

MAYOR OF LONDON

Professor Nicholas Hopkins

Leasehold Enfranchisement Team

Law Commission

1st Floor

Tower

52 Queen Anne's Gate

London

SW1H 9AG

Date: 4 January 2019

Dear Professor Hopkins

Consultation on leasehold enfranchisement

Leasehold reform is an important issue for the Mayor and many of the Londoners he represents, and so I welcome the chance to respond to the above 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 believes that reforms to the leasehold tenure are necessary to improve the experience of a significant and growing number of London's homeowners.

The Mayor is doing all he can to improve the lives of leaseholders in London, including by creating a Charter for Service Charges to improve transparency and affordability, and producing an online 'how to lease' guide to provide better information to leaseholders who are experiencing issues. However, the changes needed to truly transform the experience of leaseholders in London require national Government to act.

Whilst we welcome proposed reforms from the Government to ban the sale of new leasehold houses and to limit ground rents on new leases, we believe that Government should act swiftly to improve the situation for existing leaseholders, who will benefit little from these proposed changes.

The Mayor recognises that leasehold enfranchisement can be a long and confusing process that is difficult to understand, owing to the multiple Acts of Parliament that underpin it. He supports the principle of reform of leasehold enfranchisement legislation and welcomes your work to review this area of law. In doing so, the aim should be to improve the situation for leaseholders and make the process easier, quicker, and cheaper.

In principle, the Mayor supports the proposals to unify the enfranchisement process for houses and flats, which will simplify leaseholders' understanding of this process. In addition, removing limitations on the right to enfranchise will open up the process to more leaseholders and allow it to happen more quickly. The Mayor also supports further exploration of a fixed-costs regime for leaseholder contribution to landlord non-litigation costs, which could give leaseholders more certainty of the costs they will be required to pay when going through the enfranchisement process.

However, any changes to legislation should only be suggested to Government after they are subject to detailed consultation and review with leaseholder groups and the wider industry to ensure they are both appropriate and go far enough to improve the situation for leaseholders. In addition, the Commission should ensure that any reforms to the enfranchisement process include additional protections for social housing in cases where the freeholder is a local authority.

On behalf of the Mayor, I would like to thank the Law Commission for your work in reviewing this complex area of law and I look forward to reading your final report.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'James Murray', with a stylized flourish at the end.

James Murray
Deputy Mayor for Housing and Residential Development