

Tackling unfair practices in the leasehold market

September 2017

About HBF

The Home Builders Federation is the representative body for home builders in England and Wales. HBF's membership of more than 300 companies are responsible for building around 80% the private new homes completed in England and Wales, and encompasses private developers and Registered Providers. The vast majority of home builder members of the HBF are small and medium sized companies.

Introduction

HBF and its members welcome the opportunity to contribute to this important and timely consultation on the future of leasehold homes. We believe that notwithstanding some high profile exceptions, the leasehold tenure of home ownership works very well for the vast majority of the four million leaseholder households who currently own their homes in this way. On apartment schemes in particular leasehold has for generations been the only genuinely appropriate and universal tenure. The system of ownership itself has rarely presented any major issues for leaseholders or the housing market in general over many, many years. At the heart of this system are ground rents and other lease terms which, if and when they are fair and reasonable, have no impact on a property's value or an owner's ability to secure mortgage finance against that home.

The vast majority of leases originated for new build flats and houses have included fair and reasonable ground rents. This fact is reinforced by the fact that these properties have been purchased with mortgages and with professional oversight by purchasers' solicitors often multiple times and with no impact on value or the homeowners' ability to mortgage or remortgage the property. With reform in mind, care should be taken not to adversely affect the mortgageability – and thus the value – of the four million leasehold properties which have, until now had no such issues.

Leasehold houses

The vast majority of new houses are sold on a freehold basis but at times it is necessary to sell houses with a long lease. This includes where the developer themselves hold a leasehold interest in the land (often where the land has been purchased from a public body or the Crown), or where the nature of the site or its shared facilities/services require a legal arrangement through which homeowners' responsibilities to the development and each other are clear and transparent.

In some parts of the country, in addition to leasehold flats, it has long been customary to sell new houses on a leasehold basis. In recent years, partly because this norm has spread in some cases beyond those parts of the country in which it has long been the standard tenure and partly because the industry is building more houses both proportionally and in absolute numbers than was the case since the turn of the Millennium, the number of new houses sold with a lease has increased. We expect this number to fall both overall and proportionally this year and in each of the following two years. In some instances, builders will have no choice but to build and sell houses with leases. In addition to sites acquired from local authorities, the Crown et al, specialist developments, such as retirement villages, largescale housing regeneration schemes or more complex builds which are built upon other buildings/constructions with existing uses, such as car parks etc, or where foundations are shared by more than one house. All of these forms of home building provide important and meaningful additions to the housing stock and care should be taken in pursuing reforms to not compromise this much needed source of new homes.

Ground rents and the important role of a responsible freeholder

Setting an absolute figure for a reasonable ground rent is extremely difficult and ultimately results in an arbitrary percentage or absolute amount being used. In general terms a ground rent and an uprating formula should be clear and transparent for purchasers and their solicitors; and not affect the long-term value of the property or its mortgageability. A further overarching consideration is the intrinsic long-term value of the freehold, especially for flats. To achieve a value that makes ownership of the freehold a viable and attractive prospect thus realising the benefits to the development and its homeowners that come with the presence of an established and responsible freeholder with a long-term interest in the building and site, the ground rent must be set at a level that makes this a viable investment for these investors.

An established custodian for buildings and sites with communal facilities can play a critical role in securing the long-term management of the block and ensuring that properties within the building remain mortgageable. This is most evident in the rare situations where building owners or managers fail to meet their responsibilities which can lead to homes become unsaleable as leaseholders become liable for debts relating to the building or when adequate safety procedures have not been complied with. For this process to work effectively, it is important that some economic value is retained within the freehold title. In today's leasehold system, this is the role that ground rents play, with ownership held in most cases by respected institutions, funds or other investors.

A number of developments in the late 2000s included homes sold with ground rents that doubled at 10-yearly intervals. We are not aware of homes being sold on these terms in the last five years. Some developers have, in more recent times, sold houses with ground rents that double less frequently, i.e. 15 or 20 years though these are in very limited numbers. Ground rent escalators being de-linked from a recognised index occurred initially for valid reasons and at a time when inflation was a greater consideration than it has proven to be over the last decade or so. Based on HBF's consultation with our larger homebuilding members we understand the most common practice is a 10 or 15 year review with increases linked to RPI. In the very rare instances where leases contain a ground rent increase mechanism that is not linked to RPI, the intervals at which the ground rents double are most likely to be 20 year review periods.

Whilst originating leases with ground rents doubling every 10 years is no longer practiced by any developer that HBF is aware of, it should also be noted that the media and public attention on leases in recent months has altered the market dynamics, influenced lending policies of mortgage providers and the decisions of house builders as well as the long-term investors in freeholds interests on the sites in question.

Retirement developments

As discussed in our detailed response to several of the questions in the consultation, the retirement home builder sector – developing both houses and flats – is subject to rather different economic considerations than other home builders, and this is reflected by the subtle differences in the way that ground rents are built into the development model. Homes within specialist retirement developments, for instance, may charge slightly higher than average ground rents to contribute to the overall business model, making investment in the project possible and viable in the first place, and form part of the viability assessment. Retirement developments are suitable in only a small number of locations given their need to be close to important infrastructure and community facilities. This means that very often specialist retirement builders are competing for land not just with other house builders but also with developers of other uses, including retailers. The current planning system does not differentiate between types of housing which makes securing land for specialist retirement development more difficult. Because of the economics and relative associated costs of such developments, viability of specialist retirement houses or flats, or homes on particularly marginal and complex regeneration sites, can be a very significant obstacle to these homes coming forward without the income that can be derived from ground rents.

Reflecting the differences in the approach to leasehold, and the inherent interdependencies of owners of specialist retirement apartments, HBF's Retirement Home Builders Group is submitting a separate response to this consultation so that some of these differences can be explored in more detail than is possible in this submission.

Existing leaseholders

As stated above, the vast majority of leasehold flat owners enjoy the benefit of a responsible freeholder acting as a custodian of their building or site without any material impact on the value or mortgageability of their home. Indeed, this value is reflected by the fact that relatively few mortgage lenders will provide mortgage finance on commonhold apartments due to the greater degree of risk for owners when dealing with disputes between owners. It is very important, therefore, that existing leaseholders are not adversely affected by drastic changes to the treatment of leasehold either in law or by mortgage lenders. To do so could run the risk of compromising the value of their property and their ability to remortgage.

The future

This consultation process has highlighted some weaknesses in the current leasehold framework which, we believe, could be addressed without a wholesale overhaul of the tenure and without affecting the value of existing homes. In addition to added protections for existing leaseholders, we believe that there is scope for Government to support and encourage the development of a cross-industry code of conduct for builders, freeholders, investors, lenders and others to give confidence to leaseholders that their terms and their long-term treatment by the freeholders will be in accordance with agreed standards.

Limiting the sale of new build leasehold houses

Question 5: what steps should the government take to limit the sale of new build leasehold houses?

The vast majority of new houses sold involve the transfer of the freehold interest in the home. Where it does occur, houses are sold with leases for a range of reasons. Some developments lend themselves to a leasehold structure. This may be, for instance, on sites with private infrastructure or communal facilities, such as landscaping, gyms or play areas. In such cases a leasehold structure will often be seen by developers as the most effective means ensuring that all homeowners take adequate responsibility for their share of the costs involved.

There are times when landowners elect to sell an interest in their holdings on a leasehold basis rather than transfer the freehold title to the land. In these instances, where the developer is a lessee itself, it is not possible to offer for sale anything other than an underlease. Landowners such as the Crown, local authorities and other public bodies frequently sell land in this manner.

Separately, over many decades the sale of leasehold houses in some parts of the country has become customary. It should be noted that where this is the case and houses with leases are commonplace in the market, care should be taken to ensure that a suitable transitional period is factored into any reforms.

Research undertaken by HBF based on a sample of its larger member companies suggests that the marketing of leasehold houses is in decline even without action from government. Specifically, our members expect to see the sale of leasehold houses fall year-on-year over the next three years with steep declines in 2018 and 2019 in particular. On occasions when it is necessary to sell houses on a leasehold basis house builders are consistent in offering fair terms with ground rents that are reasonable and do not affect the long-term value or mortgageability of properties, and with ground rent reviews linked to a recognised index, such as the Retail Price Index (RPI).

Further to the measures in relation to Help to Buy, should Government determine that additional action is required, one focus could be on the way that public body landowners dispose of their land which is often on a leasehold basis.

Question 6: what reasons are there that houses should be sold as leasehold other than the exceptions set out in paragraph 3.2?

As stated in answer to question 5, certain forms of development are aided by leasehold arrangements for houses as well as flats. This includes sites with extensive communal facilities and retirement developments where schemes can only be effective when owners retain responsibilities to other owners and the long-term future of the development.

Where house owners are interdependent then a lease may be the most appropriate form of home ownership. This may involve shared foundations or houses which are built above car parks or other shared infrastructure, for example.

Government should also be clear about expected practice in instances where its preferred and privileged landowners detailed in 3.2 are selling a leasehold interest in their land. In such circumstances house builders will only ever be able to afford homebuyers a leasehold interest in the property. Some house builders report that a proportion of schemes completed in partnership with the public sector involve the development of leasehold land.

Question 7: are any of the exceptions listed in 3.2 not justified? Please explain.

It is unclear why certain categories of landowner should have an exclusive ability to sell land on a leasehold basis. The exceptions specified in the Leasehold Reform Act 1967 relate to enfranchisement and lease extensions on land held by certain landowners. This is understandable in certain circumstances but restricting the tenure to privileged landowners on an exceptional basis would seem to be unnecessary and unfair if principles and fairness are genuinely motivating these changes. Granting special status on broader land ownership and asset sale to a small number of privileged organisations and institutions cannot be reasonably justified. Indeed, privileged property status for the organisations set out in paragraph 3.2 is anachronistic. This would fundamentally alter the property rights of private landowners as compared with those held by the Crown, National Trust, the Church and councils resulting in a greater concentration of feudal power amongst a set of privileged institutions.

Question 8: would limiting the sale of new build leasehold houses affect the supply of new build homes? Please explain.

To offer a definitive view depends on the extent and method Government uses to 'limit' the sale of leasehold houses. A blanket ban on leasehold houses would affect the supply of new homes by reducing the volume of available land for development as some landowners prefer to sell only a leasehold interest in sites.

More limited measures could still affect housing supply unless they were fully considered and depending upon the exceptions granted. The most obvious example of developments that may not come forward are those on which viability is highly marginal and ground rent income makes the difference between a site achieving a minimum level of return on investment and not. This can often be the case for retirement villages and similar specialist housing which, without a specific designation in local plans or the like, find themselves competing for sites with other uses, e.g. retail. Because of the economics and relative associated costs of respective developments, viability of specialist retirement schemes, or homes on particularly marginal and complex regeneration sites, can be a very significant obstacle to these homes coming forward without the income that can be derived from ground rents.

Aside from housing numbers, measures to limit the sale of new build leasehold houses could affect the *nature* of new build developments with the clear incentive to bring forward schemes without shared facilities and communal grounds which generally lends itself to a leasehold approach. It could also compromise innovative solutions to deal with high-density housing, for example, by using space above car parks or public transport stations where a freehold title is impossible to responsibly transfer to a homeowner, as well as partnerships with other partners such as universities who may insist on selling land only on a leasehold basis.

Reducing Help to Buy Equity Loan support for leasehold houses

Question 9: should the government move towards removing support for the sale of new build leasehold houses through Help to Buy, unless leasehold can be justified and where ground rents are reasonable?

We envisage a rapid reduction in the number of new houses sold with leases in 2017 and in the following years, but an immediate change may not always be possible, especially on sites which are midway through development. Furthermore, on land that has been purchased recently on leasehold terms from landowners with the privileged status bestowed by Government to sell leasehold land to others, an inability to sell homes with support from the Help to Buy scheme would significantly compromise the saleability of those properties.

Leasehold is a perfectly appropriate and secure tenure for the vast majority of owners, particularly of apartments provided that ground rent terms are reasonable. As such a more nuanced approach would be sensible in the shorter term, ensuring that purchasers using the Help to Buy scheme to acquire a leasehold house do so on fair and reasonable terms.

Question 10: in what circumstances do you consider that leasehold houses supported by help to buy equity loan could be justified?

The consultation document sets out a number of exceptions to the more general proposals on the sale of new build leasehold houses. For instance, the early success of Garden Villages could be supported where new build leasehold houses were saleable with support from Help to Buy so a blanket Help to Buy provision against new build leasehold houses would make it more difficult to sell houses in Garden Villages and on estate regeneration schemes which generally lend themselves to a leasehold structure. In addition, an exception for sites acquired from landowners of all types, (i.e. not only privileged landowners with the power to sell land leasehold), would be justified, particularly for land which is already in the development pipeline.

Question 11: is there anything further the government could do through help to buy equity loan to discourage the sale of leasehold houses?

Nothing to add.

Question 12: what measures, if any, should be considered to minimise the impact on the pipeline of existing developments?

Any changes to the scheme should be signalled in advance giving house builders and purchasers adequate time to plan accordingly via a well communicated transition period. Failure to do this could significantly impair the ability of house builders to continue marketing and selling homes on some sites. The indication of a backstop date after which new build leasehold houses are no longer able to be purchased with Help to Buy support would be welcomed.

A registration process for house builders with existing sites on which new build leasehold houses may need to be sold in such a way to comply with legal advice could aid transition and would provide a clear sense of the likely trajectory of future leasehold house sales.

Limiting the reservation and increase of ground rents on all new residential leases over 21 years

Question 13: what information can you provide on the prevalence of onerous ground rents? We are keen to receive information on the number and type of onerous ground rents (i.e. doubling, or other methods) and whether new leases are still being sold with such terms.

It is important to reiterate that our response is based entirely on HBF's understanding of leasehold practices and policies following discussions with our members. However, while HBF members are responsible for the majority of private new build homes completed each year there are a significant number of businesses with whom we do not have contact. In this regard we believe that the development of a cross-industry voluntary code of conduct for house builders, lenders, conveyancers, freeholders and investors could give homebuyers additional assurances about the structure and terms of leases.

The vast majority of ground rents are reasonable, fair and do not impinge at all on the long-term value or mortgageability of the home. In relation to other costs associated with purchasing or maintaining a home, e.g. Council Tax, they are minimal and afford the owner a level of security around the future maintenance and value of the property.

A number of developments in the late 2000s included homes sold with ground rents that doubled at 10-yearly intervals. We are not aware of homes being sold on these terms in the last five years. Some developers have, in more recent times, sold houses with ground rents that double less frequently, i.e. 15 or 20 years though these are in very limited numbers. Ground rent escalators being de-linked from a recognised index occurred initially for valid reasons and at a time when inflation was a greater consideration than it has proven to be over the last decade or so. Based on HBF's consultation with our larger homebuilding members we understand the most common practice is a 10 or 15 year review with increases linked to RPI. In the very rare instances where leases contain a ground rent increase mechanism that is not linked to RPI, the intervals at which the ground rents double are most likely to be 20 year review periods.

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Question 14: what would a reasonable ground rent look like, in terms of i) the initial annual ground rent, ii) the maximum rate of increase in annual ground rent, and iii) how often the rate of increase could be applied to an annual ground rent? Please explain your reasons.

The vast majority of leases originated for new build flats and houses have included fair and reasonable ground rents. This fact is reinforced by the fact that these properties have been purchased with mortgages and with professional oversight by purchasers' solicitors often multiple times and with no impact on value or the homeowners' ability to mortgage or remortgage the

property. With reform in mind, care should be taken not to adversely affect the mortgageability – and thus the value – of the four million leasehold properties which have, until now had no such issues.

Setting an absolute figure for a reasonable ground rent is extremely difficult and ultimately results in an arbitrary percentage or absolute amount being used. In general terms a ground rent and an uprating formula should be clear and transparent for purchasers and their solicitors; and not affect the long-term value of the property or its mortgageability. A further overarching consideration is the intrinsic long-term value of the freehold, especially for flats. To achieve a value that makes ownership of the freehold a viable and attractive prospect thus realising the benefits to the development and its homeowners that come with the presence of an established and responsible freeholder with a long-term interest in the building and site, the ground rent must be set at a level that makes this a viable investment for these investors.

An established custodian for buildings and sites with communal facilities can play a critical role in securing the long-term management of the block and ensuring that properties within the building remain mortgageable. This is most evident in the rare situations where building owners or managers fail to meet their responsibilities which can lead to homes become unsaleable as leaseholders become liable for debts relating to the building or when adequate safety procedures have not been complied with. For this process to work effectively, it is important that some economic value is retained within the freehold title. In today's leasehold system, this is the role that ground rents play, with ownership held in most cases by respected institutions, funds or other investors.

While a management company may be responsible for the day-to-day management of a building, without a single owner of the building to whom the management company is answerable, this role has to be played by the residents. This has occurred more often in recent years either through Commonhold arrangements or by leaseholders invoking their Right to Manage. Whilst this can work well in many cases, there are examples of such a framework resulting in disputes between neighbours and failure to meet some basic responsibilities that come with operating a property for a large number of households. These negative experiences can still occur under leasehold arrangements where a building owner or management company are negligent. Rather than changing the system of land ownership, a focus on driving greater professionalisation in this sector should be encouraged. A code of conduct for building owners and freeholders could help in this regard. A similar, or even the same code, for house builders and others could also be developed to ensure transparency and consistency.

Ultimately, in instances where management companies fall short of meeting their responsibilities, a landlord, potentially faced with the threat of a legal challenge by the homeowner, is able to step in to address the shortcomings. Whilst this function could theoretically be carried out by a shell company or by residents through a special legal vehicle, the costs, time and specialist knowledge required can be prohibitive for residents who may not be able or willing to dedicate vast amounts of time to such work, especially in cases where disputes amongst homeowners arise. Once again, without an appropriate ground rent in place it is not clear who would fulfil the role of ensuring that the building – of which the flats form part – is suitably maintained such that its habitability and value is sustained for the entire period of the building's expected usability and/or the lease term. In addition to a landlord's obligations to the apartment owners where investment funds have obtained

an interest, an additional duty is owed to the fund owners, further reinforcing the positive supervisory role of the landlord.

If and when establishing a 'reasonable' ground rent definition, it is important to recognise the position of the estimated four million homeowners with leases on their properties. The future value and saleability of millions of properties could be compromised if the Government pursues a radical and rigid approach to new properties in the future. In recent months and years, a general consensus has emerged around broad terms which are deemed fair and reasonable. This has generally reflected the recent shift in lending policies amongst major new build mortgage lenders.

Homes within specialist retirement developments, for instance, may charge slightly higher than average ground rents to contribute to the overall business model, making investment in the project possible and viable in the first place, and form part of the viability assessment. Retirement developments are suitable in only a small number of locations given their need to be close to important infrastructure and community facilities. This means that very often specialist retirement builders are competing for land not just with other house builders but also with developers of other uses, including retailers. The current planning system does not differentiate between types of housing which makes securing land for specialist retirement development more difficult. Because of the economics and relative associated costs of such developments, viability of specialist retirement houses or flats, or homes on particularly marginal and complex regeneration sites, can be a very significant obstacle to these homes coming forward without the income that can be derived from ground rents.

Question 15: should exemptions apply to right to buy, shared ownership or other leases? If so, please explain.

Because of the specialist nature of the development and the financial considerations therein, there is a strong case, as outlined in response to question 14, for broader scope to be applied to retirement schemes.

In relation to Shared Ownership, other than very specific lease clauses relating to the nature of the ownership, it is not immediately clear why there should be significant difference between the ground rents for Shared Ownership schemes and general mainstream apartment schemes.

Question 16: would restrictions on ground rent levels affect the supply of new build homes? Please explain.

The impact that restrictions on ground rent levels could have on the supply of new homes would entirely depend on the nature, extent and application of those restrictions.

For a small number of houses, restrictions could affect the nature of future developments. Without a suitable alternative to freehold tenure for certain schemes that may otherwise involve extensive shared facilities or private infrastructure will be less likely to come forward in the optimal manner. Furthermore, a small number of sites where viability is highly marginal would likely be compromised.

For apartment schemes which inherently involve shared facilities, a single established long-term owner/freeholder acting as a custodian for the block and/or wider estate can play a crucial role in maintaining the saleability of properties within the superstructure. Owners of freeholds are usually

significant and reputable institutional investors, including major pension funds and similar. Their long-term interest in the land helps secure value for leaseholders over the entire lifespan of the lease and beyond.

For retirement developments, drastic ground rent restrictions would likely prove to have a dramatic effect on the delivery of new homes for a specialist form of housing which is vastly undersupplied in the current market. The ground rents charged for leasehold properties in specialist retirement housing developments contribute to the overall business model for making the project investment possible and viable in the first place, and form part of the viability assessment. Ground rents also incentivise the freeholder to take on a duty to co-ordinate and manage, among other things, estate management services, significant building repairs and renewals, insurance, road adoption, sustainable drainage and heating systems. These are not matters that would be covered by any service charges paid by residents in specialist retirement developments.

Given the role ground rents play in providing an income stream in respect of the provision of such communal facilities and expenditure for a specialist retirement development, they also form an integral element of the initial land appraisal and viability for such schemes at the point of land acquisition and enable specialist providers to compete for suitable sites in the land market. On some larger regeneration projects in particular, the value generated from ground rent reversions plays an important part in the land value and viability of the scheme, ensuring that the site can be acquired and developed.

The only alternative to ground rents available to specialist retirement developers would be to increase the sales price of their apartments, which would necessarily make their products less affordable for a part of the market where affordability is generally an important consideration in determining whether people are prepared to move from their existing homes which they may be under occupying and, therefore, freeing up much needed housing stock.

Question 17: how could the government support existing leaseholders with onerous ground rents?

We do not believe that leases with ground rents doubling at intervals of 10 years or more frequently have been created in recent years.

Several companies which originated such leases, usually in the late 2000s, have made efforts over the last year to vary the relevant leases through negotiation with the current freeholders. Most notable in this regard is Taylor Wimpey which has set aside £130 million for this purpose. This process inevitably involves complex negotiation between multiple parties and can take considerable time. The high-profile parties currently engaged in these discussions should be given further time for the process to yield tangible results for homeowners in the form of variations to leases. It is in the long-term interests of responsible investors, who understandably view ground rents as a low risk investment, to work constructively with other parties on this. In the meantime, and in the absence of variations of some leases, it is important that mortgage lenders act responsibly in their treatment of properties which have always passed the test of reasonableness and value retention.

Government could help achieve this by encouraging lenders to lend on previously agreed basis and investors to work constructively with other parties to review terms where necessary.

Question 18: In addition to legislation what voluntary routes might exist for tackling ground rents in new leases?

HBF has worked over the past year with its members to understand current practices. We believe there to be a high degree of consistency of lease terms amongst our membership with those terms also reflecting lenders' requirements too.

Government could further assist in supporting existing and future leaseholders by encouraging investors and freeholders to adopt a voluntary code of conduct to ensure that the post-sales relationship between leasehold owners of apartments and the freeholder is well established. There would be interest from HBF and its members in broadening out such a project to encompass house builders and potentially other interested sectors too, e.g. mortgage lenders and conveyancers. A voluntary approach would help to make the process and terms of purchasing leasehold homes more transparent, giving homeowners confidence in the long-term value of the title of their new home. Where there are any builders originating new leases on "onerous" terms or where freeholders are behaving unfairly or irresponsibly this would be more easily identifiable for consumers.

Exempting leaseholders potentially subject to ‘Ground 8’ possession orders

Question 19: Should the Government amend the Housing Act 1988 (as amended by the Housing Act 1996) to ensure a leaseholder paying annual ground rent over £1,000 in London or over £250 in the rest of England is not classed as an assured tenant, and therefore cannot be issued with a Ground 8 mandatory possession order for ground rent arrears? If not, why not?

Yes. This would correct an unintended consequence of previous legislation and should help to secure the mortgageability of the properties affected.

Service charges for maintaining communal areas and facilities on freehold and mixed tenure estates

Question 20: Should the Government promote solutions to provide freeholders equivalent rights to leaseholders to challenge the reasonableness of service charges for the maintenance of communal areas and facilities on a private estate? If not, what management arrangements on private estates should not apply?

This seems to be a sensible reform aimed at addressing the perversely unequal standing between leaseholders and freeholders on the same site.

Future issues

Question 21: The Housing White Paper highlights that the Government will consult on a range of measures to tackle abuse of leasehold. What further areas of leasehold reform should be prioritised and why?

The issues identified by Government and which have been much publicised in recent months have helped to highlight areas of weakness in the current leasehold regime. One by-product of this attention has been to bring interested parties together to consider how and where protections for leaseholders could be strengthened. Event fees have attracted attention in this regard. While most freeholders operate in a fair and reasonable manner when dealing with ‘events’, a small minority of freeholders have not behaved responsibly. This could potentially be dealt with by strengthening leaseholders existing rights and recourse routes.

In addition, as referenced in answer to previous questions, we believe that there is sufficient interest amongst organisations and companies operating across the leasehold system, including house builders, lenders, conveyancers and investors to develop a set of broad principles that responsible businesses could coalesce around.