

Leasehold charges

Key information

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Introduction

The London Assembly Housing Committee is investigating leasehold charges and their impact on Londoners.

Investigation aims and objectives (Terms of Reference)

- Examine the costs associated with the leasehold model of home ownership - service charges, ground rents, remediation, including cases of excessive increases or unexpected charges - and the impact on Londoners.
- Examine and compare leasehold service charges with social tenant service charges.
- Assess the extent to which shared ownership – a form of leasehold marketed as ‘affordable home ownership’ - becomes unaffordable in London due to these charges.
- Identify if and how the Mayor and the Government support leaseholders in London facing excessive charges.

Key issues

- There are longstanding issues with the leasehold model of home ownership, including charges associated with service charges, ground rents, and lease extension.
- Leasehold is a London issue – the city has more leaseholders (both through shared ownership and private leasehold) than anywhere else in the country.
- Despite new legislation seeking to tackle some of the longstanding issues, leaseholders still face significant challenges and some report excessive rises in costs in recent years.
- Londoners report being trapped by leasehold, with many stating that they cannot sell their flats due to excessive service charges, but also cannot afford to live in it.

Key questions

- How much do London's leaseholders pay in service charge, ground rent, and other leasehold associated costs? How has this risen in recent years? How do service charges differ under different categories of freeholders (e.g. council, housing association, private)?
- To what extent do rising costs mean that 'affordable' home ownership tenure Shared Ownership is no longer affordable?
- Are London's leaseholders facing inaccurate costs or overcharges?
- What is happening to London's leaseholders who cannot afford their increased charges?
- How does the Mayor support London's leaseholders, and what additional policy options exist?
- How will upcoming national legislation impact leaseholders, and what additional measures should it include to ensure London's leaseholders' rights are effectively strengthened?

Survey

As part of this investigation, the Committee issued a survey to ask people about their experiences of leasehold and service charges.

The Committee asked about Londoners' experiences of the different costs and charges associated with leasehold.

This survey has now closed.

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