

SCHEDULE 6

LEASES

PART 3

RENT AND OTHER CONSIDERATION

Tenants' obligations etc. that do not count as chargeable consideration

- 16 (1) In the case of a grant of a lease none of the following counts as chargeable consideration —
- (a) any undertaking by the tenant to repair, maintain or insure the leased premises;
 - (b) any undertaking by the tenant to pay any amount in respect of services, repairs, maintenance or insurance or the landlord's costs of management;
 - (c) any other obligation of the tenant that is not such as to affect the rent that a tenant would be prepared to pay in the open market;
 - (d) any guarantee of the payment of rent or the performance of any other obligation of the tenant under the lease;
 - (e) any penal rent, or increased rent in the nature of a penal rent, payable in respect of the breach of any obligation of the tenant under the lease;
 - (f) any liability of the tenant for costs under section 14(2) of the [Leasehold Reform Act 1967 \(c. 88\)](#) or section 60 of the [Leasehold Reform, Housing and Urban Development Act 1993 \(c. 28\)](#) (costs to be borne by person exercising statutory rights to be granted lease);
 - (g) any other obligation of the tenant to bear the landlord's reasonable costs or expenses of, or incidental to, the grant of the lease;
 - (h) any obligation under the lease to transfer to the landlord, on the termination of the lease, payment entitlements granted to the tenant under the single payment scheme (that is, the scheme of income support for farmers in pursuance of Title III of Council Regulation [\(EC\) No 73/2009](#)) in respect of land subject to the lease.
- (2) Where sub-paragraph (1) applies in relation to an obligation, a payment made in discharge of the obligation does not count as chargeable consideration.
- (3) The release of an obligation mentioned in sub-paragraph (1) does not count as chargeable consideration in relation to the surrender of the lease.