

# LONDON ASSEMBLY

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**Zoë Garbett AM**  
**Chair of the Housing Committee**

Florence Eshalomi MP  
Chair, Housing, Communities and Local Government Committee

(Sent by email)

25 February 2026

Dear Florence,

**London Assembly Housing Committee response to the House of Commons Housing, Communities and Local Government Committee call for evidence on the draft Commonhold and Leasehold Reform Bill.**

Thank you for your letter informing me of the Housing, Communities and Local Government Committee's pre-legislative scrutiny inquiry into the draft Commonhold and Leasehold Reform Bill.

As you know, the London Assembly Housing Committee published a report, ["Worry and stress": life as a leaseholder in London](#), in June 2025. Many of the key issues discussed in this report, in particular those relating to service charges, were the subject of legislation in the Leasehold and Freehold Reform Act 2024 and are not the focus of the new draft Bill. However, I am pleased to share a short response from the London Assembly Housing Committee as an appendix to this letter, informed by some of the findings from our recent investigation.

Yours sincerely,

**Zoë Garbett AM**  
**Chair of the Housing Committee**

## **Appendix: London Assembly Housing Committee response to the House of Commons Housing, Communities and Local Government Committee call for evidence on the draft Commonhold and Leasehold Reform Bill.**

### **Background**

1. The London Assembly Housing Committee examines matters relating to housing in London and takes a lead on scrutiny of the Mayor's Housing Strategy. The Committee has lead responsibility for the scrutiny of the Homes for Londoners Board, GLA Land and Property Company, Barking Riverside Limited and the Greenwich Peninsula Strategic Board.<sup>1</sup>
2. This response draws largely on the evidence and recommendations contained in the Committee's June 2025 report, *"Worry and stress": life as a leaseholder in London*.<sup>2</sup> This report was published following our investigation into the issues faced by leaseholders in London. We heard from a range of experts who gave evidence on the leasehold system and the challenges experienced by leaseholders in London.<sup>3</sup> We also ran a survey to identify what charges Londoners were paying, how they felt about their leasehold home and what they wanted the Mayor of London to do. 798 London leaseholders responded to the survey.<sup>4</sup>
3. London is uniquely exposed to leasehold issues and the costs associated with them. There is a greater proportion of leasehold homes in London than anywhere else in the country. Over a third (36 per cent) of London's homes are leasehold, compared with only 16 per cent in the rest of England. Most of London's leasehold homes are flats: 1,308,000 flats compared to 36,000 houses.<sup>5</sup>

### **How effectively does the draft Bill meet the Government's own policy intentions, including its commitment to "bring the feudal leasehold system to an end"?**

4. For many Londoners, their leasehold home is a source of complex problems and financial stress. Our investigation identified the following issues as key challenges for leaseholders in London:

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<sup>1</sup> London Assembly, [Housing Committee](#).

<sup>2</sup> London Assembly Housing Committee, *"Worry and stress": life as a leaseholder in London*, June 2025.

<sup>3</sup> The full list of contributors to the investigation can be found in: London Assembly Housing Committee (2025), *"Worry and stress": life as a leaseholder in London*, p. 50.

<sup>4</sup> Survey respondents were self-selecting. This means they were not randomly selected, but instead chose to complete the survey. This means the views gathered are not necessarily representative of all leaseholders in London. However, we heard from a large and diverse group of leaseholders from across London, and we can learn a lot from the data about the challenges they face.

<sup>5</sup> Ministry of Housing, Communities and Local Government (MHCLG, 2024), [Leasehold dwellings, 2022 to 2023](#), 9 May 2024. Rest of England figures have been calculated to exclude London. MHCLG figures represent an estimate of the number of leasehold.

- **Cost of service charges:** the unaffordability of service charges is one of the key challenges faced by leaseholders across different types of tenure.<sup>6</sup> Factors that have influenced increasing services charges include VAT changes, the Building Safety Act, and the increased cost of buildings insurance and utility prices.<sup>7</sup>
  - **Transparency:** representatives of freeholders or managing agents agreed that transparency of leases and service charges is important. However, respondents to our survey repeatedly reported poor transparency around service charges, works done poorly or not done at all. The Leasehold and Freehold Reform Act 2024 did not go far enough to fully grant transparency to leaseholders, especially for social tenants, who do not have the same rights to access information as leaseholders.<sup>8</sup>
  - **Potentially fraudulent charges:** although service charges are supposed to cover actual costs, we heard accounts that across different types of freeholders, leaseholders can be subject to inaccurate or unreasonable service charges. We also heard that discussions of inflation and the Building Safety Act can obscure the gaming of service charges.<sup>9</sup>
  - **Impact on shared ownership:** many shared owners told us how current practice on service charges can undermine the very point of shared ownership – that it be an affordable housing product. One shared owner attributed this to “12 years of unacceptable and unlawful incompetence.”<sup>10</sup>
  - **Poor quality buildings:** part of the reason that service charges are so high is that developers are not building good-quality buildings. After the Grenfell Tower fire in 2017, it became clear that many buildings are unsafe. These buildings must be fixed. However, a lack of accountability amongst developers has meant that leaseholders can end up footing the bill for expensive maintenance and repairs.<sup>11</sup>
5. The Committee therefore welcomes the Government’s objective of reforming the leasehold system and “reinvigorating the commonhold tenure”.<sup>12</sup> The London Assembly as a whole strongly supports a move towards commonhold.<sup>13</sup> We particularly welcome the measures in the draft Bill to ban the use of leasehold for new flats.
6. We also note that measures in the Bill aim to make it easier for existing leaseholders to convert their buildings to commonhold, by reducing the consent threshold from 100 per cent to 50 per cent of leaseholders in the block.<sup>14</sup> We support measures such as this to expand commonhold, and it is vital that this leads to a notable increase of commonhold

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<sup>6</sup> London Assembly Housing Committee (2024-25), *Survey of Leaseholders*. Respondents to our survey spent a median of £3,912 per year (£326 per month) on service charges. The English Housing Survey 2022-23 found that the median annual service charge for London leaseholders was £1,450.

<sup>7</sup> London Assembly Housing Committee, [Transcript of Agenda Item 5 – Leasehold and Service Charges](#), 12 December 2024, p. 23.

<sup>8</sup> London Assembly Housing Committee, [Transcript of Agenda Item 5 – Leasehold and Service Charges](#), 12 December 2024, p. 37.

<sup>9</sup> London Assembly Housing Committee, [Transcript of Agenda Item 5 – Leasehold and Service Charges](#), 12 December 2024, p. 24.

<sup>10</sup> London Assembly Housing Committee, [“Worry and stress”: life as a leaseholder in London](#), June 2025, p. 39.

<sup>11</sup> London Assembly Housing Committee, [“Worry and stress”: life as a leaseholder in London](#), June 2025.

<sup>12</sup> MHCLG, [Draft Commonhold and Leasehold Reform Bill - explanatory notes](#), 27 January 2026.

<sup>13</sup> London Assembly, [Support for Commonhold](#), 13 February 2025. This motion proposed by Andrew Boff AM was agreed unanimously by the Assembly.

<sup>14</sup> MHCLG, [Guide to the Draft Commonhold and Leasehold Reform Bill](#), January 2026, p. 50.

properties in London. It is also important that the expansion of commonhold meets its aims of giving people more control over their homes and the charges they pay.

7. It is worth noting that, even with these changes, many existing leasehold properties are likely not to convert to commonhold. This means that many leaseholders will remain at risk of high and opaque service charges. We are aware that the Leasehold and Freehold Reform Act 2024 aims to improve service charge transparency, and we recently responded to the Government's consultation on strengthening leaseholder protections over charges and services.<sup>15</sup> It is vital that the Government implements these measures as a matter of urgency, as leaseholders cannot and should not wait any longer for greater transparency in their service charges.

### **Will the Government's proposal for a cap on ground rents of £250 a year, changing to a peppercorn after 40 years, tackle unregulated and unaffordable existing ground rent charges?**

8. The payment of ground rent is an additional financial burden for many leaseholders in London. 73 per cent of respondents to our survey paid ground rent. The median ground rent paid by respondents to our survey was £275 per year. The median ground rent paid by respondents who were leaseholders in shared ownership properties was 42 per cent higher at £391 per year. 45 per cent of respondents who paid ground rent paid over £300 per year.<sup>16</sup>
9. The proposal to cap ground rents at £250 is therefore a step in the right direction, as it will reduce payments for many leaseholders in London. However, ultimately we believe a charge for no service should be unlawful and should be abolished entirely.

### **Does the draft Bill's definition of permitted leases ensure shared owners and owners with lease-based home purchase plans are fully included under the commonhold model?**

10. Our investigation found that leaseholders living in shared ownership properties in London face similar challenges to other leaseholders, in particular related to affordability and transparency. This is concerning as it undermines the very point of shared ownership, as it should be an affordable housing product. Shared ownership is one of the affordable home ownership products that the Mayor has funded through his Affordable Homes Programme, and thousands of Londoners now live in shared ownership homes. It is therefore vital that shared owners benefit from leasehold reform, including through expansion of the commonhold model.

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<sup>15</sup> London Assembly Housing Committee, [Response to the Government's consultation on strengthening leaseholder protections over charges and services](#), 23 September 2025.

<sup>16</sup> London Assembly Housing Committee (2024-25), *Survey of Leaseholders*. Number of respondents = 531. Respondents could provide estimates of the rent they pay. Some respondents provided a range; in these cases, an amount in the centre of the range was used as the estimate. Where respondents provided monthly or quarterly estimates, these have been calculated as annual figures. As noted above, survey respondents were self-selecting. This means they were not randomly selected, but instead chose to complete the survey. This means the amounts reported are not necessarily representative of the ground rent paid by all leaseholders in London. However, we heard from a large and diverse group of leaseholders from across London, and these figures demonstrate that ground rent is a significant financial burden for many leaseholders.

11. However, we are aware that shared ownership poses issues for commonhold, as the shared owner does not own the full home, therefore requiring a form of lease. The Government’s Guide to the Bill states that it plans “to enable shared ownership leases and lease-based financial products to operate in commonhold.”<sup>17</sup> It goes on to say: “Shared owners and those buying a commonhold unit with a home purchase plan or home reversion plan will continue to be leaseholders (with the provider owning the freehold or holding a headlease of the commonhold unit) but will benefit from a wide range of commonhold rights not available to them in leasehold blocks.”<sup>18</sup> We are therefore concerned that Londoners living in shared ownership homes will continue to face some of the challenges associated with leasehold.
  
12. The Committee welcomes the introduction of commonhold as long as it meets its intended aims – to give homeowners more control over their buildings and to reduce costs where possible. However, the Committee believes that there are still many questions to be answered about how commonhold can best work for Londoners. This includes how it will work for shared ownership homes, which will have a particular impact in London due to the relatively high number of these properties in the capital.

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<sup>17</sup> MHCLG, [Guide to the Draft Commonhold and Leasehold Reform Bill](#), January 2026, p. 24.

<sup>18</sup> MHCLG, [Guide to the Draft Commonhold and Leasehold Reform Bill](#), January 2026, p. 24.