

Leasehold Reform (Ground Rent) Bill [HL]

AMENDMENTS
TO BE MOVED
ON REPORT

Clause 6

BARONESS GRENDER
LORD STUNELL

Page 4, line 32, leave out paragraph (a) and insert—

“(a) in respect of the excepted period, a rent which does not at any time during the excepted period exceed 0.1% of the value of the landlord’s interest in the dwelling, being the value once any replacement lease is granted;”

Member’s explanatory statement

This amendment seeks to protect residential leaseholders being forced to enter into non-statutory lease extensions by prescribing a monetary ground rent of no more than 0.1% of the freehold value of the dwelling after taking into account the lease extension.

Leave out Clause 6

Member’s explanatory statement

This amendment would remove Clause 6 from the Bill so as to extend peppercorn ground rents to any non-statutory lease extension or lease variation effective in relation to a residential dwelling after a relevant commencement date.

After Clause 7

BARONESS GRENDER
LORD STUNELL

Insert the following new Clause—

“Duty to inform the tenant

- (1) Before entering a formal or informal renegotiation or extension of an existing lease, the landlord must inform the tenant of the changes introduced by this Act, if the sections of the Act in relation to prohibited rent are not yet in force.
- (2) This section comes into force on the day on which this Act is passed.”

Member's explanatory statement

This amendment would require landlords to let tenants know of the upcoming changes to ground rents to try and prevent lease extensions before the changes in this Bill are implemented.

After Clause 18

LORD LENNIE

Insert the following new Clause—

“Ground rent for existing long leases

Within 30 days of the day on which section 3 comes into force (for any kind of lease), the Secretary of State must publish draft legislation to restrict ground rents on all existing long residential leases to a peppercorn.”

Member's explanatory statement

This amendment aims to ensure that the Government introduces further legislation to remove ground rent for all leaseholders, whereas the Act currently only applies to newly established leases.

BARONESS PINNOCK
BARONESS GRENDER
LORD STUNELL

Insert the following new Clause—

“Review of the financial impact of the Act

- (1) Within 6 months of the day on which this Act is passed the Secretary of State must carry out a review of the financial impact of this Act on leaseholders.
- (2) The review must make a recommendation as to whether further legislation should be introduced to extend the ban on ground rents to existing long leases.
- (3) The recommendation in subsection (2) must take into account the potential financial impact of an extension of the ban on ground rents on those leaseholders and tenants who have been charged for the cost of fire remediation work.”

Member's explanatory statement

This amendment would require a review of the financial impact of this Act and make a recommendation as to whether a further extension of the ground rents ban could benefit existing leaseholders, especially those facing bills for fire remediation work.

After Clause 19

BARONESS GRENDER
LORD STUNELL

Insert the following new Clause—

“Ground rent in pre-commencement leases: prescribed information

- (1) Section 166 of the Commonhold and Leasehold Reform Act 2002 is amended as follows.
- (2) In subsection 2(b), omit the final “and”.
- (3) After subsection 2(c) insert—

After Clause 19 - continued

- “(d) the landlord’s justification for the amount of the rent, including identifying and explaining what, if any, expenses the landlord will meet in whole or in part using any part of the rent demanded, and
- (e) in cases where the landlord will not meet any expenses using the rent demanded, a statement by the landlord to that effect,””

Member’s explanatory statement

This amendment requires landlords collecting ground rent under pre-commencement leases to justify the payments by reference to the expenses to be met from the ground rent, or else to confirm that the ground rent is not used to pay any expenses.

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15 June 2021
