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SOLICITORS

Leasehold Reform

Toby Conyers-Kelly

One of the last acts of the Government was on 24 May 2024 to pass the Leasehold and Freehold Reform Act 2024 that makes significant changes to the ownership of leasehold properties. The Act is not yet in force, so the current leasehold law remains in effect.

When brought into force the Act will:

- Make it cheaper for most leaseholders to extend their lease or purchase the freehold.
- Ban the sale of new leasehold houses other than in limited circumstances.
- Increase the standard lease extension term to 990 years (up from 90 years for flats and 50 years for houses).
- Remove the requirement that the leaseholder will pay the freeholder's costs.
- Make it easier and cheaper for leaseholders to take over the management of their building, allowing them to appoint the managing agent of their choice.
- Give leaseholders greater transparency over their service charges by making freeholders or managing agents issue bills in a standardised format plus a requirement to produce a year-end report with details of planned major works.
- By requiring freeholders that manage their building directly to belong to a redress scheme so leaseholders can challenge poor practice.
- Remove the presumption that leaseholders pay their freeholders' legal costs when challenging poor practice. This currently acts as a deterrent when leaseholders want to challenge their service charges.
- Making buying or selling a leasehold property quicker and easier by setting a maximum time and fee for home buying and selling information to be provided.
- Remove the current 2-year ownership requirement before a lease extension can be applied for.
- Introduce a new legal right to buy out the ground rent without extending the lease at the same time, which will assist leaseholders who have existing leases with escalating ground clauses.

Our expert team of lawyers are on hand to help if you need further advice or guidance.

Contact Toby Conyers-Kelly on
01904 528223.

The above is not intended to provide advice.

