

COMMONHOLD AND LEASEHOLD REFORM ACT 2002

EXPLANATORY NOTES

COMMENTARY ON THE SECTIONS: PART 1

Qualifying rules

Section 115: Non-residential premises

203. *Section 115* amends section 4(1) of the 1993 Act to enable premises where the proportion of the internal floor area used for non-residential purposes is up to 25% to qualify for the right. This replaces the present limit of 10%.

Section 116: Premises including railway track

204. *Section 116* amends section 4 of the 1993 Act and exempts property from the right to enfranchise, where the freehold of the property includes part of an operational railway track.

Section 117: Qualifying leases

205. *Section 117* amends the definition of qualifying tenant in section 5(1) of the 1993 Act to remove the current requirement that the tenant's long lease should be at a low rent or for a particularly long term (i.e. over 35 years). Subsection (2) amends section 69(1)(b) of the 1993 Act to ensure that it continues to be possible to request consent for the making of an application for the approval of an estate management scheme in connection with acquisitions under Chapter 1 of Part 1 of the 1993 Act.

Section 118: Premises with resident landlord

206. *Section 118* amends section 10 of the 1993 Act which exempts premises converted into four or fewer flats where the landlord or an adult family member has occupied one of the flats as their only or principal home for at least twelve months. This exemption will now apply only if the landlord has owned the freehold since before the conversion. Where the freehold of the premises is held on trust, the exemption will only apply where the person, or at least one of the persons, occupying one of the flats as their only or principal home for at least twelve months had also been a beneficiary of the trust since before the conversion.

Section 119: Proportion of tenants required to participate

207. *Section 119* amends section 13(2) of the 1993 Act to remove the current requirement that an initial notice of claim to exercise the right must be given by at least two-thirds of the qualifying tenants of flats in the premises.

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

Section 120: Abolition of residence condition

208. *Section 120* amends section 13(2) of the 1993 Act to remove the current requirement that at least half of the tenants giving the initial notice must satisfy a residence test.