

Comments by **Matthew Spring**, **Dispute Resolution Partner and property dispute specialist at Payne Hicks Beach**, originally published by The Law Society Gazette on 8 January 2021 and is reproduced with kind permission <https://www.lawgazette.co.uk/news/leasehold-reforms-raise-more-questions-than-they-answer/5106946.article>



Leasehold reforms 'raise more questions than they answer'

By **Monidipa Fouzder** 8 January 2021

The government has hailed leasehold reforms announced yesterday as part of the 'biggest reforms to English property law for 40 years' – but practitioners say the measures raise more questions than they answer and want to see more details.

Under the plans, millions of leaseholders will be given a new right to extend their lease by 990 years with a ground rent at zero. Ground rent payable when a leaseholder chooses to extend their lease or become the freeholder will be capped. Prohibitive costs such as 'marriage value' will be abolished.

A so-called Commonhold Council will also be established to 'prepare homeowners and the market for the widespread take-up of commonhold'. The council will comprise leasehold groups, industry and government bodies.

Matthew Spring, a partner at London firm Payne Hicks Beach, said yesterday's **announcement**, in legal terms, 'could amount to a revolution and rescue a law that was intended to empower leaseholders to acquire property interests but which even for lawyers has been mired in technical complexity for decades'.

'All that is missing now,' he said, 'is the precise detail of the government's plans. This reflects the fact that there is not really any specific detail of exactly how this is going to work – to the public this sounds great, but to a lawyer who knows the act, there is not very much information so it is hard to gauge exactly what the impact could be. At the moment, when you extend a lease, you remove the ground rent element and at the moment you get a 90-year extension instead of 990.'



Matthew Spring

The Association of Leasehold Enfranchisement Practitioners called for further information on timescales, technical legal details and how the changes will work in practice.

Solicitor Mark Chick, director of ALEP, said the measures announced yesterday 'have thrown up more questions than they've answered for professionals working in enfranchisement'.

Chick said: 'Whilst we appreciate that an online calculator may help simplify matters, ALEP and its members have real concerns about how this will actually work in practice and wonder if this measure takes into account the complexities of marriage value calculations and the need to ensure that there is fairness for both leaseholders and freeholders.'

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