



# Leasehold and Freehold Reform Act 2024

## 2024 CHAPTER 22

### PART 2

#### LEASEHOLD ENFRANCHISEMENT AND EXTENSION

##### *Effects of extension*

PROSPECTIVE

#### **34 Lease extensions under the LRA 1967 on payment of premium at peppercorn rent**

- (1) The LRA 1967 is amended as follows.
- (2) In section 14 (obligation to grant extended lease)—
  - (a) in subsection (1), for “, in substitution for the existing tenancy” substitute “—
    - (a) in substitution for the existing tenancy, and
    - (b) on paying the price payable (see section 14A) in respect of the grant,”;
  - (b) omit subsection (2)(c);
  - (c) in subsection (3), in the words before paragraph (a), after “otherwise than on tender” insert “, in addition to the price payable,”;
  - (d) after subsection (7) insert—

“(8) The right to an extended lease may be exercised in relation to a lease previously granted under this section; and the provisions of this Part are to apply, with any necessary modifications, for the purposes of or in connection with any claim to exercise that right in relation to a lease so granted as they apply for the purposes of or in connection with any claim to exercise that right in relation to a lease which has not been so granted.”

Section 14A (referred to in subsection (2)(a)) is inserted by section 35 of this Act.

*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 34. (See end of Document for details)*

- (3) In section 15 (terms of tenancy to be granted on extension)—
- (a) for subsection (2) substitute—
- “(2) The new tenancy must provide that as from the date it is granted the rent payable for the house and premises is a peppercorn rent.
- (2A) But if the existing tenancy is a shared ownership lease, the rent payable for the house and premises under the new tenancy is as follows (and subsection (2) does not apply)—
- (a) if the existing tenancy provides for rent to be payable in respect of the landlord’s share in the house and premises, subsection (1) applies to the terms of the new tenancy relating to that rent;
- (b) whether or not the existing tenancy provides for rent to be payable in respect of the tenant’s share in the house and premises, the new tenancy must provide that, as from the date it is granted, a peppercorn rent is payable in respect of the tenant’s share;
- and a reference in any enactment (whenever passed or made) to rent payable in accordance with subsection (2) includes a reference to the rent payable in accordance with this subsection.
- (2B) For the purposes of subsection (2A), if the existing tenancy 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.
- (2C) In this section “peppercorn rent” has the same meaning as in the Leasehold Reform (Ground Rent) Act 2022 — see section 4(3) of that Act.”;
- (b) in subsection (3)—
- (i) for “rent”, in the first place it occurs, substitute “peppercorn rent”;
- (ii) for “the time when rent becomes payable in accordance with subsection (2) above” substitute “the original term date”;
- (c) in subsection (6)—
- (i) omit “the first reference in subsection (2) above to that date shall have effect as a reference to the grant of the new tenancy; but”;
- (ii) omit “(after making any necessary apportionment)”;
- (iii) omit “rent and” in both places it occurs;
- (iv) after “section 14(3)(a) above shall apply” insert “in respect of those matters”.
- (4) In section 21(1) (jurisdiction of tribunals), omit paragraph (b).
- (5) In section 31(2)(a) (ecclesiastical property), omit “or rent”.
- (6) In Schedule 1 (enfranchisement or extension by sub-tenants), in paragraph 10(4)—
- (a) omit the words from the first “shall give effect to” to “intermediate landlord, and”;
- (b) for “any of those landlords” substitute “the landlord granting the new tenancy, the immediate landlord of whom the new tenancy will be held and any intermediate landlord”.

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**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 34. (See end of Document for details)

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**Commencement Information**

**II** S. 34 not in force at Royal Assent, see [s. 124\(3\)](#)

**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 34.