

These notes refer to the Commonhold and Leasehold Reform Act 2002 (c.15) which received Royal Assent on 1st May 2002

COMMONHOLD AND LEASEHOLD REFORM ACT 2002

EXPLANATORY NOTES

SCHEDULES

Schedule 11: Administration charges (Section 158)

Part 1: Reasonableness of administration charges

Meaning of ‘administration charge’

397. *Paragraph 1(1)* defines ‘administration charge’ for the purposes of Part 1 of the Schedule. This covers charges payable for approvals required as a condition of a lease, for the provision of information to leaseholders or other parties (e.g. prospective purchasers), penalty charges for late payment of rent or other charges, or charges in connection with a breach (or alleged breach) of a covenant or condition of a lease. *Paragraph 1(5)* provides a power to amend this definition by order.
398. *Paragraph 1(3)* defines a ‘variable administration charge’. This is any administration charge where neither the sum nor a formula for calculating the sum is specified in the lease.