

Leasehold and Freehold Reform Bill

AMENDMENTS
TO BE MOVED
ON REPORT

After Clause 46

LORD YOUNG OF COOKHAM

After Clause 46, insert the following new Clause –

“Abolition of forfeiture of a long lease

- (1) This section applies to any right of forfeiture or re-entry in relation to a dwelling held on a long lease which arises either –
 - (a) under the terms of that lease, or
 - (b) under or in consequence of section 146(1) of the Law of Property Act 1925.
- (2) The rights referred to in subsection (1) are abolished.
- (3) In this section –
 - “dwelling” means a building or part of a building occupied or intended to be occupied as a separate dwelling, together with any yard, garden, or outhouses and appurtenances belonging to it or usually enjoyed with it;
 - “lease” means a lease at law or in equity and includes a sub-lease, but does not include a mortgage term;
 - “long lease” has the meaning given by sections 76 and 77 of the Commonhold and Leasehold Reform Act 2002.”

Member's explanatory statement

This new Clause would abolish the right of forfeiture in relation to residential long leases in instances where the leaseholder is in breach of covenant.

After Clause 51

LORD MOYLAN

After Clause 51, insert the following new Clause –

“Right to manage: local housing authority Housing Revenue Account

- (1) The Commonhold and Leasehold Reform Act 2002 is amended as follows.

- (2) In paragraph 4(1) of Schedule 6 (premises excluded from right to manage), after “premises” insert “and the whole of the premises are held within the Housing Revenue Account of that local housing authority”.

Member's explanatory statement

This would allow the Right to Manage to be exercised where the landlord was a local housing authority but the premises were not held within that local housing authority's Housing Revenue Account.

Clause 61

LORD MOYLAN

Clause 61, page 78, line 27, at end insert –

- “(1A) Subsection (1) does not apply to non-profit or resident-led entities which have the right to enforce payment of a service charge.
- (1B) Entities described in subsection (1A) include but are not limited to –
- (a) a Resident Management Company, being a body corporate which is party to a lease of a building where –
 - (i) the members of that body are leaseholders, or
 - (ii) the majority of the shares of that body are held by leaseholders;
 - (b) a Right to Manage Company constituted under the Commonhold and Leasehold Reform Act 2002, and
 - (c) a landlord wholly owned by the tenants whether through a corporate structure or otherwise.
- (1C) Subsection (1) does not apply to entities with repairing obligations to but no legal interest in a building.
- (1D) Entities described in subsection (1C) include but are not limited to –
- (a) managers appointed under Section 24 of the Landlord and Tenant Act 1987, and
 - (b) named managers appointed under the lease as being the party with managing and repairing obligations in relation to the building but separate from the landlord and with no legal interest in the land or building.
- (1E) Where subsections 1A or 1C apply, section 20C of this Act continues to apply.”

Member's explanatory statement

This would allow non-profit and/or resident-run lease operators and other entities with repairing obligations but no legal interest in the building to continue to recoup legal costs through the service charge in the first instance. The proposed Section (1E) introduces a protection for tenants by reinstating Section 20C of the Landlord and Tenant Act 1985.

After Clause 109

LORD BEST
LORD YOUNG OF COOKHAM
BARONESS HAYTER OF KENTISH TOWN

After Clause 109, insert the following new Clause –

“Training and qualifications of property agents

- (1) The Secretary of State may by regulations require that individuals undertaking the activities of a property agent in respect of –
 - (a) estate management of leasehold properties,
 - (b) sale of leasehold properties, and
 - (c) sale of freehold properties subject to estate management or service charges must have, or be working toward, specific mandatory qualifications, as defined by regulations made under subsection (2), to demonstrate competency to undertake their property agency roles.
- (2) 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, or transitional provision,
 - (e) may specify classes or types of employees who must be qualified and the appropriate qualification level for each such group,
 - (f) may specify syllabuses and testing methods for qualifications,
 - (g) may specify means of training provision and minimum training hours, and
 - (h) may approve providers for the provision of training and qualifications.
- (3) A statutory instrument containing regulations under this section is subject to the negative procedure.”

LORD BEST
LORD YOUNG OF COOKHAM
BARONESS HAYTER OF KENTISH TOWN

After Clause 109, insert the following new Clause –

“Enforcement of agent qualification regulations

- (1) The requirement in section (*Training and qualifications of property agents*) is a condition of membership of any approved redress scheme for property agents in respect of –
 - (a) estate management of leasehold properties,
 - (b) sale of leasehold properties, and
 - (c) sale of freehold properties subject to estate management or service charges.

- (2) The Secretary of State may by regulations make provision about the enforcement of a duty imposed by regulations under section (*Training and qualifications of property agents*).
- (3) The regulations may require a property agent who fails to comply with a duty imposed by regulations under section 104 to pay a financial penalty (or more than one penalty in the event of a continuing failure).
- (4) The provision that may be made under subsection (2) includes provision –
 - (a) about the procedure to be followed in imposing penalties,
 - (b) about the amount of penalties,
 - (c) conferring rights of appeal against penalties, and
 - (d) for the enforcement of penalties.
- (5) Regulations under this section are subject to the negative procedure.”

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22 May 2024

PUBLISHED BY AUTHORITY OF THE HOUSE OF LORDS