1993, or
 - (ii) the grant of a new lease of a flat under the LRHUDA 1993;
 - (c) 27 November 2023, in relation to the grant of an extended lease of a house under the LRA 1967;
 - “relevant tenant” means—
 - (a) a qualifying tenant, or
 - (b) a person who is not a qualifying tenant, but only because of section 5(5) and (6) of the LRHUDA 1993 (a person who is the tenant of three or more flats in the building).

Commencement Information

193 Sch. 4 para. 33 not in force at Royal Assent, see [s. 124\(3\)](#)

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Interpretation

- 34 In this Part of this Schedule—
- “eligible person” has the meaning given in [paragraph 31](#) or [32](#);
 - “qualifying transaction” has the meaning given in [paragraph 31](#) or [32](#);
 - “relevant interest” means an interest in property that forms the whole or a part of—
 - (a) the currently leased premises, or
 - (b) the newly owned premises.

Commencement Information

I94 Sch. 4 para. 34 not in force at Royal Assent, see [s. 124\(3\)](#)

PART 7

DETERMINING THE TERM VALUE

Introduction

- 35 (1) This Part of this Schedule contains provision for determining the term value in accordance with step 1 in [paragraph 25](#).
- (2) For the purposes of this Part of this Schedule, the rent under a lease is subject to a rent review if the lease or any other arrangement provides for the rent to change.

Commencement Information

I95 Sch. 4 para. 35 not in force at Royal Assent, see [s. 124\(3\)](#)

Lease not subject to a rent review

- 36 (1) This paragraph applies to a lease if the rent under the lease is not subject to a rent review at any time during the unexpired term of the lease.
- (2) That includes a case where—
- (a) the rent under the lease is subject to a rent review, but
 - (b) the terms of the rent review are such that there will be no further rent reviews during the unexpired term of the lease.
- (3) The term value is determined using this formula—

$$r \times \left(\frac{1 - \frac{1}{(1+c)^n}}{c} \right)$$

where—

- c is the applicable capitalisation rate;
- r is the rent (but see sub-paragraph (4));
- n is the length (in years) of the unexpired term of the lease.

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- (4) If paragraph 26(3) requires the notional annual rent to be used instead of the rent to determine the term value of the lease, r is the notional annual rent.

Commencement Information

196 Sch. 4 para. 36 not in force at Royal Assent, see s. 124(3)

Lease subject to a rent review with fixed changes

- 37 (1) This paragraph applies to a lease if the rent under the lease is subject to a rent review which provides that, over the unexpired term of the lease—
- the rent will change each time one or more periods (a “review tranche”) begins,
 - the length of the review tranche, or each of them, is known at the valuation date (and, in a case where there are two or more review tranches, it does not matter if they are the same or different lengths), and
 - the amount by which the rent will change at the beginning of the review tranche, or each of them, is known or can be calculated at the valuation date (and, in a case where there are two or more review tranches, it does not matter if the amount of each change is the same or different).

- (2) The term value is the sum of—

- the term value for the period (the “current tranche”) that begins with the valuation date and ends immediately before the start of the first (or only) review tranche after the valuation date, and
- the term value or values for each (or the) subsequent review tranche.

- (3) The term value for the current tranche is determined using this formula—

$$r \times \left(\frac{1 - \frac{1}{(1+c)^n}}{c} \right)$$

where—

- c is the applicable capitalisation rate;
- r is the rent at the valuation date (but see sub-paragraph (4));
- n is the length (in years) of the current tranche.

- (4) If paragraph 26(3) requires the notional annual rent to be used instead of the rent at the valuation date to determine the term value of the lease, r is the notional annual rent.

- (5) The term value for a review tranche (the “relevant review tranche”) is determined using this formula—

$$\left(\frac{r}{(1+c)^n} \right) \times \left(\frac{1 - \frac{1}{(1+c)^t}}{c} \right)$$

where—

- c is the applicable capitalisation rate;

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r is the rent during the relevant review tranche (but see sub-paragraph (6));
 n is the length (in years) of the period that begins with the valuation date and ends with the day before the first day of the relevant review tranche.
 t is the length (in years) of the relevant review tranche.

- (6) If paragraph 26(3) requires the notional annual rent to be used instead of the rent during the relevant review tranche to determine the term value of the lease, r is the notional annual rent.

Commencement Information

I97 Sch. 4 para. 37 not in force at Royal Assent, see s. 124(3)

Lease subject to any other rent review

- 38 (1) This paragraph applies to a lease if—
- the rent under the lease is subject to a rent review, and
 - paragraph 36 does not apply to the lease.

- (2) The term value is determined using this formula—

$$\left(r_1 \times \frac{1 - \frac{1}{(1+c)^{n_1}}}{c} \right) + \left(\frac{r_2}{(1+c)^{n_1}} \times \frac{1 - \frac{1}{(1+c)^{n_2}}}{c} \right)$$

where—

c is the applicable capitalisation rate;
 r_1 is the rent at the valuation date (but see sub-paragraph (6));
 r_2 is the rent after the first rent review following the valuation date (but see sub-paragraph (6));
 n_1 is the length (in years) of the period during which the rent at the valuation date will be payable;
 n_2 is the length (in years) of the period that begins with the first day of the first rent review following the valuation date and ends with the term date of the current lease.

- (3) If the rent review provides for the rent under the lease to change by the same proportion as an index of price inflation or the capital or rental value of property, r_2 is determined using this formula—

$$r_1 \times \frac{a_1}{a_2}$$

where—

a_1 is the index of price inflation, or the capital or rental value, at the valuation date;
 a_2 is the index of price inflation, or the capital or rental value, at the time when the previous rent review took effect or (if none has taken effect) when the term of the lease began;
 r_1 is the rent at the valuation date;

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- (4) If the rent review provides for the rent under the lease to be a percentage or other proportion of the capital value of property, r_2 is determined using this formula—

$$v \times p$$

where—

- p is the percentage or other proportion;
 v is the capital value of the property at the valuation date.

- (5) If neither sub-paragraph (3) nor (4) applies to the rent review, r_2 is to be determined in line with the terms of the rent review provision.
- (6) If paragraph 26(3) requires the notional annual rent to be used—
- instead of the rent at the valuation date to determine the term value of the lease, r_1 is the notional annual rent;
 - instead of the rent after the first rent review following the valuation date, r_2 is the notional annual rent.

Commencement Information

I98 Sch. 4 para. 38 not in force at Royal Assent, see [s. 124\(3\)](#)

Interpretation

- 39 (1) In this Part of this Schedule—
- “applicable capitalisation rate”, in relation to any aspect of the determination of a term value, means the capitalisation rate prescribed in regulations made by the Secretary of State that is applicable to that aspect by virtue of the regulations — and for this purpose a “capitalisation rate” is a rate at which the entitlement to receive rent over the remainder of the term of a lease is capitalised;
- “rent” has the same meaning as in the LR(GR)A 2022 (see section 22(2) and (3) of that Act);
- “unexpired term”, in relation to a lease, means the period that—
- begins with the valuation date, and
 - ends with the term date of the lease.
- (2) A statutory instrument containing regulations under this paragraph is subject to the negative procedure.
- (3) The Secretary of State must review the capitalisation rate or rates every ten years.

Commencement Information

I99 Sch. 4 para. 39 not in force at Royal Assent, see [s. 124\(3\)](#)

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SCHEDULE 5

Section 37(3)

OTHER COMPENSATION

Application of this Schedule

1 This Schedule applies to every kind of statutory transfer or grant.

Commencement Information

I100 Sch. 5 para. 1 not in force at Royal Assent, see [s. 124\(3\)](#)

Compensation payable

- 2 (1) The buyer must pay a person (“P”) reasonable compensation for—
- (a) any diminution in value of any interest of P in other property resulting from the statutory transfer or grant, and
 - (b) any other loss or damage which results from the statutory transfer or grant to the extent that it is referable to P’s ownership of any interest in other property.
- (2) Sub-paragraph (1)(b) includes loss of development value in relation to the newly owned premises to the extent that it is referable to P’s ownership of any interest in other property.
- (3) In the case of the collective enfranchisement of a building under the LRHUDA 1993, in determining the amount of compensation payable under this Schedule it is not material that—
- (a) loss or damage suffered by the freeholder could to any extent be avoided or reduced by the grant of a relevant leaseback to the freeholder, and
 - (b) the freeholder is not requiring the nominee purchaser to grant a relevant leaseback.
- (4) In this paragraph—
- “development value”, in relation to the newly owned premises, means any increase in the value of P’s interest in the premises which is attributable to the possibility of demolishing, reconstructing or carrying out substantial works of construction on, the whole or a substantial part of the premises;
- “other property” means any property other than the newly owned premises;
- “relevant leaseback” means a lease granted under Part 3 of Schedule 9 to the LRHUDA 1993 in accordance with section 36 of, and Schedule 9 to, that Act.

Commencement Information

I101 Sch. 5 para. 2 not in force at Royal Assent, see [s. 124\(3\)](#)

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SCHEDULE 6

Section 37(4)

SCHEDULES 4 AND 5: INTERPRETATION

Provision to be construed as one with existing enfranchisement legislation

- 1 (1) **Schedules 4 and 5 and this Schedule** are to be construed as one—
- (a) with Part 1 of the LRA 1967 in their application to the transfer of freehold houses under the LRA 1967 (and here the reference to Part 1 of the LRA 1967 is a reference to that legislation as it applies to the transfer of freehold houses);
 - (b) with Part 1 of the LRA 1967 in their application to the grant of extended leases of houses under the LRA 1967 (and here the reference to Part 1 of the LRA 1967 is a reference to that legislation as it applies to the grant of extended leases);
 - (c) with Chapter 1 of Part 1 of the LRHUDA 1993 in their application to collective enfranchisements of buildings under the LRHUDA 1993;
 - (d) with Chapter 2 of Part 1 of the LRHUDA 1993 in their application to the grant of new leases of flats under the LRHUDA 1993.
- (2) But in the case of a deemed single lease—
- (a) there is not to be a single term date for the deemed single lease (as would otherwise be the case in accordance with section 3(6) of the LRA 1967 or section 7(6) of the LRHUDA 1993);
 - (b) instead, each constituent lease has its own term date (and sub-paragraph (1) applies for the purpose of giving the meaning of “term date” here).

Commencement Information

I102 Sch. 6 para. 1 not in force at Royal Assent, see **s. 124(3)**

Meaning of specific expressions

- 2 (1) In **Schedules 4 and 5 and this Schedule**—
- “collective enfranchisement” has the meaning given in paragraph 1(3) of **Schedule 4**;
 - “collective enfranchisement of a building under the LRHUDA 1993” has the meaning given in section 37(8);
 - “constituent lease” means any lease which is treated as forming part of a deemed single lease;
 - “deemed single lease” means a lease to which—
 - (a) the LRA 1967 applies by virtue of section 3(6) of that Act, or
 - (b) the LRHUDA 1993 applies by virtue of section 7(6) of that Act,(separate tenancies with the same landlord and the same tenant treated as single tenancy);
 - “freehold enfranchisement” has the meaning given in paragraph 1(3) of **Schedule 4**;
 - “grant of a new lease of a flat under the LRHUDA 1993” has the meaning given in section 37(8);

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“grant of an extended lease of a house under the LRA 1967” has the meaning given in section 37(8);

“lease extension” has the meaning given in paragraph 1(3) of Schedule 4;

“market value of the notional lease” has the meaning given in paragraph 3(6) of Schedule 4;

“market value of the relevant freehold” has the meaning given in paragraph 2(3) of Schedule 4;

“notional lease” means the notional lease referred to in paragraph 3(2) of Schedule 4;

“reversion value” has the meaning given in paragraph 27 (in relation to a freehold enfranchisement) or paragraph 28 (in relation to a lease extension);

“standard valuation method” means the valuation method set out in Part 5 of Schedule 4;

“statutory transfer or grant” means a statutory transfer or a statutory grant;

“term date” is to be read subject to paragraph 1(2);

“term value” has the meaning given in paragraph 25 of Schedule 4;

“transfer”, in relation to a freehold, includes a conveyance;

“transfer of a freehold house under the LRA 1967” has the meaning given in section 37(8).

- (2) Paragraph 3 sets out the meaning of other expressions used in Schedule 4 and 5 and this Schedule.

Commencement Information

I103 Sch. 6 para. 2 not in force at Royal Assent, see s. 124(3)

Expressions with different meanings in relation to different statutory grants or leases

- 3 In Schedules 4 and 5 and this Schedule an expression set out in an entry in the first column of the following table has the meaning given in the corresponding entry in—
- the second column, as that expression is used in relation to the transfer of freeholds of houses under the LRA 1967;
 - the third column, as that expression is used in relation to the grant of extended leases of houses under the LRA 1967;
 - the fourth column, as that expression is used in relation to collective enfranchisements of buildings under the LRHUDA 1993;
 - the fifth column, as that expression is used in relation to the grant of new leases of flats under the LRHUDA 1993.

<i>Expression</i>	<i>Meaning in relation to transfers of freeholds of houses</i>	<i>Meaning in relation to grants of extended leases of houses</i>	<i>Meaning in relation to collective enfranchisement of a building</i>	<i>Meaning in relation to grants of new leases of flats</i>
“buyer”	The tenant acquiring the freehold	The tenant acquiring the extended lease	The nominee purchaser	The tenant acquiring the new lease

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<i>Expression</i>	<i>Meaning in relation to transfers of freeholds of houses</i>	<i>Meaning in relation to grants of extended leases of houses</i>	<i>Meaning in relation to collective enfranchisement of a building</i>	<i>Meaning in relation to grants of new leases of flats</i>
“current lease”	The tenancy by virtue of which the tenant is entitled to acquire the freehold	The tenancy by virtue of which the tenant is entitled to acquire the extended lease	A lease by virtue of which a person is, in relation to the acquisition of the freehold— (a) a qualifying tenant, or (b) not a qualifying tenant, but only because of section 5(5) and (6) of the LRHUDA 1993 (a person who is the tenant of three or more flats in the building).	A lease by virtue of which a person is a qualifying tenant in relation to the acquisition of the new lease
“currently leased premises”	The house and premises leased by the current lease	The house and premises leased by the current lease	The flat leased by the current lease, together with any appurtenant property related to that flat and demised by that lease (see section 1(3) of the LRHUDA 1993)	The flat leased by the current lease
“newly owned premises”	The house and premises	The house and premises	The relevant premises (see	The flat over which the new

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<i>Expression</i>	<i>Meaning in relation to transfers of freeholds of houses</i>	<i>Meaning in relation to grants of extended leases of houses</i>	<i>Meaning in relation to collective enfranchisement of a building</i>	<i>Meaning in relation to grants of new leases of flats</i>
	of which the freehold is being transferred	over which the extended lease is being granted	section 1(2) of the LRHUDA 1993) and any other property of which the freehold is being transferred	lease is being granted
“qualifying tenant”	The tenant acquiring the freehold	The tenant acquiring the extended lease	A qualifying tenant (see section 5 of the LRHUDA 1993)	The qualifying tenant (see section 39(3) of the LRHUDA 1993)
“relevant freehold”	The freehold which is being acquired	<i>Not applicable</i>	The freehold which is being acquired	<i>Not applicable</i>
“statutory grant”	<i>Not applicable</i>	The grant of the extended lease	<i>Not applicable</i>	The grant of the new lease
“statutory lease”	<i>Not applicable</i>	The extended lease of the house and premises being granted	<i>Not applicable</i>	The new lease of the flat being granted
“statutory transfer”	The transfer of the freehold	<i>Not applicable</i>	The transfer of the freehold	<i>Not applicable</i>
“valuation date”	The relevant time (see section 37(1) (d) of the LRA 1967)	The relevant time (see section 37(1) (d) of the LRA 1967)	The relevant date (see section 1(8) of the LRHUDA 1993)	The relevant date (see section 39(8) of the LRHUDA 1993)

Commencement Information

I104 Sch. 6 para. 3 not in force at Royal Assent, see [s. 124\(3\)](#)

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SCHEDULE 7

Section 37

AMENDMENTS CONSEQUENTIAL ON SECTIONS 35 TO 37 AND SCHEDULES 4 TO 6

Involvement of other landlords: the LRA 1967

- 1 (1) Schedule 1 to the LRA 1967 (enfranchisement and extension by sub-tenants) is amended as follows.
- (2) In paragraph 4—
- (a) in sub-paragraph (1)—
- (i) omit “and” at the end of sub-paragraph (a);
- (ii) after sub-paragraph (b) insert—
- “(c) agree the price payable;
- (d) receive the whole of the price payable on behalf and in the name of all of the other landlords and, where the reversioner does so, hold that amount for themselves and the other landlords pending determination of the matters dealt with in Part 6 of Schedule 4 to the Leasehold and Freehold Reform Act 2024.”;
- (b) after sub-paragraph (1) insert—
- “(1A) If the reversioner receives the whole of the price payable (including where required to do so under paragraph 5), the reversioner’s written receipt for payment of that amount is a complete discharge to the claimant.
- (1B) Sub-paragraphs (1)(d) and (1A) do not apply if the price payable is required to be paid into the tribunal by virtue of paragraph 5(3A).”
- (c) in sub-paragraph (3), omit paragraph (c).
- (3) In paragraph 5—
- (a) in sub-paragraph (1), for “under section 9 of this Act” substitute “in accordance with section 9 or 14A”;
- (b) after sub-paragraph (2) insert—
- “(2A) If required to do so by the claimant, the reversioner must receive the whole of the price payable, on behalf and in the name of all of the other landlords.
- (2B) But the claimant may not impose such a requirement—
- (a) if the terms of the acquisition of the freehold or grant of the lease, including the price payable, have not been agreed or determined (whether or not the matters dealt with in Part 6 of Schedule 4 to the Leasehold and Freehold Reform Act 2024 have been determined); or
- (b) if, or to the extent that, the claimant is required to pay the price payable into the tribunal.
- (2C) Sub-paragraph (2D) applies if the whole of the price payable is to be—

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- (a) received by the reversioner, or
 - (b) paid into the tribunal.
- (2D) If required to do so by the claimant—
- (a) the reversioner must, on behalf and in the name of all or (as the case may be) any of the other landlords execute the conveyance required by section 8(1) or the grant of the tenancy required by section 14(1);
 - (b) a landlord who has given notice under sub-paragraph (2) must deduce, evidence or verify their title for the purpose of the reversioner executing the conveyance or grant.”;
- (c) for sub-paragraph (3) substitute—
- “(3) Any of the other landlords may require the reversioner to apply to the appropriate tribunal for the price payable to be determined by the appropriate tribunal.”;
- (d) after sub-paragraph (3) insert—
- “(3A) Any of the other landlords may, by giving notice to the claimant and the reversioner, require the claimant to pay into the tribunal the whole price payable.
- (3B) The court or the appropriate tribunal may order a landlord to pay to the reversioner the costs, or a contribution to the costs, incurred by the reversioner in obtaining from the appropriate tribunal money that has been paid into it in compliance with a requirement imposed under sub-paragraph (3A) if—
- (a) the landlord imposed the requirement, and
 - (b) the reversioner shows that it was unreasonable for the landlord to impose the requirement.
- (3C) The court or the appropriate tribunal may order the reversioner to pay to a landlord the costs, or a contribution to the costs, incurred by the landlord in obtaining from the appropriate tribunal money that has been paid into it in compliance with a requirement imposed under sub-paragraph (3A) if—
- (a) the landlord imposed the requirement, and
 - (b) the landlord shows that the requirement was imposed because of unreasonable conduct by the reversioner.”;
- (e) omit sub-paragraph (4);
- (f) in sub-paragraph (5), in the words before paragraph (a), after “landlords” insert “(whether or not any entitlements to shares of the purchase price under Part 6 of [Schedule 4](#) to the Leasehold and Freehold Reform Act 2024 have been determined)”.
- (4) After paragraph 6 insert—
- “6A (1) Any of the other landlords may apply to the appropriate tribunal for the determination of their entitlement to a share of the purchase price under Part 6 of [Schedule 4](#) to the Leasehold and Freehold Reform Act 2024.
- (2) This paragraph does not limit the power of the reversioner to apply to the appropriate tribunal for the determination of any person’s entitlement to

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a share of the purchase price under Part 6 of Schedule 4 to the Leasehold and Freehold Reform Act 2024.”

- (5) In paragraph 7(1)—
- (a) omit paragraph (b);
 - (b) in paragraph (c), for “price payable for” substitute “share of the purchase price, as determined under Part 6 of Schedule 4 to the Leasehold and Freehold Reform Act 2024, that is payable to the owner of”;
 - (c) in paragraph (d), for “the price payable for” substitute “each share of the purchase price, as determined under Part 6 of Schedule 4 to the Leasehold and Freehold Reform Act 2024, that is payable to the owner of”;
 - (d) at the end of paragraph (d), insert “; and
 - (e) if the sum payable for the redemption of a rentcharge under section 11 or the discharge of a charge under section 12 cannot be ascertained because the share of the purchase price payable to the relevant landlord has not been agreed or determined under Part 6 of Schedule 4 to the Leasehold and Freehold Reform Act 2024, the tenant may pay the whole of the price payable into the tribunal.”
- (6) Omit paragraph 7A (minor superior tenancies).

Commencement Information

I105 Sch. 7 para. 1 not in force at Royal Assent, see [s. 124\(3\)](#)

Involvement of other landlords: collective enfranchisement under the LRHUDA 1993

- 2 In section 24 of the LRHUDA 1993 (applications where terms in dispute or failure to enter contract), after subsection (8) insert—
- “(9) But the “terms of acquisition” do not include any terms which relate to matters dealt with in Part 6 of Schedule 4 to the Leasehold and Freehold Reform Act 2024.”

Commencement Information

I106 Sch. 7 para. 2 not in force at Royal Assent, see [s. 124\(3\)](#)

- 3 (1) Schedule 1 to the LRHUDA 1993 (conduct of proceedings by reversioner on behalf of other landlords) is amended as follows.
- (2) In paragraph 6 (acts of reversioner binding on other landlords)—
- (a) in sub-paragraph (1)—
 - (i) in paragraph (b)(iv), for “for the acquisition of any interest” substitute “and, where the reversioner does so, hold that amount for themselves and the other landlords pending determination of the matters dealt with in Part 6 of Schedule 4 to the Leasehold and Freehold Reform Act 2024”;
 - (ii) at the end of paragraph (b) insert “and

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“(c) if the reversioner receives the price payable, the reversioner’s written receipt for payment of that amount is a complete discharge to the claimant;

but paragraphs (b)(iv) and (c) do not apply if the price payable is required to be paid into the tribunal by virtue of paragraph 7(3A).”;

(b) in sub-paragraph (3), omit paragraph (c) (and the “and” preceding it).

(3) In paragraph 7 (which gives a landlord who is not the reversioner certain powers in relation to conduct of the claim)—

(a) in sub-paragraph (1)(a), at the end insert “, except the price payable”;

(b) in sub-paragraph (3), at the end insert “, except determination of the share of the price payable to which the landlord is entitled under Part 6 of Schedule 4 to the Freehold and Leasehold Reform Act 2024”;

(c) after sub-paragraph (3) insert—

“(3A) Any of the other relevant landlords may, by giving notice to the nominee purchaser and the reversioner, require the nominee purchaser to pay into the tribunal the whole of the price payable.

(3B) The court or the appropriate tribunal may order a relevant landlord to pay to the reversioner the costs, or a contribution to the costs, incurred by the reversioner in obtaining from the appropriate tribunal money that has been paid into it in compliance with a requirement imposed under sub-paragraph (3A) if—

(a) the relevant landlord imposed the requirement, and

(b) the reversioner shows that it was unreasonable for the landlord to impose the requirement.

(3C) The court or the appropriate tribunal may order the reversioner to pay to a relevant landlord the costs, or a contribution to the costs, incurred by the relevant landlord in obtaining from the appropriate tribunal money that has been paid into it in compliance with a requirement imposed under sub-paragraph (3A) if—

(a) the relevant landlord imposed the requirement, and

(b) the relevant landlord shows that the requirement was imposed because of unreasonable conduct by the reversioner.”;

(d) omit sub-paragraph (4).

(4) In paragraph 8 (obligations of other landlords to reversioner), in sub-paragraph (1), after “landlords” insert “(whether or not any entitlements to shares of the purchase price under Part 6 of Schedule 4 to the Leasehold and Freehold Reform Act 2024 have been determined)”.

(5) After paragraph 9 insert—

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“Entitlement to shares of the purchase price

- 10 (1) Any of the other relevant landlords may apply to the appropriate tribunal for the determination of their entitlement to a share of the purchase price under Part 6 of Schedule 4 to the Leasehold and Freehold Reform Act 2024.
- (2) This paragraph does not limit the power of the reversioner to apply to the appropriate tribunal for the determination of any person’s entitlement to a share of the purchase price under Part 6 of Schedule 4 to the Leasehold and Freehold Reform Act 2024.”

Commencement Information

I107 Sch. 7 para. 3 not in force at Royal Assent, see [s. 124\(3\)](#)

- 4 In Schedule 8 to the LRHUDA 1993 (discharge of mortgages etc)—
- (a) in paragraph 1, for the definition of “the consideration payable” substitute—
- ““the consideration payable” means the share payable to the landlord, as determined under Part 6 of Schedule 4 to the Leasehold and Freehold Reform Act 2024, of the purchase price for the acquisition of the relevant interest;”;
- (b) in paragraph 4, after sub-paragraph (3) insert—
- “(4) If the amount to be applied for the redemption of a mortgage under paragraph 2, or that may be paid into the tribunal under sub-paragraph (1), cannot be ascertained because the share of the purchase price payable to the relevant landlord has not been agreed or determined under Part 6 of Schedule 4 to the Leasehold and Freehold Reform Act 2024, the nominee purchaser may pay the whole of the price payable into the tribunal.”

Commencement Information

I108 Sch. 7 para. 4 not in force at Royal Assent, see [s. 124\(3\)](#)

Commencement Information

I106 Sch. 7 para. 2 not in force at Royal Assent, see [s. 124\(3\)](#)

I107 Sch. 7 para. 3 not in force at Royal Assent, see [s. 124\(3\)](#)

I108 Sch. 7 para. 4 not in force at Royal Assent, see [s. 124\(3\)](#)

Involvement of other landlords: new lease under the LRHUDA 1993

- 5 In section 48 of the LRHUDA 1993 (applications where terms in dispute or failure to enter into new lease), after subsection (7) insert—

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“(8) But the “terms of acquisition” do not include any terms which relate to matters dealt with in Part 6 of [Schedule 4](#) to the Leasehold and Freehold Reform Act 2024.”

Commencement Information

I109 Sch. 7 para. 5 not in force at Royal Assent, see [s. 124\(3\)](#)

- 6 (1) Schedule 11 to the LRHUDA 1993 (procedure where competent landlord is not tenant’s immediate landlord) is amended as follows.
- (2) In paragraph 6 (acts of competent landlord binding on other landlords), for sub-paragraph (2) substitute—
- “(2) The authority given to the competent landlord by section 40(2) shall extend to receiving the whole of the price payable and, where the competent landlord does so, holding that amount for themselves and the other landlords pending determination of the matters dealt with in Part 6 of [Schedule 4](#) to the Leasehold and Freehold Reform Act 2024.
- (2A) If the competent landlord receives the price payable, the competent landlord’s written receipt for payment of that amount is a complete discharge to the tenant.
- (2B) Sub-paragraphs (2) and (2A) do not apply if the price payable is required to be paid into the tribunal by virtue of paragraph 7(2B).”
- (3) In paragraph 7 (other landlords acting independently)—
- (a) in sub-paragraph (1)(b), for “any amount payable to him by virtue of Schedule 13” substitute “the price payable”;
- (b) omit sub-paragraph (2) and after it insert—
- “(2A) Any of the other landlords may, by giving notice to the tenant and the competent landlord, require the tenant to pay into the tribunal the whole price payable and any sums payable to that other landlord under section 56(3).
- (2B) The court or the appropriate tribunal may order a landlord to pay to the competent landlord the costs, or a contribution to the costs, incurred by the competent landlord in obtaining from the appropriate tribunal money that has been paid into it in compliance with a requirement imposed under sub-paragraph (2A) if—
- (a) the landlord imposed the requirement, and
- (b) the competent landlord shows that it was unreasonable for the landlord to impose the requirement.
- (2C) The court or the appropriate tribunal may order the competent landlord to pay to a landlord the costs, or a contribution to the costs, incurred by the landlord in obtaining from the appropriate tribunal money that has been paid into it in compliance with a requirement imposed under sub-paragraph (2A) if—
- (a) the landlord imposed the requirement, and

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(b) the landlord shows that the requirement was imposed because of unreasonable conduct by the competent landlord.”

(4) After paragraph 9 insert—

“Entitlement to shares of the purchase price

9A (1) Any of the other landlords may apply to the appropriate tribunal for the determination of their entitlement to a share of the purchase price under Part 6 of [Schedule 4](#) to the Leasehold and Freehold Reform Act 2024.

(2) This paragraph does not limit the power of the competent landlord to apply to the appropriate tribunal for the determination of any person’s entitlement to a share of the purchase price under Part 6 of [Schedule 4](#) to the Leasehold and Freehold Reform Act 2024.”

Commencement Information

I110 Sch. 7 para. 6 not in force at Royal Assent, see [s. 124\(3\)](#)

Commencement Information

I109 Sch. 7 para. 5 not in force at Royal Assent, see [s. 124\(3\)](#)

I110 Sch. 7 para. 6 not in force at Royal Assent, see [s. 124\(3\)](#)

Other consequential amendments to the LRA 1967

7 The LRA 1967 is amended in accordance with paragraphs 8 to 13.

Commencement Information

I111 Sch. 7 para. 7 not in force at Royal Assent, see [s. 124\(3\)](#)

8 In section 8(1) (obligation to enfranchise), after “price” insert “payable in accordance with section 9”.

Commencement Information

I112 Sch. 7 para. 8 not in force at Royal Assent, see [s. 124\(3\)](#)

9 Omit section 9A (compensation payable in cases where right to enfranchisement arises by virtue of section 1A or 1B).

Commencement Information

I113 Sch. 7 para. 9 not in force at Royal Assent, see [s. 124\(3\)](#)

10 In section 19(10)(b) (price subject to local management scheme), for “under” substitute “in accordance with”.

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Commencement Information

I114 Sch. 7 para. 10 not in force at Royal Assent, see [s. 124\(3\)](#)

- 11 In section 23(5)(b) (terms of extended tenancy), omit “section 9(1) and (1A) above”.

Commencement Information

I115 Sch. 7 para. 11 not in force at Royal Assent, see [s. 124\(3\)](#)

- 12 In section 24(1) (application of price), for “under section 9 above” substitute “in accordance with section 9”.

Commencement Information

I116 Sch. 7 para. 12 not in force at Royal Assent, see [s. 124\(3\)](#)

- 13 In section 31 (ecclesiastical property)—
- (a) in subsection (2)(a), after “payable” insert “in accordance with section 9 or 14A”;
 - (b) in subsection (3), for “under section 9 above” substitute “in accordance with section 9 or 14A”;
 - (c) in subsection (4)(c), for “under section 9 above” substitute “in accordance with section 9 or 14A”.

Commencement Information

I117 Sch. 7 para. 13 not in force at Royal Assent, see [s. 124\(3\)](#)

Commencement Information

I111 Sch. 7 para. 7 not in force at Royal Assent, see [s. 124\(3\)](#)

I112 Sch. 7 para. 8 not in force at Royal Assent, see [s. 124\(3\)](#)

I113 Sch. 7 para. 9 not in force at Royal Assent, see [s. 124\(3\)](#)

I114 Sch. 7 para. 10 not in force at Royal Assent, see [s. 124\(3\)](#)

I115 Sch. 7 para. 11 not in force at Royal Assent, see [s. 124\(3\)](#)

I116 Sch. 7 para. 12 not in force at Royal Assent, see [s. 124\(3\)](#)

I117 Sch. 7 para. 13 not in force at Royal Assent, see [s. 124\(3\)](#)

Other consequential amendments to the LRHUDA 1993

- 14 The LRHUDA 1993 is amended in accordance with paragraphs [15](#) to [29](#).

Commencement Information

I118 Sch. 7 para. 14 not in force at Royal Assent, see [s. 124\(3\)](#)

- 15 In section 13(3) (initial notice), for paragraph (d) substitute—

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“(d) specify the proposed purchase price payable in accordance with section 32(1);”.

Commencement Information

I119 Sch. 7 para. 15 not in force at Royal Assent, see [s. 124\(3\)](#)

- 16 In section 18(2) (duty to disclose agreements)—
- (a) in paragraph (a), for the words from “to the reversioner” to “for the purposes of Schedule 6” substitute “is determined in accordance with section 32(1)”;
 - (b) in the words after paragraph (b), for the words from “to the reversioner” to “relevant landlord” substitute “in addition to the price so determined”.

Commencement Information

I120 Sch. 7 para. 16 not in force at Royal Assent, see [s. 124\(3\)](#)

- 17 In section 27 (vesting orders under section 26: supplementary provision)—
- (a) in subsection (3), omit “in respect of each of those interests”;
 - (b) in subsection (5)—
 - (i) in the words before paragraph (a), omit “in respect of any interest”;
 - (ii) in paragraph (a), for the words from “in respect of that interest” to “subsection (1)(b)” substitute “in accordance with section 32(1) if the interests referred to in subsection (1) were being acquired in pursuance of a notice under section 13”;
 - (iii) in paragraph (b), for “that interest” substitute “the transferor’s interest”;
 - (c) in subsection (6)—
 - (i) omit “in respect of that interest”;
 - (ii) omit “for the acquisition of that interest”.

Commencement Information

I121 Sch. 7 para. 17 not in force at Royal Assent, see [s. 124\(3\)](#)

- 18 In section 32 (determination of price)—
- (a) in subsection (2), for “any such interest” substitute “the freehold or any other interest to be acquired by the nominee purchaser in accordance with this Chapter”;
 - (b) for subsection (5) substitute—

“(5) The nominee purchaser is to be treated for all purposes as a purchaser for valuable consideration in money or money’s worth of the freehold or other interest, even if the price payable by the nominee purchaser in accordance with section 32(1), or the share of the purchase price payable to the owner of the interest under Part 6 of Schedule 4 to the Leasehold and Freehold Reform Act 2024, is zero or only a nominal amount.”

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Commencement Information

I122 Sch. 7 para. 18 not in force at Royal Assent, see [s. 124\(3\)](#)

- 19 In section 39(1) (right to acquire new lease), for “a premium” substitute “the price”.

Commencement Information

I123 Sch. 7 para. 19 not in force at Royal Assent, see [s. 124\(3\)](#)

- 20 In section 42(3)(c) (notice to acquire new lease)—
- (a) for “premium” substitute “price”;
 - (b) omit the words from “and, where” to the end.

Commencement Information

I124 Sch. 7 para. 20 not in force at Royal Assent, see [s. 124\(3\)](#)

- 21 In section 48(7) (applications where terms in dispute etc), for the words from “the premium” to “Schedule 13” substitute “the price payable in accordance with section 56(1)”.

Commencement Information

I125 Sch. 7 para. 21 not in force at Royal Assent, see [s. 124\(3\)](#)

- 22 In section 51 (vesting orders under section 50: supplementary provision)—
- (a) in subsection (5)—
 - (i) in paragraph (a), for “premium which is payable under Schedule 13” substitute “price which is payable in accordance with section 56(1)”;
 - (ii) at the end of paragraph (a) insert “and”;
 - (iii) omit paragraph (b);
 - (b) in subsection (6), for the words from “premium” to the end substitute “price payable”.

Commencement Information

I126 Sch. 7 para. 22 not in force at Royal Assent, see [s. 124\(3\)](#)

- 23 In section 56 (obligation to grant new lease)—
- (a) omit subsection (2);
 - (b) in subsection (3), for the words from “amount of any such premium” to “Schedule 13” substitute “price payable”;
 - (c) in subsection (4), for “7(2)” substitute “7(2A)”.

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Commencement Information

I127 Sch. 7 para. 23 not in force at Royal Assent, see [s. 124\(3\)](#)

24 Omit section 66 (amendments to the LRA 1967).

Commencement Information

I128 Sch. 7 para. 24 not in force at Royal Assent, see [s. 124\(3\)](#)

25 In section 70(12) (estate management schemes)—

- (a) in paragraph (b), for “under section 9” substitute “in accordance with section 9”;
- (b) in paragraph (c), for “under Schedule 6 to this Act” substitute “in accordance with section 32(1)”.

Commencement Information

I129 Sch. 7 para. 25 not in force at Royal Assent, see [s. 124\(3\)](#)

26 In section 73(10) (applications for estate management schemes), for the words from the beginning to “it shall” substitute “For the purposes of Schedule 4 to the Leasehold and Freehold Reform Act 2024 as it applies in relation to an acquisition mentioned in section 69(1)(a) or (b), it is to”.

Commencement Information

I130 Sch. 7 para. 26 not in force at Royal Assent, see [s. 124\(3\)](#)

27 (1) Schedule 2 (special categories of landlords) is amended as follows.

- (2) In paragraph 1 (interpretation), omit sub-paragraph (2).
- (3) In paragraph 5 (trustees)—
 - (a) in sub-paragraph (1), for the words from “sum” to “Chapter I” substitute “share payable to the landlord, as determined under Part 6 of Schedule 4 to the Leasehold and Freehold Reform Act 2024, of the purchase price in respect of the acquisition of the interest”;
 - (b) in sub-paragraph (2)(a), for “premium” substitute “share of the price payable”.
- (4) In paragraph 7 (universities and colleges)—
 - (a) in sub-paragraph (1), for the words from “sum” to “Chapter I” substitute “share payable to the landlord, as determined under Part 6 of Schedule 4 to the Leasehold and Freehold Reform Act 2024, of the purchase price in respect of the acquisition of the interest”;
 - (b) in sub-paragraph (2)(a), for “premium” substitute “share of the price payable”.
- (5) In paragraph 8 (ecclesiastical landlords)—
 - (a) in sub-paragraph (2)(a), omit “or premium”;

Changes to legislation: Leasehold and Freehold Reform Act 2024 is up to date with all changes known to be in force on or before 30 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (b) in sub-paragraph (3)(a)—
 - (i) in the words before paragraph (i), after “by way of” insert “a share of”;
 - (ii) in paragraph (i), for “for any interest in the property on its acquisition” substitute “in respect of the acquisition of any interest in the property”;
 - (iii) in paragraph (ii), for “a premium” substitute “the price payable”;
- (c) in sub-paragraph (4)(b)—
 - (i) in the words before paragraph (i), after “by way of” insert “a share of”;
 - (ii) in paragraph (i), for “for any interest in property on its acquisition” substitute “in respect of the acquisition of any interest in property”;
 - (iii) in paragraph (ii), for “a premium” substitute “the price payable”.

Commencement Information

I131 Sch. 7 para. 27 not in force at Royal Assent, see [s. 124\(3\)](#)

- 28 (1) Schedule 5 (vesting orders under sections 24 and 25) is amended as follows.
- (2) In paragraph 2(1) (execution of conveyance), omit “in respect of each of those interests”.
 - (3) In paragraph 3(1) (the appropriate sum)—
 - (a) in the words before paragraph (a), omit “in respect of any interest”;
 - (b) in paragraph (a), for “Schedule 6 in respect of that interest” substitute “section 32(1)”;
 - (c) in paragraph (b), for “that interest” substitute “the transferor’s interest”.
 - (4) In paragraph 4 (effect of payment of appropriate sum)—
 - (a) omit “in respect of that interest”;
 - (b) omit “for the acquisition of that interest”.

Commencement Information

I132 Sch. 7 para. 28 not in force at Royal Assent, see [s. 124\(3\)](#)

- 29 Omit Schedule 15 (section 9 of the LRA 1967 as amended by section 66).

Commencement Information

I133 Sch. 7 para. 29 not in force at Royal Assent, see [s. 124\(3\)](#)

Commencement Information

- I118** Sch. 7 para. 14 not in force at Royal Assent, see [s. 124\(3\)](#)
- I119** Sch. 7 para. 15 not in force at Royal Assent, see [s. 124\(3\)](#)
- I120** Sch. 7 para. 16 not in force at Royal Assent, see [s. 124\(3\)](#)
- I121** Sch. 7 para. 17 not in force at Royal Assent, see [s. 124\(3\)](#)
- I122** Sch. 7 para. 18 not in force at Royal Assent, see [s. 124\(3\)](#)

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- I123 Sch. 7 para. 19 not in force at Royal Assent, see [s. 124\(3\)](#)
- I124 Sch. 7 para. 20 not in force at Royal Assent, see [s. 124\(3\)](#)
- I125 Sch. 7 para. 21 not in force at Royal Assent, see [s. 124\(3\)](#)
- I126 Sch. 7 para. 22 not in force at Royal Assent, see [s. 124\(3\)](#)
- I127 Sch. 7 para. 23 not in force at Royal Assent, see [s. 124\(3\)](#)
- I128 Sch. 7 para. 24 not in force at Royal Assent, see [s. 124\(3\)](#)
- I129 Sch. 7 para. 25 not in force at Royal Assent, see [s. 124\(3\)](#)
- I130 Sch. 7 para. 26 not in force at Royal Assent, see [s. 124\(3\)](#)
- I131 Sch. 7 para. 27 not in force at Royal Assent, see [s. 124\(3\)](#)
- I132 Sch. 7 para. 28 not in force at Royal Assent, see [s. 124\(3\)](#)
- I133 Sch. 7 para. 29 not in force at Royal Assent, see [s. 124\(3\)](#)

SCHEDULE 8

Section 45

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

- I134 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

- I135 Sch. 8 para. 2 not in force at Royal Assent, see [s. 124\(3\)](#)

Changes to legislation: *Leasehold and Freehold Reform Act 2024 is up to date with all changes known to be in force on or before 30 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

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).

Commencement Information

I136 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”.

Changes to legislation: Leasehold and Freehold Reform Act 2024 is up to date with all changes known to be in force on or before 30 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Commencement Information

I137 Sch. 8 para. 4 not in force at Royal Assent, see [s. 124\(3\)](#)

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

I138 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

I139 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;”.

Changes to legislation: *Leasehold and Freehold Reform Act 2024 is up to date with all changes known to be in force on or before 30 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Commencement Information

I140 Sch. 8 para. 7 not in force at Royal Assent, see [s. 124\(3\)](#)

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).

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- (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—
- (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.”

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Commencement Information

1141 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—

“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

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- (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—
- (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

I142 Sch. 8 para. 9 not in force at Royal Assent, see s. 124(3)

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Commencement Information

I141 Sch. 8 para. 8 not in force at Royal Assent, see [s. 124\(3\)](#)

I142 Sch. 8 para. 9 not in force at Royal Assent, see [s. 124\(3\)](#)

PART 2

SHARED OWNERSHIP LEASES AND THE LRA 1967

Amendment of the LRA 1967

10 The LRA 1967 is amended in accordance with this Part of this Schedule.

Commencement Information

I143 Sch. 8 para. 10 not in force at Royal Assent, see [s. 124\(3\)](#)

Repeal of exclusions of shared ownership leases from Part 1 of the LRA 1967

- 11 (1) In section 1 (tenants entitled to enfranchisement or extension), omit subsection (1A).
- (2) In section 3(2) (tenancies deemed to be long tenancies), omit the words from “(other than” to “this Act)”.
- (3) Omit section 33A and Schedule 4A (exclusion of certain shared ownership leases).

Commencement Information

I144 Sch. 8 para. 11 not in force at Royal Assent, see [s. 124\(3\)](#)

Rateable value limits and low rent tests not to apply to shared ownership leases

12 In section 1 (tenants entitled to enfranchisement or extension), after subsection (6) insert—

“(6A) In determining whether a tenant under a tenancy which is a shared ownership lease has the right to acquire a freehold or extended lease under this Part, the following requirements of this section do not apply—

- (a) any requirement for the tenancy to be at a low rent;
- (b) any requirement in subsection (1)(a)(i) or (ii) for the house and premises or the tenancy to be above a certain value.”

Commencement Information

I145 Sch. 8 para. 12 not in force at Royal Assent, see [s. 124\(3\)](#)

No right of enfranchisement for certain shared ownership leases

13 Before section 36 insert—

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“33B Shared ownership leases which provide for 100% acquisition etc

- (1) A notice of a person’s desire to have the freehold of a house and premises under this Part is of no effect if, at the relevant time, the tenancy—
 - (a) is a shared ownership lease, and
 - (b) meets conditions A to D.
- (2) But conditions C and D do not need to be met if the shared ownership lease is of a description prescribed for this purpose in regulations made by the Secretary of State.
- (3) *Condition A:* the tenancy allows for the tenant to increase the tenant’s share in the demised premises by increments of 25% or less (whether or not the tenancy also provides for increments of more than 25%).
- (4) *Condition B:* the tenancy provides—
 - (a) for the price payable for an increase in the tenant’s share in the demised premises to be proportionate to the market value of the premises at the time the share is to be increased, and
 - (b) if the tenant’s share is increased, for the rent payable by the tenant in respect of the landlord’s share in the demised premises to be reduced by an amount reflecting the increase in the tenant’s share.
- (5) *Condition C:* the tenancy allows for the tenant’s share in the demised premises to reach 100%.
- (6) *Condition D:* if and when the tenant’s share of the demised premises is 100%, the tenancy—
 - (a) allows for the tenant to acquire the freehold of the premises (if the landlord has the freehold), or
 - (b) provides that the terms of the lease which make the lease a shared ownership lease cease to have effect (if the landlord does not have the freehold),without the payment of any further consideration.
- (7) Regulations under this section are to be made by statutory instrument.
- (8) A statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of either House of Parliament.
- (9) In this section “demised premises” means the premises demised under the shared ownership lease.”

Commencement Information

I146 Sch. 8 para. 13 not in force at Royal Assent, see [s. 124\(3\)](#)

Inclusion of terms for sharing staircasing payments

14 In Schedule 1 (enfranchisement and extension by sub-tenants), after paragraph 12A insert—

“12B (1) This paragraph applies if—

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- (a) at the relevant time—
 - (i) the tenancy in possession is a shared ownership lease (the “original shared ownership lease”), and
 - (ii) the tenant’s share of the dwelling is less than 100%, and
 - (b) the landlord who grants the new tenancy (the “new shared ownership lease”) is not the immediate landlord under the original shared ownership lease.
- (2) At any time after the grant of the new shared ownership lease—
- (a) the immediate landlord under the new shared ownership lease, or
 - (b) the landlord under any relevant intermediate lease,
- may apply to the appropriate tribunal for an order making provision to secure that each relevant intermediate lease is varied to include (if or to the extent that it does not already do so) a payment sharing term.
- (3) A “payment sharing term” is a term under which staircasing payments are to be shared between—
- (a) the immediate landlord under the new shared ownership lease, and
 - (b) each landlord under a relevant intermediate lease,
- in a way which fairly and reasonably reflects staircasing losses that are incurred after the variation of the lease to include this term.
- (4) An order under this paragraph may include—
- (a) an order relating to a relevant intermediate lease not specified in the application;
 - (b) an order appointing a person who is not party to a relevant intermediate lease to execute a variation of the lease.
- (5) A lease is a “relevant intermediate lease” if—
- (a) the lease demises some or all of the shared ownership premises, and
 - (b) the lease is intermediate between—
 - (i) the new shared ownership lease, and
 - (ii) the interest of the landlord who granted the new shared ownership lease.
- (6) In this paragraph—
- “shared ownership premises” means the premises demised by the new shared ownership lease;
 - “staircasing loss”, in relation to a staircasing payment, means the loss that a landlord incurs because of the increase in the tenant’s share in the shared ownership premises to which the staircasing payment relates;
 - “staircasing payment” means a payment made by the tenant under the new shared ownership lease to their immediate landlord in consideration of an increase in the tenant’s share in the shared ownership premises.”

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Commencement Information

I147 Sch. 8 para. 14 not in force at Royal Assent, see [s. 124\(3\)](#)

Meaning of “shared ownership lease”

- 15 In section 37(1) (interpretation of Part 1)—
- (a) after paragraph (b) insert—
 - “(bza) “landlord’s share”, in relation to a shared ownership lease, means the share in the premises demised by the lease which is not comprised in the tenant’s share;”;
 - (b) after paragraph (d) insert—
 - “(da) “shared ownership lease” means a lease of premises—
 - (i) granted on payment of a premium calculated by reference to a percentage of the value of the premises or of the cost of providing them, or
 - (ii) 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 the premises;
 - (db) “tenant’s share”, in relation to a shared ownership lease, means the tenant’s initial share in the premises demised by the lease, plus any additional share or shares in those demised premises which the tenant has acquired;”.

Commencement Information

I148 Sch. 8 para. 15 not in force at Royal Assent, see [s. 124\(3\)](#)

PART 3

SHARED OWNERSHIP LEASES AND THE LRHUDA 1993

Amendment of the LRHUDA 1993

- 16 The LRHUDA 1993 is amended in accordance with this Part of this Schedule.

Commencement Information

I149 Sch. 8 para. 16 not in force at Royal Assent, see [s. 124\(3\)](#)

Repeal of special provision for shared ownership leases in definition of “long lease”

- 17 In section 7 (definition of “long lease”)—
- (a) at the end of subsection (1)(c) insert “or”;
 - (b) omit subsection (1)(d);

Changes to legislation: Leasehold and Freehold Reform Act 2024 is up to date with all changes known to be in force on or before 30 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (c) in subsection (7), omit the definitions of “shared ownership lease” and “total share”.

Commencement Information

I150 Sch. 8 para. 17 not in force at Royal Assent, see [s. 124\(3\)](#)

No right to collective enfranchisement for certain shared ownership leases

- 18 (1) In section 5 (qualifying tenants), after subsection (2)(c) insert “or
 “(d) the lease is an excluded shared ownership lease (see section [5A](#));”.
- (2) After section 5 insert—

“5A Excluded shared ownership leases

- (1) For the purposes of this Chapter a lease is an “excluded shared ownership lease” if it—
- (a) is a shared ownership lease, and
 - (b) meets conditions A to D.
- (2) But conditions C and D do not need to be met if the shared ownership lease is of a description prescribed for this purpose in regulations made by the Secretary of State.
- (3) *Condition A*: the lease allows for the tenant to increase the tenant’s share in the demised premises by increments of 25% or less (whether or not the lease also provides for increments of more than 25%).
- (4) *Condition B*: the lease provides—
- (a) for the price payable for an increase in the tenant’s share in the demised premises to be proportionate to the market value of the premises at the time the share is to be increased, and
 - (b) if the tenant’s share is increased, for the rent payable by the tenant in respect of the landlord’s share in the demised premises to be reduced by an amount reflecting the increase in the tenant’s share.
- (5) *Condition C*: the lease allows for the tenant’s share in the demised premises to reach 100%.
- (6) *Condition D*: if and when the tenant’s share in the demised premises is 100%, the tenancy provides that the terms of the lease which make the lease a shared ownership lease cease to have effect, without the payment of any further consideration.
- (7) In this section “demised premises” means the premises demised under the shared ownership lease.”
- (3) In section 38(1) (interpretation of Chapter 1 of Part 1), after the definition of “conveyance” insert—
- ““excluded shared ownership lease” has the meaning given in section [5A](#);”.

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Commencement Information

I151 Sch. 8 para. 18 not in force at Royal Assent, see [s. 124\(3\)](#)

Tenant under shared ownership lease to have right to new lease

- 19 In section 39(3)(a) (definition of qualifying tenant: application of section 5), after “subsections” insert “(2)(d)”.

Commencement Information

I152 Sch. 8 para. 19 not in force at Royal Assent, see [s. 124\(3\)](#)

Consequential amendment

- 20 In section 77(2)(b) (qualifying tenants for audit rights), for “that section” substitute “section 101”.

Commencement Information

I153 Sch. 8 para. 20 not in force at Royal Assent, see [s. 124\(3\)](#)

Collective enfranchisement: mandatory leaseback

- 21 In Schedule 9 (grant of leases back to the former freeholder), after paragraph 3 insert—

“Flats etc let under shared ownership leases

- 3A (1) This paragraph applies where immediately before the appropriate time—
- (a) any flat falling within [sub-paragraph \(2\)](#) is let under an excluded shared ownership lease (and accordingly the tenant is not a qualifying tenant of the flat), and
 - (b) the landlord under the lease is the freeholder.
- (2) A flat falls within this sub-paragraph if—
- (a) the freehold of the whole of it is owned by the same person, and
 - (b) it is contained in the specified premises.
- (3) Where this paragraph applies, the nominee purchaser shall grant to the freeholder (that is to say, the landlord under the shared ownership lease) a lease of the flat in accordance with section 36 and paragraph 4 below.
- (4) In this paragraph any reference to a flat includes a reference to a unit (other than a flat) which is used as a dwelling.”

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Commencement Information

I154 Sch. 8 para. 21 not in force at Royal Assent, see [s. 124\(3\)](#)

Inclusion of terms for sharing staircasing payments

22 In Schedule 11 (procedure where competent landlord is not tenant’s immediate landlord), after paragraph 10 insert—

“10A (1) This paragraph applies if—

(a) at the relevant date—

(i) the existing lease is a shared ownership lease (the “original shared ownership lease”), and

(ii) the tenant’s share of the dwelling is less than 100%, and

(b) the landlord who grants the new tenancy (the “new shared ownership lease”) is not the immediate landlord under the original shared ownership lease.

(2) At any time after the grant of the new shared ownership lease—

(a) the immediate landlord under the new shared ownership lease, or

(b) the landlord under any relevant intermediate lease,

may apply to the appropriate tribunal for an order making provision to secure that each relevant intermediate lease is varied to include (if or to the extent that it does not already do so) a payment sharing term.

(3) A “payment sharing term” is a term under which staircasing payments are to be shared between—

(a) the immediate landlord under the new shared ownership lease, and

(b) each landlord under a relevant intermediate lease,

in a way which fairly and reasonably reflects staircasing losses that are incurred after the variation of the lease to include this term.

(4) An order under this paragraph may include—

(a) an order relating to a relevant intermediate lease not specified in the application;

(b) an order appointing a person who is not party to a relevant intermediate lease to execute a variation of the lease.

(5) A lease is a “relevant intermediate lease” if—

(a) the lease demises some or all of the shared ownership premises, and

(b) the lease is intermediate between—

(i) the new shared ownership lease, and

(ii) the interest of the landlord who granted the new shared ownership lease.

(6) In this paragraph—

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“shared ownership premises” means the premises demised by the new shared ownership lease;

“staircasing loss”, in relation to a staircasing payment, means the loss that a landlord incurs because of the increase in the tenant’s share in the shared ownership premises to which the staircasing payment relates;

“staircasing payment” means a payment made by the tenant under the new shared ownership lease to their immediate landlord in consideration of an increase in the tenant’s share in the shared ownership premises.”

Commencement Information

1155 Sch. 8 para. 22 not in force at Royal Assent, see [s. 124\(3\)](#)

Meaning of “shared ownership lease”

23 In section 101(1) (general interpretation of Part 1)—

(a) after the definition of “interest” insert—

““landlord’s share”, in relation to a shared ownership lease, means the share in the premises demised by the lease which is not comprised in the tenant’s share;”;

(b) after the entry relating to “lease” and “tenancy” insert—

““shared ownership lease” means a lease of premises—

(a) granted on payment of a premium calculated by reference to a percentage of the value of the premises or of 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 the premises;

“tenant’s share”, in relation to a shared ownership lease, means the tenant’s initial share in the premises demised by the lease, plus any additional share or shares in those demised premises which the tenant has acquired;”.

Commencement Information

1156 Sch. 8 para. 23 not in force at Royal Assent, see [s. 124\(3\)](#)

PART 4

OTHER LEGISLATION

Provision about “RTE companies”

24 Omit these provisions of the CLRA 2002 (which would have required a freehold to be acquired by an RTE company on a collective enfranchisement)—

Changes to legislation: *Leasehold and Freehold Reform Act 2024 is up to date with all changes known to be in force on or before 30 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- (a) sections 121 to 124 and the italic heading before section 121;
- (b) Schedule 8.

Commencement Information

I157 Sch. 8 para. 24 not in force at Royal Assent, see [s. 124\(3\)](#)

SCHEDULE 9

Section 47

PART 2: CONSEQUENTIAL AMENDMENTS TO OTHER LEGISLATION

Parliamentary Commissioner Act 1967

- 1 In Schedule 4 to the Parliamentary Commissioner Act 1967 (relevant tribunals), in the entry relating to rent assessment committees, omit “and also known as leasehold valuation tribunals for the purpose of determinations pursuant to section 21(1), (2) and (3) of the Leasehold Reform Act 1967”.

Commencement Information

I158 Sch. 9 para. 1 not in force at Royal Assent, see [s. 124\(3\)](#)

Leasehold Reform Act 1979

- 2 In section 1 of the Leasehold Reform Act 1979 (price of enfranchisement under the LRA 1967 not to be made less favourable by reference to superior interest), in subsection (1), after “the price payable on a conveyance for giving effect to that section” insert “, in a case where the price payable is determined under section 9(1) of that Act by virtue of section [7A](#) of that Act,”.

Commencement Information

I159 Sch. 9 para. 2 not in force at Royal Assent, see [s. 124\(3\)](#)

Local Government Act 1985

- 3 In Schedule 13 to the Local Government Act 1985 (residuary bodies)—
- (a) in paragraph 14(aa), at the end insert “, where it applies by virtue of section [7A](#) or [32\(5\)](#) of that Act”;
 - (b) omit paragraph 17.

Commencement Information

I160 Sch. 9 para. 3 not in force at Royal Assent, see [s. 124\(3\)](#)

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Housing Act 1985

4 In the Housing Act 1985—

(a) in section 115 (meaning of “long tenancy”)—

(i) for subsection (2)(c) substitute—

“(c) at the time it is granted, it complies with the specified requirements.”;

(ii) after subsection (2) insert—

“(3) The “specified requirements” are—

(a) in the case of a tenancy granted before 11 December 1987, the requirements of the Housing (Exclusion of Shared Ownership Tenancies from the Leasehold Reform Act 1967) Regulations 1982 (S.I. 1982/62) (including where the tenancy was granted before those regulations came into force);

(b) in the case of a tenancy granted on or after 11 December 1987 and before the 2024 Act commencement day, the requirements in paragraph 2 of Schedule 2 to the Housing Association Shared Ownership Leases (Exclusion from Leasehold Reform Act 1967 and Rent Act 1977) Regulations 1987 (S.I. 1987/1940);

(c) in the case of a tenancy granted on or after the 2024 Act commencement day, requirements specified in regulations made by the appropriate authority.

(4) The “2024 Act commencement day” is the day on which paragraph 11 of Schedule 8 to the Leasehold and Freehold Reform Act 2024 comes into force.

(5) “The appropriate authority” means—

(a) in relation to England, the Secretary of State;

(b) in relation to Wales, the Welsh Ministers.

(6) Regulations under subsection (3)(c)—

(a) are to be made by statutory instrument;

(b) may make provision generally or only in relation to specific cases;

(c) may make different provision for different purposes or different areas;

(d) may include supplementary, incidental, transitional or saving provision.

(7) A statutory instrument containing regulations under this section is subject to annulment in pursuance of—

(a) where it contains regulations made by the Secretary of State, a resolution of either House of Parliament;

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- (b) where it contains regulations made by the Welsh Ministers, a resolution of Senedd Cymru.”;
- (b) omit section 175 (determination of price payable on enfranchisement under LRA 1967 where tenancy created under right to buy).

Commencement Information

I161 Sch. 9 para. 4 not in force at Royal Assent, see [s. 124\(3\)](#)

Landlord and Tenant Act 1985

- 5 In section 26 of the LTA 1985 (exception to service charge restrictions for public authority tenants)—
- (a) for subsection (3)(c) substitute—
 - “(c) at the time it is granted it complies with the specified requirements.”;
 - (b) after subsection (3) insert—
 - “(4) The “specified requirements” are—
 - (a) in the case of a tenancy granted before 11 December 1987, the requirements of the Housing (Exclusion of Shared Ownership Tenancies from the Leasehold Reform Act 1967) Regulations 1982 ([S.I. 1982/62](#)) (including where the tenancy was granted before those regulations came into force);
 - (b) in the case of a tenancy granted on or after 11 December 1987 and before the 2024 Act commencement day, the requirements in paragraph 2 of Schedule 2 to the Housing Association Shared Ownership Leases (Exclusion from Leasehold Reform Act 1967 and Rent Act 1977) Regulations 1987 ([S.I. 1987/1940](#));
 - (c) in the case of a tenancy granted on or after the 2024 Act commencement day, requirements specified in regulations made by the appropriate authority.
 - (5) The “2024 Act commencement day” is the day on which paragraph 11 of Schedule 8 to the Leasehold and Freehold Reform Act 2024 comes into force.
 - (6) Regulations under subsection (4)(c)—
 - (a) are to be made by statutory instrument;
 - (b) may make provision generally or only in relation to specific cases;
 - (c) may make different provision for different purposes or different areas;
 - (d) may include supplementary, incidental, transitional or saving provision.
 - (7) A statutory instrument containing regulations under this section is subject to the negative procedure.”

Changes to legislation: Leasehold and Freehold Reform Act 2024 is up to date with all changes known to be in force on or before 30 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Commencement Information

I162 Sch. 9 para. 5 not in force at Royal Assent, see [s. 124\(3\)](#)

Housing and Planning Act 1986

6 In Schedule 4 to the Housing and Planning Act 1986 (shared ownership leases), in paragraph 11 (transitional provisions and savings)—

- (a) in sub-paragraph (1), at the end insert “, subject to sub-paragraphs (1A) and (2)”;
- (b) for sub-paragraph (2) substitute—

“(1A) The amendment made by paragraph 7 (repeal of section 140 of the Housing Act 1980) also applies in relation to leases granted before the commencement of this Schedule, except in cases where, under section 7A or 32(5) of the Leasehold Reform Act 1967, the Leasehold Reform Act 1967 has effect without the amendments made by the Leasehold and Freehold Reform Act 2024.

(2) In those cases, this Schedule does not affect the operation of section 140 of the Housing Act 1980, the enactments applying that section or regulations made under it.”

Commencement Information

I163 Sch. 9 para. 6 not in force at Royal Assent, see [s. 124\(3\)](#)

Housing Act 1988

7 In Schedule 17 to the Housing Act 1988 (minor and consequential amendments)—

- (a) omit paragraph 40;
- (b) omit paragraph 68.

Commencement Information

I164 Sch. 9 para. 7 not in force at Royal Assent, see [s. 124\(3\)](#)

Local Government and Housing Act 1989

8 In paragraph 5 of Schedule 10 to the Local Government and Housing Act 1989 (security of tenure for long residential leases)—

- (a) in sub-paragraph (4), for the words from “unless” to the end substitute “unless—
 - (a) the landlord is a relevant authority, and
 - (b) the premises are required for relevant development.”;
- (b) after sub-paragraph (4) insert—

“(4A) For those purposes—

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- (a) “relevant authority” means a person referred to in any paragraph of section 38(2) of the Leasehold Reform Act 1967;
- (b) “relevant development”—
 - (i) in relation to a relevant authority other than a health authority, means development for the purposes (other than investment purposes) of that body;
 - (ii) in relation to a relevant authority that is a health authority, means development for the purposes of the National Health Service Act 2006 or the National Health Service (Wales) Act 2006;
 - (iii) in relation to a relevant authority that is a university body, also includes development for the purposes of any related university body;
 - (iv) in relation to a relevant authority that is a local authority, also includes area development;
- (c) “health authority” means—
 - (i) NHS England;
 - (ii) any integrated care board;
 - (iii) any Local Health Board;
 - (iv) any Special Health Authority;
 - (v) any National Health Service trust;
 - (vi) any NHS foundation trust;
 - (vii) any clinical commissioning group;
 - (viii) any Strategic Health Authority;
 - (ix) any Primary Care Trust;
- (d) “university body” and “related university body” have the same meaning as in section 29(6ZA) of the Leasehold Reform Act 1967;
- (e) “local authority” has the same meaning as in section 29(5) of the Leasehold Reform Act 1967;
- (f) “area development” means any development to be undertaken, whether or not by a local authority, in order to secure—
 - (i) the development or redevelopment of an area defined by a development plan under the Planning and Compulsory Purchase Act 2004 as an area of comprehensive development;
 - (ii) the treatment as a whole, by development, redevelopment or improvement, or partly by one and partly by another method, of any area in which the premises are situated.”

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Commencement Information

I165 Sch. 9 para. 8 not in force at Royal Assent, see [s. 124\(3\)](#)

Local Government (Wales) Act 1994

- 9 In Schedule 13 to the Local Government (Wales) Act 1994, in paragraph 24—
- (a) omit paragraph (b);
 - (b) in paragraph (c), at the end insert “, where it applies by virtue of section [7A](#) or [32\(5\)](#) of that Act”.

Commencement Information

I166 Sch. 9 para. 9 not in force at Royal Assent, see [s. 124\(3\)](#)

Housing Act 1996

- 10 In the Housing Act 1996—
- (a) omit section 109 (collective enfranchisement: valuation);
 - (b) omit section 110 (lease extension for flats: valuation);
 - (c) in Schedule 10 (consequential amendments)—
 - (i) in paragraph 6, omit sub-paragraph (4);
 - (ii) omit paragraph 18;
 - (d) in Schedule 11 (compensation for postponement of termination in connection with ineffective claims)—
 - (i) in paragraph 2, omit sub-paragraph (2);
 - (ii) in paragraph 3, omit sub-paragraph (2).

Commencement Information

I167 Sch. 9 para. 10 not in force at Royal Assent, see [s. 124\(3\)](#)

Commonhold and Leasehold Reform Act 2002

- 11 In the CLRA 2002—
- (a) omit section 126 (collective enfranchisement: valuation date);
 - (b) omit section 127 (collective enfranchisement: freeholder’s share of marriage value);
 - (c) omit section 128 (collective enfranchisement: disregard of marriage value for very long leases);
 - (d) in section 130 (lease extension for flats: residence test), omit subsection (2);
 - (e) omit section 132 (lease extension for flats: personal representatives);
 - (f) omit section 134 (lease extension for flats: valuation date);
 - (g) omit section 135 (lease extension for flats: freeholder’s share of marriage value);

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- (h) omit section 136 (lease extension for flats: disregard of marriage value for very long leases);
- (i) in Schedule 13 (leasehold valuation tribunals), omit paragraph 15.

Commencement Information

I168 Sch. 9 para. 11 not in force at Royal Assent, see [s. 124\(3\)](#)

Finance Act 2003

12 In the Finance Act 2003—

- (a) in Schedule 4 (stamp duty land tax: chargeable consideration), for paragraph 16C substitute—

“16C The following do not count as chargeable consideration—

- (a) costs borne by the purchaser under section 9(4) of the Leasehold Reform Act 1967, where it applies by virtue of section 7A of that Act;
 - (b) any amount payable by the purchaser under section 19C of the Leasehold Reform Act 1967;
 - (c) any amount payable by the purchaser under section 89C or 89D of the Leasehold Reform, Housing and Urban Development Act 1993.”;
- (b) in Schedule 17A (leases: further provision), in paragraph 10 (tenants’ obligations etc that do not count as chargeable consideration), for subparagraph (1)(f) substitute—
 - “(f) any liability of the tenant for costs under section 14(2) of the Leasehold Reform Act 1967, where it applies by virtue of section 32(5) of that Act;
 - (fa) any amount payable by the tenant under section 19C of the Leasehold Reform Act 1967 or section 89F of the Leasehold Reform, Housing and Urban Development Act 1993.”.

Commencement Information

I169 Sch. 9 para. 12 not in force at Royal Assent, see [s. 124\(3\)](#)

Companies Act 2006

13 In section 1181 of the Companies Act 2006 (access to constitutional documents of RTE and RTM companies)—

- (a) in the heading, omit “RTE and”;
- (b) in subsection (1), omit paragraph (a);
- (c) in subsection (4), omit the definition of “RTE companies”.

Commencement Information

I170 Sch. 9 para. 13 not in force at Royal Assent, see [s. 124\(3\)](#)

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Enterprise and Regulatory Reform Act 2013

- 14 In section 84 of the Enterprise and Regulatory Reform Act 2013 (redress schemes: property management work), in subsection (10), omit the words from “or which” to the end.

Commencement Information

I171 Sch. 9 para. 14 not in force at Royal Assent, see [s. 124\(3\)](#)

Immigration Act 2014

- 15 In Schedule 3 to the Immigration Act 2014 (excluded residential tenancy agreements), in paragraph 13(2)(a), omit the words from “or which” to the end.

Commencement Information

I172 Sch. 9 para. 15 not in force at Royal Assent, see [s. 124\(3\)](#)

Consumer Rights Act 2015

- 16 In section 88 of the Consumer Rights Act 2015 (duty of letting agents to publicise fees: supplementary provisions), in subsection (1), in the definition of “long lease”, omit paragraph (a)(ii) and the “or” preceding it.

Commencement Information

I173 Sch. 9 para. 16 not in force at Royal Assent, see [s. 124\(3\)](#)

Housing and Planning Act 2016

- 17 In Schedule 10 to the Housing and Planning Act 2016 (leasehold enfranchisement and extension: calculations)—
- (a) omit paragraph 4;
 - (b) omit paragraph 5.

Commencement Information

I174 Sch. 9 para. 17 not in force at Royal Assent, see [s. 124\(3\)](#)

Tenant Fees Act 2019

- 18 In section 28 of the Tenant Fees Act 2019 (interpretation), in subsection (1), in the definition of “long lease”, omit paragraph (b) and the “or” preceding it.

Commencement Information

I175 Sch. 9 para. 18 not in force at Royal Assent, see [s. 124\(3\)](#)

Changes to legislation: *Leasehold and Freehold Reform Act 2024 is up to date with all changes known to be in force on or before 30 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Building Safety Act 2022

- 19 In Schedule 8 to the BSA 2022 (remediation costs), in paragraph 6 (permitted maximum)—
- (a) in sub-paragraph (5), omit “total” in each place it occurs;
 - (b) in sub-paragraph (8)—
 - (i) for “total” substitute “tenant’s”;
 - (ii) for “section 7” substitute “section 101(1)”.

Commencement Information

I176 Sch. 9 para. 19 not in force at Royal Assent, see [s. 124\(3\)](#)

SCHEDULE 10

Section 48

RIGHT TO VARY LEASE TO REPLACE RENT WITH PEPPERCORN RENT

Right to vary lease to replace rent with peppercorn rent

- 1 (1) This Schedule has effect for the purpose of conferring on the tenant under a qualifying lease the right to have any obligation under the lease to pay rent varied so that the whole or part of the rent payable becomes and will remain a peppercorn rent.
- (2) That right has effect and is exercisable subject to, and in accordance with, the following provisions of this Schedule.

Commencement Information

I177 Sch. 10 para. 1 not in force at Royal Assent, see [s. 124\(3\)](#)

Meaning of “qualifying lease” and exclusion of certain rent from the right to vary

- 2 (1) In this Schedule “qualifying lease” means—
- (a) a qualifying lease of a house, or
 - (b) a qualifying lease of a flat.
- (2) But a lease is not a qualifying lease if—
- (a) the unexpired term of the lease is less than 150 years, or
 - (b) the lease is an excepted lease for the purposes of the LR(GR)A 2022 under—
 - (i) section 2(6) to (7B) of that Act (community housing leases), or
 - (ii) section 2(8) to (11) of that Act (home finance plan leases).
- (3) A lease is a “qualifying lease of a house” for the purposes of [this Schedule](#) if the tenant—
- (a) is, by virtue of the lease, entitled to acquire an extended lease under the LRA 1967, or
 - (b) is not so entitled, but only—

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- (i) because a requirement in section 1 of the LRA 1967 for the tenancy to be at a low rent is not met,
 - (ii) because a requirement in section 1(1)(a)(i) or (ii) of the LRA 1967 for the house and premises or the tenancy to be above a certain value is not met, or
 - (iii) by virtue of a Crown interest (see section 33 of that Act).
- (4) A lease is a “qualifying lease of a flat” for the purposes of [this Schedule](#) if the tenant—
 - (a) is, by virtue of the lease, entitled to acquire an extended lease under the LRHUDA 1993, or
 - (b) is not so entitled, but only by virtue of a Crown interest (see section 94 of that Act).
- (5) If only some of the property demised by a qualifying lease is qualifying property, the right to a peppercorn rent applies only in relation to so much of the rent which relates to the qualifying property (and, accordingly, any rent which relates to the other property demised by the qualifying lease is not affected by this Schedule).
- (6) For that purpose, property demised by a lease is “qualifying property” if the entitlement to acquire an extended lease referred to in sub-paragraph (3) or (4) does arise, or would arise (but for the impediment referred to in sub-paragraph (3)(b) or (4)(b)), in relation to that property by virtue of the qualifying lease.
- (7) If the qualifying lease is a shared ownership lease, the right to a peppercorn rent applies only in relation to rent payable in respect of the tenant’s share in the demised premises (and, accordingly, any rent which is payable in respect of the landlord’s share in the demised premises is not affected by this Schedule).
- (8) For that purpose, if the qualifying 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.
- (9) In this paragraph—
 - (a) “shared ownership lease” means a lease of premises—
 - (i) granted on payment of a premium calculated by reference to a percentage of the value of the premises or of the cost of providing them, or
 - (ii) 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 the premises;
 - (b) in relation to a shared ownership lease—
 - (i) “tenant’s share” means the tenant’s initial share in the premises demised by the lease, plus any additional share or shares in those demised premises which the tenant has acquired;
 - (ii) “landlord’s share” means the share in the premises demised by the lease which is not comprised in the tenant’s share.

Commencement Information

I178 Sch. 10 para. 2 not in force at Royal Assent, see [s. 124\(3\)](#)

Changes to legislation: Leasehold and Freehold Reform Act 2024 is up to date with all changes known to be in force on or before 30 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Claiming the right to a peppercorn rent

- 3 (1) A claim by a tenant to exercise the right to a peppercorn rent is made by the tenant giving notice of the claim (a “rent variation notice”) to—
- (a) the landlord under the qualifying lease, and
 - (b) any other party to the qualifying lease.
- (2) But a rent variation notice is of no effect if it is given at a time when—
- (a) a lease extension notice,
 - (b) a lease enfranchisement notice, or
 - (c) another rent variation notice,
- which relates to the qualifying lease has effect.
- (3) Paragraph 4 makes provision about the suspension of a rent variation notice.
- (4) A rent variation notice must state whether the right to a peppercorn rent applies—
- (a) to all of the rent under the qualifying lease, or
 - (b) in accordance with paragraph 2(5), only to rent which relates to qualifying property demised by the qualifying lease.
- (5) If the notice states that the right applies only to rent which relates to qualifying property, the rent variation notice must also describe that qualifying property.
- (6) A rent variation notice must also specify—
- (a) the premium which the tenant is proposing to pay for the rent reduction, and
 - (b) any other variations which need to be made to the lease in consequence of the reduction of the rent in accordance with this Schedule.
- (7) A rent variation notice—
- (a) is registrable under the Land Charges Act 1972, or
 - (b) may be the subject of a notice under the Land Registration Act 2002,
- as if it were an estate contract.
- (8) Where a rent variation notice is given, the rights and obligations of the tenant are assignable with, but are not capable of subsisting apart from, the qualifying lease or that lease so far as it demises qualifying property (see paragraph 2(5) and (6)); and, if the qualifying lease or that lease so far as it demises qualifying property is assigned—
- (a) with the benefit of the notice, any reference in this Schedule to the tenant is to be construed as a reference to the assignee;
 - (b) without the benefit of the notice, the notice is to be deemed to have been withdrawn by the tenant as at the date of the assignment.
- (9) If a rent variation notice is the subject of a registration or notice of the kind mentioned in sub-paragraph (7), the notice is binding on—
- (a) any successor in title to the whole or part of the landlord’s interest under the qualifying lease, and
 - (b) any person holding any interest granted out of the landlord’s interest;
- and any reference in this Schedule to the landlord is to be construed accordingly.

Commencement Information

I179 Sch. 10 para. 3 not in force at Royal Assent, see [s. 124\(3\)](#)

Changes to legislation: Leasehold and Freehold Reform Act 2024 is up to date with all changes known to be in force on or before 30 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Suspension of rent variation notices

- 4 (1) This paragraph applies if conditions A and B are met.
- (2) Condition A is met if—
- (a) a rent variation notice is current at the time when a collective enfranchisement notice is given, or
 - (b) a collective enfranchisement notice is current at the time when a rent variation notice is given.
- (3) Condition B is met if—
- (a) the rent variation notice relates to premises to which the claim for collective enfranchisement relates, and
 - (b) the tenant under the lease to which the rent variation notice relates is not a participating tenant in relation to the claim for collective enfranchisement.
- (4) The operation of the rent variation notice is suspended during the currency of the claim for collective enfranchisement; and so long as it is so suspended no further notice may be given, and no application may be made, under this Schedule with a view to resisting or giving effect to the tenant's claim for a peppercorn rent.
- (5) Where the operation of the rent variation notice is suspended by virtue of this paragraph, the landlord must, not later than the end of the relevant response period, give the tenant a notice informing the tenant of—
- (a) the suspension,
 - (b) the date on which the collective enfranchisement notice was given, and
 - (c) the name and address of the nominee purchaser for the time being appointed in relation to the claim for collective enfranchisement.
- (6) The landlord must give that notice—
- (a) as soon as is reasonably practicable, if a rent variation notice is current when a collective enfranchisement notice is given, or
 - (b) before the end of the period for responding specified in the rent variation notice in accordance with paragraph 5(7), if a collective enfranchisement notice is current when a rent variation notice is given.
- (7) Where, as a result of the claim for collective enfranchisement ceasing to be current, the operation of the rent variation notice ceases to be suspended by virtue of this paragraph—
- (a) the landlord must, as soon as possible after becoming aware of the circumstances by virtue of which the claim for collective enfranchisement has ceased to be current, give the tenant a notice informing the tenant that the operation of the rent variation notice is no longer suspended as from the date when the claim for collective enfranchisement ceased to be current;
 - (b) any time period for performing any action under this Schedule (including the response period) which was running when the rent variation notice was suspended begins to run again, for its full duration, from and including the date when the claim for collective enfranchisement ceased to be current.
- (8) In this paragraph—
- “claim for collective enfranchisement” means the claim to which the collective enfranchisement notice relates;

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“collective enfranchisement notice” means a notice under section 13 of the LRHUDA 1993 (notice of claim to exercise right to collective enfranchisement).

Commencement Information

I180 Sch. 10 para. 4 not in force at Royal Assent, see [s. 124\(3\)](#)

Counter-notice

- 5 (1) This paragraph applies if the landlord is given a rent variation notice by the tenant.
- (2) Before the end of the response period, the landlord must give the tenant a notice (a “counter-notice”) which states either—
- (a) that the landlord admits that, on the relevant date, the tenant had the right to a peppercorn rent, or
 - (b) that, for reasons specified in the notice, the landlord does not admit that the tenant had that right on that date,
- and which also specifies an address in England and Wales at which notices may be given to the landlord under this Schedule.
- (3) If the counter-notice admits the tenant’s right, the admission is binding on the landlord as to the tenant’s right to a peppercorn rent, unless the landlord shows that misrepresentation or concealment of material facts induced the landlord to make the admission.
- (4) If the counter-notice admits the tenant’s right, the counter-notice must also state either—
- (a) that the landlord admits that the right applies to the rent in respect of which the right is claimed, or
 - (b) that, for reasons specified in the notice, the landlord does not admit that the right applies to that rent,
- and must also give the landlord’s response to the proposed premium, and any other consequential variations to the lease, specified in the rent variation notice in accordance with paragraph 3(6).
- (5) The “rent in respect of which the right is claimed” is—
- (a) all of the rent under the qualifying lease, if the rent variation notice includes a statement under paragraph 3(4)(a), or
 - (b) the rent which relates to the property described in the rent variation notice in accordance with paragraph 3(5), if it includes a statement under paragraph 3(4)(b).
- (6) If the counter-notice admits that the right applies to the rent in respect of which the right is claimed, the admission is binding on the landlord as to that rent, unless the landlord shows that misrepresentation or concealment of material facts induced the landlord to make the admission.
- (7) The “response period” is a period (for the landlord to give counter-notice) specified in the rent variation notice which begins with the day on which the notice is given.
- (8) The rent variation notice may not specify a period of less than two months or more than six months.

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Commencement Information

I181 Sch. 10 para. 5 not in force at Royal Assent, see [s. 124\(3\)](#)

Application to appropriate tribunal where claim or terms not agreed

- 6
- (1) This paragraph applies if the landlord is given a rent variation notice by the tenant.
 - (2) If the landlord gives the tenant a counter-notice before the end of the response period which disputes—
 - (a) that the tenant had the right to a peppercorn rent,
 - (b) that the right applies to the rent in respect of which it is claimed,
 - (c) the amount of the premium which the tenant is proposing to pay, or
 - (d) the consequential variations of the lease proposed by the tenant,the landlord or tenant may apply to the appropriate tribunal to determine the matters in dispute.
 - (3) Any application under sub-paragraph (2) must be made before the end of the period of 6 months beginning with the day after the day on which the counter-notice is given.
 - (4) If the landlord does not give the tenant a counter-notice before the end of the response period, the tenant may apply to the appropriate tribunal to determine—
 - (a) whether the tenant has the right to a peppercorn rent,
 - (b) what rent that right applies in respect of,
 - (c) the amount of the premium which the tenant is to pay, or
 - (d) the variations of the lease that are to be made.
 - (5) Any application under sub-paragraph (4) must be made before the end of the period of 6 months beginning with the day after the last day of the response period.

Commencement Information

I182 Sch. 10 para. 6 not in force at Royal Assent, see [s. 124\(3\)](#)

Variation of the lease

- 7
- (1) This paragraph applies if a rent variation notice becomes enforceable.
 - (2) The landlord and the tenant, and any other party to the qualifying lease, must, upon the payment of the required premium by the tenant to the landlord, vary the qualifying lease by making the required peppercorn rent variation.
 - (3) A rent variation notice is “enforceable” from the time when the landlord admits or the appropriate tribunal determines—
 - (a) that the tenant has the right to a peppercorn rent, and
 - (b) all the terms on which the lease is to be varied, including what premium is payable (whether or not any shares of the premium that may be payable under paragraph 8(9) have been determined).
 - (4) The “required peppercorn rent variation” is the variation of the lease as admitted by the landlord or determined by the appropriate tribunal (see sub-paragraph (3)(b)).

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- (5) The “required premium” is the value of the right to receive rent over the remaining term of the qualifying lease.
- (6) Except in the case of a lease falling within paragraph 8, 10 or 11 of [Schedule 4](#) (market rack rent lease, lease already renewed under the LRA 1967 or business tenancy), that value is an amount equal to the term value of the lease as determined in accordance with paragraph 25 of [Schedule 4](#).
- (7) In this paragraph “relevant property” means the property demised by the qualifying lease to which the right to a peppercorn rent applies (see paragraph 2(6)).

Commencement Information

1183 Sch. 10 para. 7 not in force at Royal Assent, see [s. 124\(3\)](#)

Reduction of rent under intermediate leases

- 8
- (1) This paragraph applies if, at the time when a rent variation notice is given, there are one or more qualifying intermediate leases.
 - (2) 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 property to which the rent variation notice relates,
 - (b) the lease is immediately superior to—
 - (i) the lease to which the rent variation notice relates, 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.
 - (3) The landlord or the tenant under a qualifying intermediate lease may, by giving notice to the relevant landlord or landlords before the variation of the lease to which the rent variation notice relates, require the rent payable under the qualifying intermediate lease to be reduced in accordance with sub-paragraphs (6) to (8).
 - (4) If—
 - (a) under sub-paragraph (3) 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 (6) to (8).
 - (5) 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 (6) to (8), and
 - (b) to remove any terms of the lease which provide for an increase in the rent, or part of the rent, so reduced.
 - (6) 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.
 - (7) If only part of the rent under a qualifying intermediate lease is relevant rent—

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- (a) that part of the rent is to be reduced to zero, and
 - (b) the total rent is to be reduced accordingly.
- (8) 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 (6) or (7) 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.
- (9) Each eligible landlord is entitled to be paid a share of the required premium (see paragraph 7).
- (10) An eligible landlord’s share of the required premium is to be determined using this formula—

$$\text{required premium} \times \frac{\text{loss suffered by the eligible landlord}}{\text{total losses suffered by all eligible landlords}}$$

where the loss suffered by an eligible landlord is the loss which that landlord suffers as a result of the relevant reduction in the rent of the lease by virtue of which they are an eligible landlord (taking into account any relevant reduction in the rent of a lease of which they are the tenant).

- (11) In this paragraph—
- “eligible landlord” means the landlord of a lease whose rent is subject to a relevant reduction;
 - “reduced rent lease” means—
 - (a) the lease to which the rent variation notice relates, or
 - (b) a qualifying intermediate lease;
 - “relevant landlord” means—
 - (a) the landlord under the qualifying lease, and
 - (b) any superior landlord who must be given a copy of the rent variation notice in accordance with paragraph 16 or 17;
 - “relevant reduction” means—
 - (a) in relation to the lease to which the rent variation notice relates, a reduction resulting from that tenancy being varied in accordance with the other provisions of this Schedule;
 - (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 property to which the rent variation notice relates.

Commencement Information

1184 Sch. 10 para. 8 not in force at Royal Assent, see [s. 124\(3\)](#)

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Jurisdiction of the appropriate tribunal in relation to paragraph 8

- 9 (1) The appropriate tribunal may determine any matter arising under paragraph 8 (reduction of rent under intermediate leases on grant of a new lease), including what rent under an intermediate lease is apportioned to the qualifying property (see paragraph 2(6)).
- (2) In relation to paragraph 8—
- (a) if the landlord under a qualifying intermediate lease cannot be found or their identity cannot be ascertained, the appropriate tribunal may make such order as it thinks fit, including—
 - (i) an order dispensing with the requirement to give notice under paragraph 8(3) to that landlord, or
 - (ii) an order that such a notice has effect and has been properly served even though it has not been served on that landlord;
 - (b) the appropriate tribunal may make an order appointing a person to vary a lease in accordance with paragraph 8 on behalf of the landlord or tenant;
 - (c) if the appropriate tribunal makes a determination that a notice under paragraph 8(3) was of no effect, it may—
 - (i) determine whether another landlord or tenant could have given such a notice, and
 - (ii) if it determines that they could have done so, order that paragraph 8 is to apply as if they had done so.
- (3) The variation of a lease on behalf of a party in consequence of an order under sub-paragraph (2)(b) has the same force and effect (for all purposes) as if it had been executed by that party.

Commencement Information

I185 Sch. 10 para. 9 not in force at Royal Assent, see [s. 124\(3\)](#)

Failure to vary lease

- 10 (1) This paragraph applies if the qualifying lease is not varied in accordance with paragraph 7(2).
- (2) The appropriate tribunal may, on an application made by the tenant or the landlord, make—
- (a) such order as it thinks fit with respect to the making of that variation of the qualifying lease, or
 - (b) an order declaring that the rent variation notice is to cease to have effect.
- (3) An order under this paragraph may appoint a person to execute the variation of the lease on behalf of a party to the variation; and a variation executed in consequence of such an order has the same force and effect (for all purposes) as if it had been executed by that party.
- (4) Any application for an order under sub-paragraph (2) must be made within the period of four months beginning with the day on which the rent variation notice becomes enforceable (within the meaning of paragraph 7).

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Commencement Information

I186 Sch. 10 para. 10 not in force at Royal Assent, see [s. 124\(3\)](#)

Missing landlord or third party

- 11 (1) On an application made by the tenant under a qualifying lease, the appropriate tribunal may make a determination that the landlord under, or another party to, a qualifying lease cannot be found or their identity cannot be ascertained.
- (2) The following provisions of this paragraph apply if the appropriate tribunal makes such determination.
- (3) The appropriate tribunal may make such order as it thinks fit including—
- (a) an order dispensing with the requirement to give notice under paragraph 3 to that landlord or other party, or
 - (b) an order that such a notice has effect and has been properly served even though it has not been served on that landlord or other party.
- (4) If the appropriate tribunal is satisfied that the tenant has the right to a peppercorn rent, the tribunal may make such order as it thinks fit with respect to the variation of the qualifying lease to give effect to that right.
- (5) An order under sub-paragraph (4) may appoint a person to execute the variation of the lease on behalf of a party to the variation; and a variation executed in consequence of such an order has the same force and effect (for all purposes) as if it had been executed by that party.
- (6) Before making a determination or order under this paragraph, the appropriate tribunal may require the tenant to take such further steps by way of advertisement or otherwise as the tribunal thinks proper for the purpose of tracing the person in question.
- (7) If, after an application is made under this paragraph and before the lease is varied to give effect to the right to a peppercorn rent, the landlord or other party is traced—
- (a) no further proceedings shall be taken with a view to a lease being varied in accordance with this paragraph,
 - (b) the rights and obligations of all parties shall be determined as if the tenant had, at the date of the application, duly given the rent variation notice, and
 - (c) the appropriate tribunal may give such directions as it thinks fit as to the steps to be taken for giving effect to the right to a peppercorn rent, including directions modifying or dispensing with any of the requirements of this Schedule or any regulations.

Commencement Information

I187 Sch. 10 para. 11 not in force at Royal Assent, see [s. 124\(3\)](#)

Circumstances in which notice ceases to have effect etc

- 12 (1) A rent variation notice ceases to have effect from the time when—

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- (a) the tenant gives notice to the landlord, before the lease is varied in pursuance of the rent variation notice, that the tenant withdraws the notice (a “notice of withdrawal”);
- (b) the qualifying lease to which the notice relates is varied in accordance with the notice so that any rent under it is a peppercorn rent;
- (c) a lease enfranchisement notice or lease extension notice which relates to the qualifying lease is given;
- (d) any order setting aside the notice is made by the appropriate tribunal or a court;
- (e) the appropriate tribunal determines on an application under paragraph 6 that the tenant does not have the right to a peppercorn rent;
- (f) the period of six months mentioned in paragraph 6(3) or (5) ends, where the application mentioned there could be made, but is not made before the end of that period;
- (g) the period of four months mentioned in paragraph 10(4) ends, where the application mentioned there could be made, but is not made before the end of that period;
- (h) it ceases to have effect in accordance with any legislation applying to this Schedule by virtue of paragraph 20 or regulations under paragraph 21(3).

- (2) If a rent variation notice ceases to have effect, the landlord is under no obligation under [this Schedule](#) in respect of the notice as it previously had effect, except for any obligation arising under any provision of the LRHUDA 1993 that applies by virtue of paragraph 20.

Commencement Information

I188 Sch. 10 para. 12 not in force at Royal Assent, see [s. 124\(3\)](#)

Tenant’s liability for costs

- 13 (1) A tenant is not liable for any costs incurred by any other person as a result of the tenant’s exercise of the right to a peppercorn rent, except as referred to in—
 - (a) sub-paragraph (4),
 - (b) paragraph 14 (liability where claim ceases to have effect), and
 - (c) paragraph 15 (liability where tenant obtains the variation of the lease).
- (2) A former tenant is not liable for any costs incurred by any other person as a result of the former tenant’s claim to the right to a peppercorn rent, except as referred to in sub-paragraphs (4) and (5).
- (3) A lease, transfer, contract or other arrangement is accordingly of no effect to the extent it would provide to the contrary.
- (4) A tenant or former tenant is liable for costs incurred by another person in connection with proceedings before a court or tribunal if—
 - (a) the court or tribunal has power under this Schedule or another enactment to order that the tenant or former tenant pay those costs, and
 - (b) the court or tribunal makes such an order.

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- (5) A former tenant is liable for costs incurred by a successor in title to the extent agreed between the former tenant and that successor in title.
- (6) In this paragraph and paragraphs 14 and 15—
“claim” includes an invalid claim;
“former tenant” means a person who was a tenant making a claim to the right to a peppercorn rent, but is no longer a tenant.

Commencement Information

1189 Sch. 10 para. 13 not in force at Royal Assent, see [s. 124\(3\)](#)

Liability for costs: failed claims

- 14 (1) A tenant is liable to the landlord for a prescribed amount in respect of non-litigation costs if the tenant’s claim ceases to have effect by virtue of paragraph 12(1), unless it ceases to have effect by virtue of—
(a) paragraph 12(1)(b), or
(b) paragraph 12(1)(h) because of the application of section 55 of the LRHUDA 1993.
- (2) For the purposes of this paragraph—
(a) “prescribed” means prescribed by, or determined in accordance with, regulations made—
(i) in relation to England, by the Secretary of State;
(ii) in relation to Wales, by the Welsh Ministers;
(b) “non-litigation costs” are costs that are or could be incurred by a landlord as a result of a claim under this Schedule other than in connection with proceedings before a court or tribunal;
(c) where a claim ceases to have effect by virtue of a person who was a tenant assigning their lease without assigning the claim under paragraph 3(8), “tenant” includes that person.
- (3) A statutory instrument containing regulations under this paragraph is subject to the negative procedure.

Commencement Information

1190 Sch. 10 para. 14 not in force at Royal Assent, see [s. 124\(3\)](#)

Liability for costs: successful claims

- 15 (1) A tenant is liable to the landlord for the amount referred to in sub-paragraph (2) if—
(a) the tenant makes a claim to the right to a peppercorn rent,
(b) the rent is reduced in consequence of the claim,
(c) the premium payable by the tenant for the variation of the lease is less than a prescribed amount,
(d) the landlord incurs costs as a result of the claim,

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- (e) the costs are incurred other than in connection with proceedings before a court or tribunal,
 - (f) the costs incurred by the landlord are reasonable, and
 - (g) the costs are more than the premium payable.
- (2) The amount is the difference between—
- (a) the premium payable by the tenant, and
 - (b) the costs incurred by the landlord, or, if those costs exceed a prescribed amount, that prescribed amount.
- (3) In this paragraph “prescribed” means prescribed by, or determined in accordance with, regulations made—
- (a) in relation to England, by the Secretary of State;
 - (b) in relation to Wales, by the Welsh Ministers.
- (4) A statutory instrument containing regulations under this paragraph is subject to the negative procedure.

Commencement Information

I191 Sch. 10 para. 15 not in force at Royal Assent, see [s. 124\(3\)](#)

Duty of landlord to give copies of the rent variation notice to superior landlords

- 16 (1) This paragraph applies if the landlord is given a rent variation notice by the tenant.
- (2) The landlord must give a copy of the rent variation notice to any person whom the landlord believes is a superior landlord.
- (3) But that duty does not apply if the landlord has been notified under paragraph [17\(5\)\(b\)](#) that a copy of the rent variation notice has been given to that person.
- (4) The landlord must comply with that duty as soon as reasonably practicable after—
- (a) being given the rent variation notice, or
 - (b) forming the belief that a person is a superior landlord (if that is after the rent variation notice was given).
- (5) If the landlord gives a copy of the rent variation notice to a person under sub-paragraph (2), the landlord must, together with the copy, give that person the names of—
- (a) all of the persons to whom the landlord has given a copy of the notice under this paragraph, and
 - (b) any other persons that the landlord is aware have been given a copy of the notice.
- (6) If the landlord fails to comply with a duty in this paragraph, the landlord is liable in damages for any loss suffered by any other person as a result of the failure.

Commencement Information

I192 Sch. 10 para. 16 not in force at Royal Assent, see [s. 124\(3\)](#)

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Duty of superior landlord to give copies of the rent variation notice to other superior landlords

- 17 (1) This paragraph applies if a superior landlord is given a copy of a rent variation notice under paragraph 16 or this paragraph.
- (2) The superior landlord (the “forwarding landlord”) must give a copy of the rent variation notice to any person whom the forwarding landlord believes is a superior landlord.
- (3) But that duty does not apply if the forwarding landlord has been notified under paragraph 16 or this paragraph that a copy of the rent variation notice has been given to that person.
- (4) The forwarding landlord must comply with that duty as soon as reasonably practicable after—
- (a) being given the copy of the rent variation notice, or
 - (b) forming the belief that a person is a superior landlord (if that is after the copy of the rent variation notice was given).
- (5) If the forwarding landlord gives a copy of the rent variation notice to a person under sub-paragraph (2), the forwarding landlord—
- (a) must, together with the copy, give that person the names of—
 - (i) all of the persons to whom the forwarding landlord has given a copy of the notice under this paragraph, and
 - (ii) any other persons that the forwarding landlord is aware have been given a copy of the notice;
 - (b) must notify the landlord that the forwarding landlord has given the copy to that person.
- (6) If the forwarding landlord fails to comply with a duty in this paragraph, the forwarding landlord is liable in damages for any loss suffered by any other person as a result of the failure.

Commencement Information

1193 Sch. 10 para. 17 not in force at Royal Assent, see [s. 124\(3\)](#)

Actions of immediate landlord binding on other landlords

- 18 (1) This paragraph applies if there are one or more qualifying intermediate leases of property to which a rent variation notice relates.
- (2) The following are binding on the other landlords and on their interests in the property to which the rent variation notice relates or any other property—
- (a) any notice given under this Schedule by the immediate landlord to the tenant,
 - (b) any agreement for the purposes of this Schedule between the immediate landlord and the tenant, and
 - (c) any determination of the appropriate tribunal under this Schedule in proceedings between the immediate landlord and the tenant.
- (3) The immediate landlord is not liable to any of the other landlords for any loss or damage caused by any act or omission in the exercise or intended exercise of the

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authority given by sub-paragraph (2) if the immediate landlord acts in good faith and with reasonable care and diligence.

(4) In this paragraph—

“immediate landlord” means the immediate landlord under the lease to which the rent variation notice relates (and to which the rent variation notice must be given);

“other landlord” means the landlord under a qualifying intermediate lease of property to which the rent variation notice relates;

“qualifying intermediate lease” has the meaning given in paragraph 8.

Commencement Information

I194 Sch. 10 para. 18 not in force at Royal Assent, see [s. 124\(3\)](#)

Duty of immediate landlord to conduct commutation claim on behalf of affected other landlords

19 (1) This paragraph applies if—

- (a) there are one or more qualifying intermediate leases of property to which a rent variation notice relates, and
- (b) notice is given under paragraph 8(3).

(2) The immediate landlord must conduct the response to the tenant’s claim for a rent reduction on their own behalf and on behalf of the affected other landlords, including by—

- (a) agreeing the terms of variation of the qualifying lease,
- (b) agreeing the amount of the required premium,
- (c) receiving the whole of the required premium and (where it is so received) holding the required premium for themselves and the affected other landlords pending determination of the shares of the required premium in accordance with paragraph 8(9), and
- (d) conducting all proceedings arising out of the rent variation notice (whether the proceedings are for resisting or giving effect to the claim).

(3) If the immediate landlord receives the whole of the required premium, the immediate landlord’s written receipt for payment of that premium is a complete discharge to the tenant.

(4) Sub-paragraphs (2)(c) and (3) do not apply if the price payable is required to be paid into the tribunal by virtue of sub-paragraph (6)(c).

(5) The immediate landlord is not liable to any of the affected other landlords for any loss or damage caused by any act or omission in compliance or intended compliance with the duty under sub-paragraph (2) if the immediate landlord acts in good faith and with reasonable care and diligence.

(6) Any affected other landlord may—

- (a) apply to the appropriate tribunal for directions as to the manner in which the immediate landlord is to exercise the authority given by sub-paragraph (2);
- (b) be separately represented in any proceedings in which the amount of the required premium is being determined;

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- (c) by giving notice to the tenant and the immediate landlord, require the tenant to pay into the tribunal the whole of the required premium.
- (7) Each of the affected other landlords must make such contribution as is just to costs and expenses which are properly incurred by the immediate landlord in connection with the claim by the tenant under this Schedule but which are not recoverable or recovered from the tenant.
- (8) The appropriate tribunal—
- (a) may determine any matter arising in relation to the amount of any costs payable by virtue of sub-paragraph (7), and
 - (b) where it has determined such an amount of costs, may make an order requiring a person to pay those costs.
- (9) The court or the appropriate tribunal may order any affected other landlord to pay to the immediate landlord the costs, or a contribution to the costs, incurred by the immediate landlord in obtaining from the appropriate tribunal money that has been paid into it in compliance with a requirement imposed under sub-paragraph (6)(c) if—
- (a) that affected other landlord imposed the requirement, and
 - (b) the immediate landlord shows that it was unreasonable for that affected other landlord to impose the requirement.
- (10) The court or the appropriate tribunal may order the immediate landlord to pay to any affected other landlord the costs, or a contribution to the costs, incurred by that affected other landlord in obtaining from the appropriate tribunal money that has been paid into it in compliance with a requirement imposed under sub-paragraph (6)(c) if—
- (a) that affected other landlord imposed the requirement, and
 - (b) that affected other landlord shows that the requirement was imposed because of unreasonable conduct by the immediate landlord.
- (11) In this paragraph—
- “affected other landlord” means the landlord under a qualifying intermediate lease of which the rent is to be reduced in accordance with paragraph 8 (whether by virtue of paragraph 8(3) or (4));
 - “immediate landlord” means the immediate landlord under the lease to which the rent variation notice relates (and to which the rent variation notice must be given);
 - “qualifying intermediate lease” has the meaning given in paragraph 8;
 - “required premium” means the required premium payable under paragraph 7.

Commencement Information

1195 Sch. 10 para. 19 not in force at Royal Assent, see [s. 124\(3\)](#)

Provisions of the LRHUDA 1993 that apply for the purposes of this Schedule

- 20 (1) The provisions of the LRHUDA 1993 set out in the first column of the table below (the “applied provisions”) are to apply for the purposes of [this Schedule](#) (whether in its application to a house or flat).

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- (2) In its application by virtue of this paragraph, an applied provision has effect subject to—
- (a) any specific modification set out in the second column of the entry in the table below which relates to that provision, and
 - (b) the general modifications set out in sub-paragraph (3) (so far as they are applicable to the provision).

<i>Applied provisions</i>	<i>Specific modification(s) (if any)</i>
Sections 50 and 51 (missing landlords)	
Section 55(3) (compulsory acquisition)	
Section 56(3)(a) and (c) (exercise of right subject to payment of other sums)	The reference to any price payable has effect as a reference to the required premium payable under paragraph 7 of this Schedule
Section 58, except for subsection (4) (effect of right on mortgages)	A reference to the new lease has effect as a reference to the deed of variation of the lease
Section 93(1) and (2) (limitations on agreements to exclude or modify right)	
Section 93A (trustees)	
Schedule 2 (provisions relevant to special categories of landlord)	
Schedule 4 (provision of information by landlords)	
Schedule 12, paragraph 9 (inaccurate notices)	

- (3) A reference of a kind set out in the first column of an entry in the following table in an applied provision (however expressed) has effect as a reference of the kind set out in the second column of that entry—

<i>A reference of this kind in an applied provision...</i>	<i>...has effect as a reference of this kind...</i>
A person exercising or purporting to exercise the right to acquire a new lease of a flat	A person exercising or purporting to exercise the right to a peppercorn rent
The grant of a new lease in pursuance of the right to acquire a new lease	The variation of a qualifying lease in accordance with this Schedule

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<i>A reference of this kind in an applied provision...</i>	<i>...has effect as a reference of this kind...</i>
Property which the tenant is, or is not, entitled to have demised under a new lease	Property in respect of which the tenant has, or does not have, the right to a peppercorn rent under this Schedule
The price payable for the new lease	The required premium payable under paragraph 7 of this Schedule
A notice under section 42 to claim the right to a new lease	A rent variation notice
Counter-notice under section 45	Counter-notice under this Schedule
Notice of withdrawal under section 52	Notice of withdrawal under this Schedule
The relevant date	The relevant date under this Schedule
The LRHUDA 1993 or a Part, or Chapter of a Part, of the LRHUDA 1993	This Schedule
Particular provision of the LRHUDA 1993	The corresponding provision made in or under this Schedule

Commencement Information

I196 Sch. 10 para. 20 not in force at Royal Assent, see [s. 124\(3\)](#)

Regulations

- 21 (1) The Secretary of State may by regulations make provision for giving effect to the rights of a tenant under [this Schedule](#).
- (2) Regulations under sub-paragraph (1) may (in particular) make provision about notices under [this Schedule](#), including provision about—
- the giving of notices under [this Schedule](#);
 - the form of notices under this Schedule;
 - information to be included in notices under [this Schedule](#).
- (3) The regulations may (in particular) provide that notice which does not comply with provision made in the regulations—
- is not a notice under [this Schedule](#), or
 - is to cease to have effect.
- (4) The Secretary of State may, by regulations, amend paragraph 20 so as to—
- change the provisions of the LRHUDA 1993 which are applied by that paragraph;
 - provide for, or change, the modifications subject to which a provision applied by that paragraph has effect.
- (5) A statutory instrument containing regulations under this paragraph is subject to the negative procedure.
- (6) In [this paragraph](#) “notice under this Schedule” means—

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- (a) a rent variation notice;
- (b) a counter-notice;
- (c) a notice of withdrawal.

Commencement Information

1197 Sch. 10 para. 21 not in force at Royal Assent, see [s. 124\(3\)](#)

Interpretation

22 (1) In this Schedule—

“appropriate tribunal” means—

- (a) in respect of property wholly in Wales, a leasehold valuation tribunal;
- (b) in respect of other property, the First-tier Tribunal or, where determined by or under Tribunal Procedure Rules, the Upper Tribunal;

“counter-notice” has the meaning given in paragraph 5;

“landlord” is to be read subject to paragraph 3(9);

“lease enfranchisement notice” means a notice under—

- (a) section 8 of the LRA 1967 (notice of desire to acquire freehold of house), or
- (b) section 13 of the LRHUDA 1993 (notice of claim to exercise right to collective enfranchisement);

and a lease enfranchisement notice under section 13 of the LRHUDA 1993 relates to the qualifying lease if the tenant under the lease is one of the participating tenants in relation to the claim under the notice;

“lease extension notice” means a notice under—

- (a) section 14 of the LRA 1967 (notice of desire to extend lease of house), or
- (b) section 42 of the LRHUDA 1993 (notice of claim to exercise right to acquire new lease of flat);

“notice” means notice in writing;

“notice of withdrawal” has the meaning given in paragraph 12;

“peppercorn rent” has the same meaning as in the LR(GR)A 2022 (see section 4(3) of that Act);

“peppercorn rent variation” means the variation of a lease as mentioned in paragraph 1(1);

“qualifying lease”, “qualifying lease of a flat” and “qualifying lease of a house” have the meanings given in paragraph 2;

“relevant date”, in relation to a claim to exercise the right to a peppercorn rent, means the date on which the rent variation notice is given;

“rent” (except in the expression “low rent”) has the same meaning as in the LR(GR)A 2022 (see section 22(2) and (3) of that Act);

“rent variation notice” has the meaning given in paragraph 3;

“response period” has the meaning given in paragraph 5;

“right to a peppercorn rent” means the right conferred by this Schedule as described in paragraph 1;

“tenant” is to be read subject to paragraph 3(8).

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- (2) For the purposes of this Schedule an order of the appropriate tribunal becomes final—
- (a) if not appealed against, on the expiry of the time for bringing an appeal, or
 - (b) if appealed against and not set aside in consequence of the appeal, at the time when the appeal and any further appeal is disposed of—
 - (i) by the determination of it and the expiry of the time for bringing a further appeal (if any), or
 - (ii) by its being abandoned or otherwise ceasing to have effect.

Commencement Information

I198 Sch. 10 para. 22 not in force at Royal Assent, see [s. 124\(3\)](#)

SCHEDULE 11

Section 70

PART 4: CONSEQUENTIAL AMENDMENTS

PART 1

AMENDMENTS CONSEQUENTIAL ON SECTION 68

- 1 The LTA 1985 is amended in accordance with paragraphs 2 to 13.

Commencement Information

I199 Sch. 11 para. 1 not in force at Royal Assent, see [s. 124\(3\)](#)

- 2 In section 5 (information to be contained in rent books)—
- (a) in subsection (3)—
 - (i) in the words before paragraph (a), for “Secretary of State” substitute “appropriate authority”;
 - (ii) in paragraph (b), omit the words from “which shall” to the end;
 - (b) after subsection (3) insert—

“(4) A statutory instrument containing regulations under this section is subject to the negative procedure.”

Commencement Information

I200 Sch. 11 para. 2 not in force at Royal Assent, see [s. 124\(3\)](#)

- 3 In section 10B(8) (regulations under section 10A), for the words from “may not be made” to the end substitute “is subject to the affirmative procedure”.

Commencement Information

I201 Sch. 11 para. 3 not in force at Royal Assent, see [s. 124\(3\)](#)

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- 4 In section 20 (consultation requirements)—
- (a) in subsection (4), for “Secretary of State” substitute “appropriate authority”;
 - (b) in subsection (5), for “Secretary of State” substitute “appropriate authority”.

Commencement Information

I202 Sch. 11 para. 4 not in force at Royal Assent, see [s. 124\(3\)](#)

- 5 In section 20ZA (consultation requirements: supplementary)—
- (a) in subsection (3), for “Secretary of State” substitute “appropriate authority”;
 - (b) in subsection (4), for “Secretary of State” substitute “appropriate authority”;
 - (c) in subsection (7), omit the words from “which shall” to the end;
 - (d) after subsection (7) insert—
 - “(8) A statutory instrument containing regulations under section 20 or this section is subject to the negative procedure.”

Commencement Information

I203 Sch. 11 para. 5 not in force at Royal Assent, see [s. 124\(3\)](#)

- 6 In section 20E(4) (regulations under section 20D) for the words from “annulment” to the end substitute “the negative procedure”.

Commencement Information

I204 Sch. 11 para. 6 not in force at Royal Assent, see [s. 124\(3\)](#)

- 7 In section 20F(7) (limitation of service charges: excluded costs for higher risk buildings), for the words from “annulment” to the end substitute “the negative procedure”.

Commencement Information

I205 Sch. 11 para. 7 not in force at Royal Assent, see [s. 124\(3\)](#)

- 8 In section 29 (meaning of “recognised tenants’ association”)—
- (a) in subsection (5), for “Secretary of State” substitute “appropriate authority”;
 - (b) in subsection (6)(b), omit the words from “which shall” to the end;
 - (c) after subsection (6) insert—
 - “(7) A statutory instrument containing regulations under subsection (5) is subject to the negative procedure.”

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Commencement Information

I206 Sch. 11 para. 8 not in force at Royal Assent, see [s. 124\(3\)](#)

- 9 In section 29A (tenants’ associations: power to request information about tenants), in subsection (7), for the words from “annulment” to the end substitute “the negative procedure”.

Commencement Information

I207 Sch. 11 para. 9 not in force at Royal Assent, see [s. 124\(3\)](#)

- 10 In section 30D(9) (liability for building safety costs), for the words from “may not be made” to the end substitute “is subject to the affirmative procedure”.

Commencement Information

I208 Sch. 11 para. 10 not in force at Royal Assent, see [s. 124\(3\)](#)

- 11 In section 31 (reserve power to limit rents)—
- (a) in subsection (1), for “Secretary of State” substitute “appropriate authority”;
 - (b) in subsection (4), omit the words from “which shall” to the end;
 - (c) after subsection (4) insert—
- “(5) A statutory instrument containing an order under this section is subject to the negative procedure.”

Commencement Information

I209 Sch. 11 para. 11 not in force at Royal Assent, see [s. 124\(3\)](#)

- 12 In section 35 (application to Isles of Scilly)—
- (a) in subsection (2), omit the words from “which shall” to the end;
 - (b) after subsection (2) insert—
- “(3) A statutory instrument containing an order under this section is subject to the negative procedure.”

Commencement Information

I210 Sch. 11 para. 12 not in force at Royal Assent, see [s. 124\(3\)](#)

- 13 In paragraph 7(5) of the Schedule (right to notify insurers of possible claim), for “Secretary of State” substitute “appropriate authority”.

Commencement Information

I211 Sch. 11 para. 13 not in force at Royal Assent, see [s. 124\(3\)](#)

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PART 2

OTHER CONSEQUENTIAL AMENDMENTS

14 The LTA 1985 is amended in accordance with paragraphs 15 to 17.

Commencement Information

I212 Sch. 11 para. 14 not in force at Royal Assent, see [s. 124\(3\)](#)

15 In section 23A (effect of change of landlord)—

- (a) in subsection (1), for “sections 21 to 23” substitute “sections [21D](#) to [21H](#) or the Schedule”;
- (b) in subsection (4)—
 - (i) for “sections 21 to 23 and any regulations under section 21” substitute “sections [21D](#) to [21H](#), the Schedule, and any regulations under those sections or the Schedule”;
 - (ii) omit paragraph (b) and the “but” preceding it;
 - (iii) omit paragraph (c).

Commencement Information

I213 Sch. 11 para. 15 not in force at Royal Assent, see [s. 124\(3\)](#)

16 In section 26 (exception for tenants of certain public authorities)—

- (a) in subsection (1)—
 - (i) for the words from “Sections 18 to 25” to “do not apply” substitute “Sections 18 to [25A](#) do not apply”;
 - (ii) for “, in which case sections 18 to 24 apply but section 25 (offence of failure to comply) does not” substitute “(but see subsection [\(1A\)](#));
- (b) after subsection (1) insert—
 - “(1A) The following sections do not apply to a service charge payable by a tenant under a long tenancy of a landlord referred to in subsection (1)—
 - (a) section [20H](#) (right to claim where excluded insurance costs charged);
 - (b) section [20K](#) (right to claim where costs charged in breach of section [20J](#));
 - (c) section [25A](#) (enforcement of duties relating to service charges).”

Commencement Information

I214 Sch. 11 para. 16 not in force at Royal Assent, see [s. 124\(3\)](#)

17 In section 27 (exception for rent registered and not entered as variable), for the words from “Sections 18 to 25” to “do not apply” substitute “Sections 18 to [25A](#) do not apply”.

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Commencement Information

I215 Sch. 11 para. 17 not in force at Royal Assent, see [s. 124\(3\)](#)

- 18 In Schedule 5 to the Housing and Planning Act 1986 (miscellaneous amendments), omit paragraph 9(2).

Commencement Information

I216 Sch. 11 para. 18 not in force at Royal Assent, see [s. 124\(3\)](#)

- 19 In Schedule 2 to the LTA 1987 (amendments to the LTA 1985)—
- (a) omit paragraph 1 and the italic heading preceding it;
 - (b) omit paragraph 5 and the italic heading preceding it;
 - (c) omit paragraph 6 and the italic heading preceding it.

Commencement Information

I217 Sch. 11 para. 19 not in force at Royal Assent, see [s. 124\(3\)](#)

- 20 In Schedule 11 to the Local Government and Housing Act 1989 (minor and consequential amendments), omit paragraph 91.

Commencement Information

I218 Sch. 11 para. 20 not in force at Royal Assent, see [s. 124\(3\)](#)

- 21 In section 83 of the Housing Act 1996 (determination of reasonableness of service charges), omit subsection (4).

Commencement Information

I219 Sch. 11 para. 21 not in force at Royal Assent, see [s. 124\(3\)](#)

- 22 In Schedule 1 to the Housing Grants, Construction and Regeneration Act 1996 (consequential amendments), omit paragraph 12.

Commencement Information

I220 Sch. 11 para. 22 not in force at Royal Assent, see [s. 124\(3\)](#)

- 23 In the CLRA 2002—
- (a) omit section 152 (statements of account);
 - (b) omit section 153 (notice to accompany demands for service charges);
 - (c) omit section 154 (inspection etc of documents);
 - (d) in section 160 (third parties with management responsibilities), omit subsection (4)(d);
 - (e) in Schedule 7 (amendment of references to landlords)—
 - (i) omit paragraph 4(4);

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- (ii) omit paragraph 5(4);
- (f) in Schedule 9 (meaning of service charge and management), omit paragraph 7;
- (g) in Schedule 10 (minor and consequential amendments)—
 - (i) omit paragraph 1;
 - (ii) omit paragraph 3;
 - (iii) omit paragraph 4;
 - (iv) omit paragraph 6;
 - (v) omit paragraph 8;
 - (vi) omit paragraph 9;
 - (vii) omit paragraph 10;
 - (viii) omit paragraph 11;
 - (ix) omit paragraph 12;
 - (x) omit paragraph 13.

Commencement Information

I221 Sch. 11 para. 23 not in force at Royal Assent, see [s. 124\(3\)](#)

- 24 In Schedule 15 to the Housing Act 2004 (minor and consequential amendments), omit paragraph 32 and the italic heading preceding it.

Commencement Information

I222 Sch. 11 para. 24 not in force at Royal Assent, see [s. 124\(3\)](#)

- 25 In the Housing and Regeneration Act 2008 (service charges)—
- (a) in Schedule 12, omit paragraphs 1 to 10;
 - (b) in Schedule 16, omit the entry for the LTA 1985.

Commencement Information

I223 Sch. 11 para. 25 not in force at Royal Assent, see [s. 124\(3\)](#)

- 26 In Schedule 9 to the Crime and Courts Act 2013, in paragraph 52(2) (amendment of references to county court), in the entry for the LTA 1985, omit “section 20C(2), and”.

Commencement Information

I224 Sch. 11 para. 26 not in force at Royal Assent, see [s. 124\(3\)](#)

- 27 In the [Housing \(Wales\) Act 2014 \(anaw 7\)](#), in the English language text and in the Welsh language text, omit section 128 (exception from offence for social housing).

Commencement Information

I225 Sch. 11 para. 27 not in force at Royal Assent, see [s. 124\(3\)](#)

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- 28 In the Housing and Planning Act 2016, omit section 131 (limitation of administration charges: costs of proceedings).

Commencement Information

I226 Sch. 11 para. 28 not in force at Royal Assent, see [s. 124\(3\)](#)

- 29 In the BSA 2022—
- (a) in section 112 (implied terms in leases), omit subsections (4) and (7);
 - (b) in Schedule 8 (remediation costs), omit paragraph 17.

Commencement Information

I227 Sch. 11 para. 29 not in force at Royal Assent, see [s. 124\(3\)](#)

SCHEDULE 12

Section 105

REDRESS SCHEMES: FINANCIAL PENALTIES

Notice of intent

- 1 (1) Before imposing a financial penalty on a person under section [105](#), an enforcement authority must give the person notice of its proposal to do so (a “notice of intent”).
- (2) The notice of intent must be given before the end of the period of 6 months beginning with the first day on which the enforcement authority has sufficient evidence of the conduct to which the financial penalty relates.
- (3) But if the person is continuing to engage in the conduct on that day, and the conduct continues beyond the end of that day, the notice of intent may be given—
- (a) at any time when the conduct is continuing, or
 - (b) within the period of 6 months beginning with the last day on which the conduct occurs.
- (4) The notice of intent must set out—
- (a) the date on which the notice of intent is given,
 - (b) the amount of the proposed financial penalty,
 - (c) the reasons for proposing to impose the penalty, and
 - (d) information about the right to make representations under paragraph [2](#).

Commencement Information

I228 Sch. 12 para. 1 not in force at Royal Assent, see [s. 124\(3\)](#)

Right to make representations

- 2 (1) A person who is given a notice of intent may make written representations to the enforcement authority about the proposal to impose a financial penalty.

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- (2) Any representations must be made within the period of 28 days beginning with the day after the day on which the notice of intent was given to the person (“the period for representations”).

Commencement Information

I229 Sch. 12 para. 2 not in force at Royal Assent, see [s. 124\(3\)](#)

Final notice

- 3 (1) After the end of the period for representations the enforcement authority must—
- (a) decide whether to impose a financial penalty on the person, and
 - (b) if it decides to do so, decide the amount of the penalty.
- (2) If the enforcement authority decides to impose a financial penalty on the person, it must give a notice to the person (a “final notice”) imposing that penalty.
- (3) The final notice must require the penalty to be paid within the period of 28 days beginning with the day after the day on which the notice was given.
- (4) The final notice must set out—
- (a) the date on which the final notice is given,
 - (b) the amount of the financial penalty,
 - (c) the reasons for imposing the penalty,
 - (d) information about how to pay the penalty,
 - (e) the period for payment of the penalty,
 - (f) information about rights of appeal, and
 - (g) the consequences of failure to comply with the notice.

Commencement Information

I230 Sch. 12 para. 3 not in force at Royal Assent, see [s. 124\(3\)](#)

Withdrawal or amendment of notice

- 4 (1) An enforcement authority that gives a notice of intent or final notice may at any time—
- (a) withdraw the notice of intent or final notice, or
 - (b) reduce an amount specified in the notice of intent or final notice.
- (2) The power in sub-paragraph (1) is to be exercised by giving notice in writing to the person to whom the notice was given.

Commencement Information

I231 Sch. 12 para. 4 not in force at Royal Assent, see [s. 124\(3\)](#)

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Appeals

- 5 (1) A person to whom a final notice is given may appeal to the First-tier Tribunal against—
- (a) the decision to impose the penalty, or
 - (b) the amount of the penalty.
- (2) An appeal under this paragraph must be brought within the period of 28 days beginning with the day after the day on which the final notice is given to the person.
- (3) If a person appeals under this paragraph, the final notice is suspended until the appeal is finally determined, withdrawn or abandoned.
- (4) An appeal under this paragraph—
- (a) is to be a re-hearing of the enforcement authority’s decision, but
 - (b) may be determined having regard to matters of which the enforcement authority was unaware.
- (5) On an appeal under this paragraph the First-tier Tribunal may quash, confirm or vary the final notice.
- (6) The final notice may not be varied under sub-paragraph (5) so as to impose a financial penalty of more than the enforcement authority could have imposed.

Commencement Information

I232 Sch. 12 para. 5 not in force at Royal Assent, see [s. 124\(3\)](#)

Recovery of financial penalty

- 6 (1) This paragraph applies if a person fails to pay the whole or any part of a financial penalty which, in accordance with this Schedule, the person is liable to pay.
- (2) The enforcement authority which imposed the financial penalty may recover the penalty or part on the order of the county court as if it were payable under an order of that court.

Commencement Information

I233 Sch. 12 para. 6 not in force at Royal Assent, see [s. 124\(3\)](#)

Proceeds of financial penalties

- 7 (1) Where an enforcement authority imposes a financial penalty under section 105, it may apply the proceeds towards meeting the costs and expenses (whether administrative or legal) incurred in, or associated with, carrying out any of its functions under this Part of this Act.
- (2) Any proceeds of a financial penalty imposed under section 105 by an enforcement authority other than the Secretary of State which are not applied in accordance with sub-paragraph (1) must be paid to the Secretary of State.

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Commencement Information

I234 Sch. 12 para. 7 not in force at Royal Assent, see [s. 124\(3\)](#)

SCHEDULE 13

Section 110

PART 6: AMENDMENTS TO OTHER ACTS

Local Government Act 1974

- 1 (1) The Local Government Act 1974 is amended in accordance with paragraphs 2 to 5.

Commencement Information

I235 Sch. 13 para. 1 not in force at Royal Assent, see [s. 124\(3\)](#)

- 2 (1) Section 33 (consultation between Local Commissioner and other Commissioners and Ombudsmen) is amended as follows.
- (2) In subsection (1)—
- (a) before paragraph (ba) insert—
 - “(bzc) under a leasehold and estate management redress scheme,”;
 - (b) in the words after paragraph (c)—
 - (i) for “or Ombudsman” substitute “, Ombudsman or head of leasehold and estate management redress”;
 - (ii) before “the Public Services Ombudsman (Wales) Act 2005” insert “the leasehold and estate management redress scheme,”.
- (3) In subsection (2)—
- (a) before “the Public Services Ombudsman for Wales” insert “the head of leasehold and estate management redress,”;
 - (b) for “Commissioner or that Ombudsman” substitute “person”.
- (4) Before subsection (4) insert—
- “(3C) If at any stage in the course of an investigation under a leasehold and estate management redress scheme, the head of leasehold and estate management redress forms the opinion that the complaint relates partly to a matter which could be the subject of an investigation under this Part of this Act, the head of leasehold and estate management redress must consult with the appropriate Local Commissioner about the complaint and, if the head of leasehold and estate management redress considers it necessary, inform the person initiating the complaint of the steps necessary to initiate a complaint under this Part of this Act.”
- (5) In subsection (4)—
- (a) for “or (3B)” substitute “, (3B) or (3C)”;
 - (b) for “or the new homes ombudsman scheme” substitute “, the new homes ombudsman scheme or a leasehold and estate management redress scheme”.

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Commencement Information

I236 Sch. 13 para. 2 not in force at Royal Assent, see [s. 124\(3\)](#)

- 3 (1) Section 33ZA (collaborative working between Local Commissioners and others) is amended as follows.
- (2) In subsection (1)—
- (a) in paragraph (c), omit the final “or”;
 - (b) at the end of paragraph (d), insert “or
 - (e) an individual who investigates complaints under a leasehold and estate management redress scheme,”.
- (3) In subsection (1A) for “or (d)” substitute “, (d) or (e)”.
- (4) After subsection (1A) insert—
- “(1B) For the purposes of subsections (1) and (1A) a matter is “within the jurisdiction” of an individual who investigates complaints under a leasehold and estate management redress scheme if it is a matter which could be the subject of an investigation under that scheme.”
- (5) In subsection (3)—
- (a) in paragraph (c), omit the final “or”;
 - (b) at the end of paragraph (d), insert “or
 - (e) an individual who investigates complaints under a leasehold and estate management redress scheme,”;
 - (c) in the words after paragraph (d), for “or (d)” substitute “, (d) or (e)”.

Commencement Information

I237 Sch. 13 para. 3 not in force at Royal Assent, see [s. 124\(3\)](#)

- 4 In section 33ZB (arrangements for provision of administrative and other services), in subsection (4)—
- (a) in paragraph (e), omit the final “and”;
 - (b) at the end of paragraph (f), insert “, and
 - (g) the administrator of a leasehold and estate management redress scheme.”

Commencement Information

I238 Sch. 13 para. 4 not in force at Royal Assent, see [s. 124\(3\)](#)

- 5 In section 34 (interpretation) in subsection (1), at the appropriate places insert—
- ““leasehold and estate management redress scheme” means a redress scheme within the meaning of section 100(4) of the Leasehold and Freehold Reform Act 2024 (leasehold and estate management: redress schemes);”
- ““head of leasehold and estate management redress”, in relation to a leasehold and estate management redress scheme, means the

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person responsible for overseeing and monitoring the investigation and determination of complaints under the scheme;”.

Commencement Information

I239 Sch. 13 para. 5 not in force at Royal Assent, see [s. 124\(3\)](#)

Commencement Information

I235 Sch. 13 para. 1 not in force at Royal Assent, see [s. 124\(3\)](#)

I236 Sch. 13 para. 2 not in force at Royal Assent, see [s. 124\(3\)](#)

I237 Sch. 13 para. 3 not in force at Royal Assent, see [s. 124\(3\)](#)

I238 Sch. 13 para. 4 not in force at Royal Assent, see [s. 124\(3\)](#)

I239 Sch. 13 para. 5 not in force at Royal Assent, see [s. 124\(3\)](#)

Housing Act 1996

- 6 (1) Paragraph 10A of Schedule 2 to the Housing Act 1996 (housing complaints: collaborative working with Local Commissioners) is amended as follows.
- (2) In sub-paragraph (1)—
- (a) for “or the new homes ombudsman” substitute “, the new homes ombudsman or an individual who investigates complaints under a leasehold and estate management redress scheme”;
 - (b) for the words from “that Commissioner” to the end substitute “any one or more of them”.
- (3) After sub-paragraph (1) insert—
- “(1A) For the purposes of sub-paragraph (1) a matter is “within the jurisdiction” of an individual who investigates complaints under a leasehold and estate management redress scheme if it is a matter which could be the subject of an investigation under that scheme.”
- (4) In sub-paragraph (3)—
- (a) for “or the new homes ombudsman” substitute “, the new homes ombudsman or an individual who investigates complaints under a leasehold and estate management redress scheme (or two or more of them)”;
 - (b) for the words from “that Commissioner” to the end substitute “them”.
- (5) In sub-paragraph (4) for “a Local Commissioner, the new homes ombudsman (or both)” substitute “one or more persons”.
- (6) After sub-paragraph (5) insert—
- “(6) In this paragraph “leasehold and estate management redress scheme” means a redress scheme within the meaning of section [100\(4\)](#) of the Leasehold and Freehold Reform Act 2024.”

Commencement Information

I240 Sch. 13 para. 6 not in force at Royal Assent, see [s. 124\(3\)](#)

Changes to legislation: *Leasehold and Freehold Reform Act 2024 is up to date with all changes known to be in force on or before 30 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Building Safety Act 2022

- 7 In paragraph 3(5) of Schedule 3 to the BSA 2022—
- (a) in paragraph (c), omit the final “or”;
 - (b) at the end of paragraph (d) insert “, or
 - (e) a redress scheme within the meaning of section [100\(4\)](#) of the Leasehold and Freehold Reform Act 2024 (leasehold and estate management: redress schemes).”.

Commencement Information

I241 Sch. 13 para. 7 not in force at Royal Assent, see [s. 124\(3\)](#)

Changes to legislation:

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Changes and effects yet to be applied to :

- s. 37 applied by 1967 c. 88, s. 14A (as inserted) by [2024 c. 22 s. 35\(3\)](#)
- s. 37 applied by 1967 c. 88, s. 9(A1) (as inserted) by [2024 c. 22 s. 35\(2\)\(a\)](#)
- s. 37 applied by 1993 c. 28, s. 32(1) (as substituted) by [2024 c. 22 s. 36\(2\)](#)
- s. 37 applied by 1993 c. 28, s. 56(1)(b) (as substituted) by [2024 c. 22 s. 36\(3\)\(a\)](#)