

### **119A Meaning of “connected replacement lease**

(1) For the purposes of section 119 (and this section) a lease (the “new lease”) is a “connected replacement lease” if—

- (a) the new lease is a lease of a single dwelling in a relevant building,
- (b) the tenant under the new lease is liable to pay a service charge,
- (c) the new lease was granted on or after 14 February 2022,
- (d) the new lease replaces—
  - (i) one other lease, which is a qualifying lease (whether under section 119(2) or (3A)), or
  - (ii) two or more other leases, at least one of which is a qualifying lease (whether under section 119(2) or (3A)), and
- (e) there is continuity in the property let.

(2) For the purposes of subsection (1)(d), the new lease replaces another lease if—

- (a) the term of the new lease begins during the term of the other lease, and the new lease is granted in substitution of the other lease, or
- (b) the term of the new lease begins at the end of the term of the other lease (regardless of when the lease is granted).

(3) For the purposes of subsection (2)(a), the circumstances in which the new lease is granted in substitution of another lease include circumstances where—

- (a) the new lease is granted by way of a surrender and regrant of the other lease (including a deemed surrender and regrant, whether deemed under an enactment or otherwise);
- (b) the new lease is granted under—
  - (i) section 24 of the Landlord and Tenant Act 1954 (renewed business leases),
  - (ii) section 14 of, or Schedule 1 to, the Leasehold Reform Act 1967 (extension of leases of houses), or
  - (iii) section 56 of the Leasehold Reform, Housing and Urban Development Act 1993 (extension of leases of flats), in a case where that provision of that Act applies by virtue of the other lease.

(4) For the purposes of subsection (1)(e) there is continuity in the property let if—

- (a) the newly let property is exactly the same as the already let property,
- (b) the newly let property consists of some or all of the already let property, together with other property (whether or not that other property was previously let) (a “property combination”), or
- (c) the newly let property consists of some, but not all, of the already let property (but no other property) (a “property reduction”).

(5) But there is no continuity in the property let by virtue of a property reduction if, as respects any lease in the relevant chain of qualifying leases, there was continuity in the property let by virtue of a property combination.

(6) For that purpose, the “relevant” chain of qualifying leases is the chain of qualifying leases of which the new lease would be part were it a connected replacement lease.

(7) For the purposes of subsection (1)(e) there is also continuity in the property let if the new lease is granted to rectify any error in the lease, or any lease, which the new lease replaces.

(8) Where a dwelling is at any time on or after 14 February 2022 let under two or more leases to which subsection (1)(a) and (b) apply, any of the leases which is superior to any of the other leases is not a connected replacement lease.

(9) For the purposes of sections 122 to 125 and Schedule 8, all of the leases in a chain of qualifying leases are to be treated as a single qualifying lease which has a term that—

(a) began when the term of the initial qualifying lease in that chain began, and

(b) ends when the term of the current connected replacement lease in that chain ends.

(10) The Secretary of State may by regulations make provision about the meaning of “connected replacement lease” (including provision changing the meaning).

(11) The provision that may be made in regulations under this section includes—

(a) provision which amends this section;

(b) provision which has retrospective effect.

(12) Provision in regulations under this section made by virtue of section 168(2)(a) (consequential provision etc) may (in particular) amend this Act.

(13) In this section—

“already let property”, in relation to a new lease, means the property let by the lease or leases which the new lease replaces;

“chain of qualifying leases” means—

(a) an initial qualifying lease which is the preceding qualifying lease in relation to a connected replacement lease (the “first replacement lease”),

(b) the first replacement lease, and

(c) any other connected replacement lease if the preceding qualifying lease in relation to it is—

(i) the first replacement lease, or

(ii) any other connected replacement lease which is in the chain of qualifying leases;

and a chain of qualifying leases may accordingly consist of different leases at different times (if further connected replacement leases are granted);

“current connected replacement lease”, in relation to a particular time, means a connected replacement lease during the term of which that time falls;

“initial qualifying lease” means a lease which is a qualifying lease under section 119(2);

“new lease” has the meaning given in subsection (1);

“newly let property” means the property let by the new lease;

“preceding qualifying lease”, in relation to the new lease, means—

(a) in a case within subsection (1)(d)(i), the lease which the new lease replaces;

(b) in a case within subsection (1)(d)(ii), a lease which—

(i) the new lease replaces, and

(ii) is a qualifying lease.

(14) The definitions in section 119(4) also apply for the purposes of this section.”

(4) In section 168(6)(a) (affirmative procedure for regulations), after “74,” insert “119A,”.

(5) The amendments made by this section are to be treated as having come into force on 28 June 2022.”