



Leasehold and Freehold Reform Act 2024

2024 CHAPTER 22

PART 2

LEASEHOLD ENFRANCHISEMENT AND EXTENSION

Effects of enfranchisement

PROSPECTIVE

32 Right to require leaseback by freeholder after collective enfranchisement

- (1) The LRHUDA 1993 is amended as follows.
- (2) In section 13(3) (contents of initial notice), after paragraph (c) insert—
 - “(ca) specify any flats or other units contained in the specified premises which it is proposed will be leased back to the freeholder under section 36 and Part 3A of Schedule 9;”.
- (3) In section 21(3)(a) (contents of counter-notice), in sub-paragraph (ii), after “leaseback proposals” insert “under Part 2 or 3 of Schedule 9”.
- (4) In section 36 (nominee purchaser required to grant leases back to former freeholder in certain circumstances)—
 - (a) after subsection (1) insert—
 - “(1A) In connection with the acquisition by the nominee purchaser of a freehold interest in the specified premises, the person from whom the interest is acquired must accept a grant of a lease of a flat or other unit contained in the specified premises, or part of such a flat or other unit, where required to do so by Part 3A of Schedule 9.”;
 - (b) in subsection (2), for “such lease” substitute “lease required under this section and Schedule 9 to be granted or accepted”;
 - (c) in subsection (4), for “II or III” substitute “2, 3 or 3A”;

Status: This version of this provision is prospective.

Changes to legislation: There are currently no known outstanding effects for the Leasehold and Freehold Reform Act 2024, Section 32. (See end of Document for details)

- (d) for the heading substitute “Required grant and acceptance of leasebacks in certain circumstances”.
- (5) In Schedule 9 (grant of leases back to former freeholder)—
 - (a) in paragraph 1(1), in the definition of “the demised premises”, for “II or III” substitute “2, 3 or 3A”;
 - (b) after Part 3 insert—

“PART 3A

RIGHT OF NOMINEE PURCHASER TO REQUIRE LEASEBACK OF CERTAIN UNITS

Flats and other units without participating tenants

- 7A (1) This paragraph applies where a flat or other unit contained in the specified premises is not let to a participating tenant immediately before the appropriate time.
- (2) This paragraph does not apply to a flat or other unit to which paragraph 2 or 3 applies.
- (3) This paragraph does not apply where—
- (a) a flat is leased to a qualifying tenant immediately before the appropriate time,
 - (b) a lease of the flat that is superior to the lease held by the qualifying tenant exists at that time, and
 - (c) the nominee purchaser has decided, in accordance with paragraph 2(5) of Schedule A1, to acquire the superior lease insofar as it comprises the flat.
- (4) Where this paragraph applies, the freeholder must, if the nominee purchaser by notice requires them to do so, accept a lease of the flat or other unit in accordance with section 36 and paragraph 7B below.
- (5) If, immediately before the appropriate time, the flat or other unit in question is comprised in two or more different freehold titles—
- (a) a grant of a lease to a freeholder under this paragraph may only provide for so much of the flat or other unit as was comprised in the freehold title owned by the freeholder immediately before the appropriate time to be leased to that freeholder;
 - (b) a grant of a lease under this paragraph for part of a flat or other unit does not have to be accepted by the freeholder unless a separate lease under this paragraph is granted to the freeholder of every other freehold title in which the flat or unit in question is comprised.

Status: This version of this provision is prospective.

Changes to legislation: There are currently no known outstanding effects for the Leasehold and Freehold Reform Act 2024, Section 32. (See end of Document for details)

Provisions as to terms of lease

- 7B (1) Any lease granted to the freeholder under paragraph 7A, and any agreement collateral to it, must conform with the provisions of Part 4 of this Schedule except to the extent that any departure from those provisions—
- (a) is agreed to by the nominee purchaser and the freeholder, or
 - (b) is directed by the appropriate tribunal on an application made by either of those persons.
- (2) The appropriate tribunal may not direct any such departure from those provisions unless it appears to the tribunal that it is reasonable in the circumstances.
- (3) In determining whether any such departure is reasonable in the circumstances, the tribunal must—
- (a) have particular regard to the interests of any person who will be the tenant of the flat or other unit in question under a lease inferior to the lease to be granted to the freeholder;
 - (b) where the flat or other unit in question is comprised in two or more different freehold titles immediately before the appropriate time, take that into account.
- (4) Subject to the preceding provisions of this paragraph, any such lease or agreement as is mentioned in sub-paragraph (1) may include such terms as are reasonable in the circumstances.”;
- (c) in paragraph 10, after sub-paragraph (2) insert—
- “(3) In the application of this paragraph or paragraph 11 to a lease under paragraph 7A for part of a flat or other unit where that flat or other unit is comprised in two or more different freehold titles immediately before the appropriate time—
- (a) a reference to “other property” in this paragraph or paragraph 11 includes any other part of the flat or other unit in question, and
 - (b) an obligation under this paragraph or paragraph 11 to include in the lease a particular kind of provision in relation to other property is to be construed accordingly.”;
- (d) in paragraph 16(2), for “4 or 7” substitute “4, 7 or 7B”.

Commencement Information

II S. 32 not in force at Royal Assent, see s. 124(3)

Status:

This version of this provision is prospective.

Changes to legislation:

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