

# MAYOR OF LONDON

**Professor Nicholas Hopkins**  
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**Date:** 8 March 2019

Dear Professor Hopkins

## **Law Commission consultation on commonhold**

As outlined in our response to your previous consultation on leasehold enfranchisement, leasehold reform is an important issue for the Mayor. In his London Housing Strategy, he calls for both the wholesale reform of leasehold, and a long-term shift towards alternative tenures such as commonhold. I therefore welcome the chance to respond to the above consultation on his behalf.

Almost all new homes built in London today are flats sold on a leasehold basis. Buyers of these homes deserve a fair deal, yet currently too many leaseholders in London face problems. The Mayor supports moves toward commonhold as a fairer tenure but, as the consultation highlights, there have been several barriers to its application more widely in London and the rest of England and Wales.

The Mayor supports many ideas outlined in the consultation, recognising that commonhold provides a number of benefits which make it preferable to leasehold. We are keen to see an improved commonhold that is attractive to all stakeholders, including homebuyers, developers, registered providers, and funders of both market sale and affordable housing.

It is important to emphasise that the GLA does not have legal expertise in this area and so it is not appropriate for us to comment on some of the detail of the proposals. However, overall, we would encourage you to ensure that any changes to commonhold legislation deliver the following:

- A significantly improved experience for homebuyers, and an alternative to the tensions inherent in the leaseholder/freeholder relationship;
- Workable options for the integration of commonhold with affordable housing, particularly shared ownership, and with community-led housing;
- Support for continued development of both affordable and market sale housing, including ensuring that existing rights of residents of all tenures are maintained;
- The continued ability of current landlords, in particular those of social housing, to maintain a single management structure for residential blocks;
- A balance between ensuring the commonhold system meets a range of needs without being unnecessarily complicated;
- Clear routes for redress when things go wrong; and

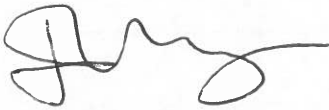
- A recognition of the need for mixed use and mixed tenure development and a commonhold approach that works for them.

In particular, we are pleased that the consultation recognises the potential impact of any changes to the commonhold regime on shared ownership, given the integral nature of leasehold to the current operating model of this form of affordable housing. We would urge you to work closely with those developing and managing shared ownership properties, particularly housing associations, along with us at the GLA and Homes England as funders of these homes. We must ensure that the final proposals for accommodating shared ownership within commonhold legislation are fit for purpose and support the continued delivery of affordable housing that London so urgently needs. We would be happy to support you in facilitating any discussions that might be helpful.

The consultation highlights a number of non-legal issues which are likely to have an impact on the viability of commonhold but are not within the Law Commission's remit, such as lack of consumer and sector-wide awareness, and a lack of confidence in commonhold as a tenure. Following successful implementation of reforms to the tenure, the Mayor would be willing to work with Government and others in any way that is practical to remove any further barriers to the wider use of commonhold. This may, for example, include investigating how the GLA may use its range of powers and resources to support increased take-up of the tenure in London.

On behalf of the Mayor, I would like to thank the Law Commission for your work in reviewing this complex area of law.

Yours sincerely



**James Murray**  
Deputy Mayor for Housing and Residential Development