

# MAYOR OF LONDON

**Unmesh Desai AM**

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Dear Unmesh,

## **London Assembly Housing Committee review of leasehold**

Thank you for your letter outlining the findings of the Housing Committee's investigation into leasehold in London. I am pleased you have highlighted these issues and note that you have raised other issues in relation to leasehold in another letter that I have responded to separately. Please see below for my responses to the issues and recommendations outlined in your letter.

### *National Government reform programme*

I am very much aware of the issues faced by leaseholders across London and I recognise these in my London Housing Strategy, which sets out measures to improve leaseholders' experiences that can be implemented while working towards my overarching aim of wholesale reform of leasehold. As the committee points out in its letter, legislative reform is the primary means by which this issue can be solved. While I am pleased the Government has announced its intention to ban the sale of leasehold houses and cap ground rents at £0, it has been over two and a half years since these proposals were first announced and swift action is needed to bring about change. I continue to urge the Government to bring forward this legislation as soon as possible so that these benefits can be felt by Londoners.

In addition to reforms to the sale of new leasehold homes, I have long called on the Government to bring forward proposals to help existing leaseholders stuck in onerous contracts and to reform the leasehold system to improve processes such as lease extension and enfranchisement. The Greater London Authority (GLA) has responded to several Law Commission consultations in recent years and I am pleased that the Commission has now reported its proposals for reform, especially proposals to make collective enfranchisement easier and cheaper for leaseholders. If Government is serious about reforming leasehold, it must consider the Law Commission's proposals and bring forward legislation to protect both new and existing leaseholders without delay. I can assure you I will continue to press the Government on this issue.

In the longer term, I support a shift towards commonhold as a new ownership model, which would allow freehold ownership of individual flats within a building. This could amount to an ownership revolution in London, owing to the proportion of flatted development in the capital versus the rest of the country. However, at present commonhold is not yet fit for purpose and there have been very few commonhold developments across the country. As you highlight, particular barriers are restrictions on mixed-use developments and the ban on residential leases that currently restrict the use of shared ownership in a commonhold. I am encouraged by the Law Commission's proposals to mainstream commonhold through legislative reform and will ask my team to examine these in detail to understand how they could apply in London. In my response to the Law Commission's consultation on commonhold, I noted that I would be willing to work with Government and others

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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 could use its range of powers and resources to support increased take-up of the tenure in London. I will continue to make the case for swift reform, but the power now rests with the Government to bring forward the necessary legislative changes that would allow this type of development to take place in London.

## *Engagement with the housebuilding industry*

As the committee will know, last year I released my [Leasehold Guide for Londoners](#), which features answers to a comprehensive list of frequently asked questions about leasehold, as well as other sources of advice and support. Since its launch last year, it has been accessed by almost 15,000 people. In addition, I already require that housing providers building shared ownership homes funded through my Affordable Homes Programme (AHP) provide a key information document with every lease. Furthermore, properties on my [Homes for Londoners property portal](#) include a field to show whether they are leasehold or freehold, and include a link to further information about leasehold and freehold so that prospective purchasers are aware of what they are buying.

As I noted in my response to your letter on affordable home ownership, I have produced a Shared Ownership Service Charges Charter, which sets out principles that housing providers should follow to ensure transparency and affordability of service charges and use intelligent property design to reduce the need for future payments. I am consulting on whether to require housing providers to report on service charge levels at regular intervals and to make this information available to the public to improve transparency and consistency. In addition, my previous Deputy Mayor for Housing and Residential Development, James Murray, wrote to councils to ensure that they were prepared for upcoming lease extensions that were likely as a result of the leases of many Right to Buy properties coming close to 80 years.

## *Understanding London's leasehold sector*

On the issue of data, my officers have been in contact with the Ministry of Housing, Communities and Local Government to request regional level data which has subsequently been published ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/898194/Leasehold\\_Estimate\\_2018-19.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/898194/Leasehold_Estimate_2018-19.pdf)).

Yours sincerely,



**Sadiq Khan**  
Mayor of London

Cc: Murad Qureshi AM, Chair of the Housing Committee  
Sarah-Jane Gay