



Leasehold and Freehold Reform Act 2024

2024 CHAPTER 22

PART 5

REGULATION OF ESTATE MANAGEMENT

Key definitions

72 Meaning of “estate management” etc

- (1) This section has effect for the purposes of this Part.
- (2) “Estate management” means—
 - (a) the provision of services,
 - (b) the carrying out of maintenance, repairs or improvements,
 - (c) the effecting of insurance, or
 - (d) the making of payments,for the benefit of one or more dwellings.
- (3) “Estate manager” means a body of persons (whether incorporated or not)—
 - (a) which carries out, or is required to carry out, estate management, and
 - (b) which recovers the costs of carrying out estate management by means of relevant obligations.
- (4) A reference to an estate manager in relation to a managed dwelling means an estate manager which carries out, or is required to carry out, estate management in relation to that dwelling.
- (5) “Managed dwelling” means a dwelling in relation to which an estate manager carries out, or is required to carry out, estate management.
- (6) “Relevant obligation”, in relation to a dwelling, means any of the following obligations (whether or not the obligation arises before this section comes into force)—
 - (a) a rentcharge which—

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- (i) is charged on or issues out of the land which comprises the dwelling or a building of which the dwelling forms part, and
 - (ii) is an estate rentcharge by virtue of section 2(4)(b) and (5) of the Rentcharges Act 1977 (“the RA 1977”);
 - (b) an obligation under a lease of the dwelling;
 - (c) any other obligation that—
 - (i) runs with the land which comprises the dwelling or a building of which the dwelling forms part, or
 - (ii) otherwise (whether in law or in equity) binds an owner for the time being of the land which comprises the dwelling;
 - (d) any other obligation—
 - (i) to which an owner of the dwelling is subject, and
 - (ii) to which any immediate successor in title of that owner will become subject, if an arrangement to which the estate manager and that owner are parties is performed.
- (7) The arrangements that are within subsection (6)(d) include an arrangement under which the owner is required (in particular by a limitation on transfer of title to the dwelling or on registration of a transfer of title) to ensure that any immediate successor in title to the owner enters into an obligation.
- (8) “Estate management charge” means an amount in relation to which each of the following applies—
- (a) the amount is payable by an owner of a managed dwelling;
 - (b) the amount is payable for the purpose of meeting, or contributing towards, relevant costs (see subsection (11)) in relation to that dwelling;
 - (c) payment of the amount is required by, or enforceable through, a relevant obligation.
- (9) But none of the following is an estate management charge—
- (a) an amount payable under a scheme established in accordance with section 19 of the LRA 1967 or Chapter 4 of Part 1 of the LRHUDA 1993 (estate management schemes following enfranchisement);
 - (b) rent reserved under a lease;
 - (c) a service charge (which has the meaning given in section 18 of the LTA 1985);
 - (d) an administration charge (see section 83);
 - (e) a charge payable by a unit-holder of a commonhold unit to meet the expenses of a commonhold association.
- (10) For the purposes of subsection (9)(e)—
- (a) “unit-holder”, “commonhold unit” and “commonhold association” have the same meaning as in Part 1 of the CLRA 2002 (see section 1(3) of that Act);
 - (b) the expenses of a commonhold association include the building safety expenses of the association (within the meaning given in section 38A of the CLRA 2002).
- (11) “Relevant costs”, in relation to a dwelling, means costs which are incurred by an estate manager in carrying out estate management for the benefit of the dwelling or for the benefit of the dwelling and other dwellings.

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- (12) Costs are relevant costs in relation to an estate management charge whether they are incurred, or to be incurred, in the period for which the charge is payable or in an earlier or later period.