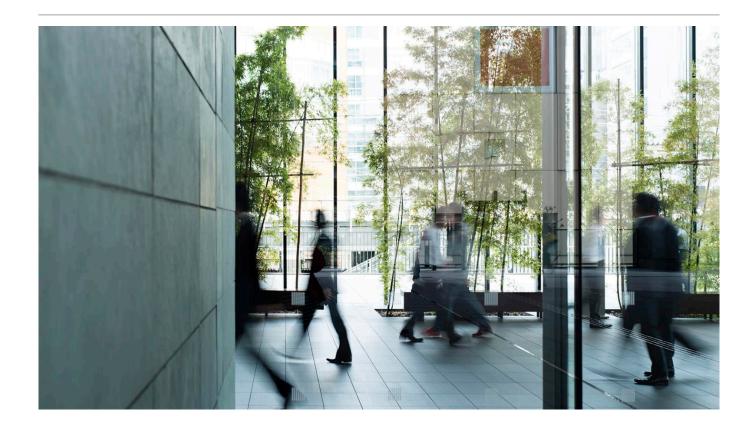
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Amendment to Building Safety Act 2022



It seems our calls have been heard. On 23 September 2023, a draft Bill looking to amend, amongst other things, certain defects in the Building Safety Act 2022 ("BSA") passed its third reading in the House of Lords. It is now in its final stage of consideration before receiving Royal Assent.

While this Bill tackles several apparent issues that arose out of the initial legislation, those which we are particularly interested in are noted at clause 242 and 243 of the Bill. The Bill seeks to amend the clear anomaly that occurred as a result of the previous drafting. The BSA granted leaseholder protections to those "qualifying leaseholders" (see Section 119 of the BSA); a criterion of which meant that leaseholders must have owned their lease prior to 14 February 2022. Those who extended their leases under the statutory regime, would not be considered "qualifying" if their new lease was granted after this date. The Bill looks to insert at Section 119A of the BSA the wording:

119A- Variation, surrender or regrant of qualifying leases

• A qualifying lease varied, or subject to any surrender and regrant, remains a qualifying lease

The clause then goes on to note that this will be applied retrospectively. This means that those leaseholders who would otherwise have had a qualifying lease but who extended their lease since the BSA came into force will still be able to enjoy the leaseholder protections that the Act affords.

This Bill is yet to receive Royal Assent and thus become law, so at this stage it cannot be guaranted however given how far the Bill has made it through Parliament, we would expect this legislation to be passed and these amendments to come into force.

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Those who have been holding off extending their leases, should feel reasonably confident that they will not lose their BSA protection if they chose to extend their lease.

For further guidance, <u>contact our expert real estate team</u>.



Erin Stephenson

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