



Redemption of Rentcharges: Rentcharges Act 1977

This leaflet explains how you may be able to redeem your rentcharge by paying a single lump sum if your rentcharge is a type that is redeemable under the provisions of the Rentcharges Act 1977.

HOW TO REDEEM A RENTCHARGE

1. Obtain an application form (Application for a Redemption Certificate). This can be obtained from:

Rentcharges Team, Department for Communities and Local Government, 4th Floor, One Piccadilly Gardens, Manchester, M1 1RG.

Or, www.communities.gsi.gov.uk

E-mail: rentcharges@communities.gsi.gov.uk

Telephone: 0303 44 44559 or 0303 44 44560

2. Complete and return the application form with a copy of the deed that created the rentcharge. If you have any difficulty in completing the form please contact the Rentcharges Team.

There are certain types of rentcharges that cannot be redeemed under the provisions of the Act. The Rentcharges Team are able to advise on this.

Unfortunately, if the rentowner is not known we will not be able to proceed with the application under the terms of the Rentcharges Act.

If after considering your application we are able to proceed with the application, we will write to the person you have named as the owner of the rentcharge, asking for confirmation of their ownership. Once we have received this confirmation we will send you instructions telling you the amount of money you will have to pay to redeem the rentcharge. The instructions will also tell you the name and address of the person you should pay.

3. Send the redemption money and the instructions to the rentowner and ask for the receipted form to be sent back to you.
4. When you get the receipted form back from the rentowner, return it to us at the above address. We will then issue the Certificate of Redemption and send it to you. You should keep the Certificate with the other deeds of your property. This completes the procedure.

In some cases we may be unable to authorise payment of the redemption money to the rentowner - for example if the person who appears to be the rentowner does not notify us of ownership. If this happens we will advise you about how to pay the money into the local County Court.

SOME OF YOUR QUESTIONS ANSWERED

Q. How much will I have to pay to redeem my rentcharge?

A. Most rentcharges have less than 60 years to run, and in such cases the cost of redemption is, at present, about 16 times the annual amount of the rentcharge.

Q. Will I have to pay anything else?

A. We make no charge for carrying out this procedure. The rentowner will be responsible for their expenses. You will only have to pay any costs which you incur yourself or which are incurred on your behalf, for example, obtaining a copy of your deeds from the bank or building society.

Q. Can the rentowner prevent me redeeming the rentcharge through you?

A. No, not unless the rentcharge you pay is one of a type excluded from the provisions of the Act.

Q. Can I redeem the rentcharge on my house without going through you?

A. Yes, provided the rentowner is willing and you can both agree on the amount of money required. You may wish to seek legal advice before entering such an arrangement.

Q. My house is one of a number of houses charged together with a single rentcharge. Can you redeem my share of the rentcharge?

A. If your rentcharge is of a type that can be redeemed under the provisions of the Rentcharges Act 1977, then you will probably be able to do so. You will first need to apply to us for an order of apportionment.

This order will legally separate your share of the rentcharge from the larger sum. There is a leaflet called Apportionment of Rents which explains the procedure.

Q. My house is leasehold and the rent I pay is ground rent. Can I redeem my rent in the way described in the leaflet?

A. No, but you may be entitled to buy your freehold under the provisions of the Leasehold Reform Act 1967. Free initial advice and information about this can be obtained from the Leasehold Advisory Service (LEASE) at Maple House, 149 Tottenham Court Road, London, W1T 7BN; by telephone on 020 7383 9800; by fax on 020 7383 9849, or by email at info@lease-advice.org and their website is www.lease-advice.org