



## 2001 CHAPTER 5

### *Interpretation*

#### **Interpretation: “ground rent”**

**28.—**(1) In this Act “ground rent” means—

- (a) a fee farm rent; or
- (b) the rent payable under a lease granted for a term of more than 50 years, other than a nominal rent.

(2) In subsection (1) “nominal rent” means—

- (a) a rent of a yearly amount of less than £1; or
- (b) a peppercorn or other rent having no money value.

(3) For the purposes of this Act where a ground rent is payable if demanded (however expressed), it shall be treated as payable even though there is no demand.

(4) Where the amount of a ground rent is subject to alteration in consequence of a breach of covenant (whether it is to be increased from a lower amount to a higher amount in the event of a breach or is subject to reduction from a higher amount to a lower amount so long as there is no breach), for the purposes of this Act the amount of the ground rent is the lower amount.