



Leasehold Reform (Ground Rent) Act 2022

2022 CHAPTER 1

Application of Act

2 Excepted leases

Business leases

- (1) A lease is an excepted lease if—
 - (a) the terms of the lease expressly permit premises demised by the lease to be used for purposes which are business purposes (and do not require any further consent from the landlord for such use),
 - (b) the nature of the business purposes permitted by the lease is such that the use of premises demised by the lease as a dwelling significantly contributes to the business purposes, and
 - (c) at or before the time the lease is granted, the landlord and tenant (or prospective landlord and tenant) each give the other a written notice to the effect that they intend premises demised (or to be demised) by the lease to be used, and to continue to be used, for the purposes mentioned in paragraph (a).
- (2) The Secretary of State may by regulations make further provision about the form and content of notices under [subsection \(1\)\(c\)](#).
- (3) “Business” includes a trade, profession or employment, but does not include a home business within the meaning of Part 2 of the Landlord and Tenant Act 1954 (see section 43ZA of that Act).

Statutory lease extensions

- (4) A lease is an excepted lease if it is granted under Part 1 of the Leasehold Reform Act 1967 (tenant of leasehold house entitled to extended lease).

Changes to legislation: There are currently no known outstanding effects for the Leasehold Reform (Ground Rent) Act 2022, Section 2. (See end of Document for details)

- (5) A lease is an excepted lease if it is granted under Chapter 2 of Part 1 of the Leasehold Reform, Housing and Urban Development Act 1993 (tenant of flat entitled to extended lease).

Community housing leases

- (6) A lease is an excepted lease if—
- (a) it is a community housing lease, and
 - (b) it meets any further conditions specified in regulations made by the relevant authority.
- (7) A lease is a community housing lease if—
- (a) the landlord under the lease is a community land trust^{F1} ..., or
 - (b) it is a lease of a dwelling in a building within paragraph 2B of Schedule 14 to the Housing Act 2004 (buildings controlled or managed by co-operative societies), disregarding sub-paragraph (3)(b) of that paragraph.

[^{F2}(7A) A “community land trust” means a body corporate which satisfies the conditions in subsection (7B); and in those conditions “local community” means the individuals who live or work, or want to live or work, in a particular area.

- (7B) The conditions are—
- (a) that the body is established for the express purpose of furthering the social, economic and environmental interests of a local community by acquiring and managing land and other assets in order—
 - (i) to provide a benefit to the local community, and
 - (ii) to ensure that the assets are not sold or developed except in a manner which the trust’s members think benefits the local community, and
 - (b) that the body is established under arrangements which are expressly designed to ensure that—
 - (i) any profits from its activities will be used to benefit the local community (otherwise than by being paid directly to members);
 - (ii) individuals who live or work in the particular area have the opportunity to become members of the trust (whether or not others can also become members), and
 - (iii) the members of the trust control it.]

Home finance plan leases

- (8) A lease is an excepted lease if—
- (a) it is a home finance plan lease, and
 - (b) it meets any further conditions specified in regulations made by the Secretary of State.
- (9) A lease is a home finance plan lease if—
- (a) it is granted pursuant to an arrangement which is a regulated home reversion plan for the purposes of Chapter 15A of Part 2 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 ([S.I. 2001/544](#)), or
 - (b) it is granted by a finance provider to a home buyer pursuant to a rent to buy arrangement.

Changes to legislation: There are currently no known outstanding effects for the Leasehold Reform (Ground Rent) Act 2022, Section 2. (See end of Document for details)

- (10) A “rent to buy arrangement” is an arrangement in relation to which the following conditions are met—
- (a) a person (the “finance provider”) buys a qualifying interest, or an undivided share of a qualifying interest, in land, and
 - (b) the arrangement provides for the obligation of another person (the “home buyer”) to buy the interest bought by the finance provider over the course of, or at the end of, a specified period.
- (11) A “qualifying interest in land” means an estate in fee simple absolute or a term of years absolute, whether subsisting at law or in equity.

Textual Amendments

- F1** Words in s. 2(7)(a) omitted (20.9.2023) by virtue of [Social Housing \(Regulation\) Act 2023 \(c. 36\)](#), s. 46(3), [Sch. 5 para. 49\(2\)](#); S.I. 2023/1001, [reg. 2\(y\)\(xviii\)](#)
- F2** [S. 2\(7A\)\(7B\)](#) inserted (20.9.2023) by [Social Housing \(Regulation\) Act 2023 \(c. 36\)](#), s. 46(3), [Sch. 5 para. 49\(3\)](#); S.I. 2023/1001, [reg. 2\(y\)\(xviii\)](#)

Commencement Information

- I1** S. 2 in force at Royal Assent for specified purposes, see [s. 25\(1\)\(a\)](#)
- I2** S. 2 in force at 30.6.2022 for specified purposes by [S.I. 2022/694](#), [reg. 3](#)
- I3** S. 2 in force at 1.4.2023 in so far as not already in force by [S.I. 2022/694](#), [reg. 4](#)

Changes to legislation:

There are currently no known outstanding effects for the Leasehold Reform (Ground Rent) Act 2022, Section 2.