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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Leasehold Reform (Enfranchisement and Extension) Regulations 1967 which prescribe conditions governing the procedure to be followed in giving effect to a notice, under Part I of the Leasehold Reform Act 1967 (“the 1967 Act”), of a tenant’s desire to have the freehold or an extended lease of a leasehold house. These Regulations will apply to cases where an application for enfranchisement or lease extension under the 1967 Act is made in respect of a leasehold house in Wales on or after the date the Regulations come into force.

The amendments are consequential to amendments made to section 1 of the 1967 Act by sections 138 to 140 of the [Commonhold and Leasehold Reform Act 2002](#) (“the 2002 Act”) (c.15). Subject to two exceptions, these provisions of the 2002 Act abolished the residence test (which required the tenant to have occupied the house as an only or principal home for the last twelve months or for periods amounting to three years in the last ten years) for claims for enfranchisement or lease extension and replaced it with a requirement that the tenant has held the lease for two years.

The two exceptions to the abolition of the residence test are: (i) where the tenancy in question is a business tenancy, and (ii) where a flat forming part of the house is let to a tenant who is a 'qualifying tenant' of the flat for the purposes of Chapter 1 or 2 of Part I of the Leasehold Reform, Housing and Urban Development Act 1993 (c. 28). In both of these cases, to make an application under Part I of the 1967 Act, the tenant must have lived in the house as an only or principal home for the last two years or for periods amounting to two years in the last ten years.

A Regulatory Appraisal has been prepared in connection with these Regulations. A copy may be obtained from the Housing Directorate, the National Assembly for Wales, Cathays Park, Cardiff, CF10 3NQ (Tel 029 20 823025).