

# Leasehold and Freehold Reform Act 2024

# **2024 CHAPTER 22**

## PART 4

**REGULATION OF LEASEHOLD** 

Litigation costs

PROSPECTIVE

## 63 Right of tenants to claim litigation costs from landlords

After section 30I of the LTA 1985 insert-

"Right of tenants to claim litigation costs from landlords

## 30J Right of tenants to claim litigation costs from landlords

(1) It is an implied term of a lease that if—

- (a) there are relevant proceedings concerning the lease, and
- (b) the relevant court or tribunal orders, on an application by the tenant, that the landlord pay an amount in respect of all or any of the tenant's litigation costs in connection with the proceedings,

the landlord must pay the tenant the amount ordered.

- (2) The relevant court or tribunal may make such order on the application as it considers just and equitable in the circumstances.
- (3) The relevant court or tribunal must, in deciding whether to make an order, take into account any matters specified in regulations made by the appropriate authority.
- (4) Costs incurred by a landlord—

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Leasehold and Freehold Reform Act 2024, Section 63. (See end of Document for details)

- (a) in connection with an application for an order,
- (b) in compliance with the implied term, or
- (c) otherwise in connection with the implied term or an order (for example, in connection with appeal proceedings or proceedings to enforce the implied term),

are litigation costs of the landlord (and section 20CA of this Act and paragraph 5B of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 apply accordingly).

- (5) A lease, contract or other arrangement is of no effect to the extent it makes provision contrary to this section, regulations made under this section or an order made under this section.
- (6) In this section—

"landlord" and "tenant" have the same meanings as in the provisions relating to service charges (see section 30);

"litigation costs" means any costs incurred, or to be incurred, by a person in connection with relevant proceedings to which they are party;

"relevant proceedings" means proceedings-

- (a) that are before a court, residential property tribunal, leasehold valuation tribunal, the First-tier Tribunal or the Upper Tribunal, or are arbitration proceedings,
- (b) to which a landlord and a tenant are party,
- (c) that concern a lease of a dwelling to which that landlord and that tenant are party, and
- (d) that relate to a matter of a description specified in regulations made by the appropriate authority;
- "the relevant court or tribunal" means-
- (a) where the relevant proceedings are court proceedings, the court before which the proceedings are taking place or, if the application is made after the proceedings are concluded, the county court;
- (b) where the relevant proceedings are before a residential property tribunal, a leasehold valuation tribunal;
- (c) where the relevant proceedings are before a leasehold valuation tribunal, the tribunal before which the proceedings are taking place or, if the application is made after the proceedings are concluded, any leasehold valuation tribunal;
- (d) where the relevant proceedings are before the First-tier Tribunal, the tribunal;
- (e) where the relevant proceedings are before the Upper Tribunal, the tribunal;
- (f) where the relevant proceedings are arbitration proceedings, the arbitral tribunal or, if the application is made after the proceedings are concluded, the county court.
- (7) A reference in this section to proceedings concerning a lease includes—
  - (a) proceedings concerning any matter arising out of—

(i) the existence of the lease,

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- (ii) any term of the lease, or
- (iii) any agreement or arrangement entered into in connection with the lease;
- (b) proceedings concerning any enactment relevant to—
  - (i) the lease, or
  - (ii) any agreement or arrangement entered into in connection with the lease;
- (c) proceedings that otherwise have a connection with the lease.
- (8) Regulations under this section—
  - (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;
  - (d) may include supplementary, incidental, transitional or saving provision.
- (9) A statutory instrument containing regulations under this section is subject to the negative procedure."

#### **Commencement Information**

II S. 63 not in force at Royal Assent, see s. 124(3)

## Status:

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#### Changes to legislation:

There are currently no known outstanding effects for the Leasehold and Freehold Reform Act 2024, Section 63.