

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

# COMMONHOLD AND LEASEHOLD REFORM ACT 2002

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## EXPLANATORY NOTES

### COMMENTARY ON THE SECTIONS: PART 1

#### *Purchase price*

##### *Section 126: Valuation date*

219. *Section 126* amends Schedule 6 to the 1993 Act to provide that the various values included in the price payable by the RTE company shall be determined as at the 'relevant date' – that is, the date of service of the initial notice – instead of as at the 'valuation date' – that is, the date at which it has been agreed or determined what freehold interests will be acquired by the company.

##### *Section 127: Freeholder's share of marriage value*

220. *Section 127* amends paragraph 4(1) of Schedule 6 to the 1993 Act to provide that the freeholder's share of marriage value should be 50% in all cases, rather than the greater of (a) such proportion as is agreed by the parties or determined by a LVT and (b) 50%.

##### *Section 128: Disregard of marriage value in case of very long leases*

221. *Section 128* amends paragraph 4 of Schedule 6 to the 1993 Act to provide that, in calculating the purchase price, marriage value is ignored on any participating member's lease which has more than 80 years left until its expiry.

#### *Chapter 3: New leases for tenants of flats*

##### *Section 129: Introductory*

222. *Section 129* provides that this Chapter amends the right of tenants to acquire new leases under the 1993 Act.