

MHCLG: Moving to commonhold: consultation on banning leasehold for new flats

Background to the consultation

The Government has [published](#) its draft Leasehold and Commonhold Reform Bill, committing to capping ground rents at £250 on all freeholds, reforming the system of commonhold, and ending the system of forfeiture. The draft Bill is split into four key sections: commonhold, new leasehold flats, ground rent, and enforcement of long residential leases. Explanatory notes can be found [here](#).

As part of this, the Government is [consulting on ending leasehold for new flats](#). It sets out the Government's proposed approach to introducing a ban on the use of leasehold for new flats so that the reformed commonhold model can be the default tenure for new flats.

Key points

The key points made in our response are that, while supportive of efforts to improve home ownership tenures, commonhold proposals at their current stage:

- risk undermining the delivery of affordable homes and mixed communities due to the complexity of mixed-tenure buildings
- could create regulatory, financial and delivery risk due to a mismatch between accountability and control especially for housing associations
- require a phased approach, starting with simpler buildings before moving to complex, mixed-tenure developments.

Our submission (via online form)

About you questions

Question 1. If you're responding on behalf of an organisation, please provide the organisation's name and the contact details of a nominated contact.

Organisation's name: Southern Housing

Contact details: Lillian.Lovatt@southernhousing.org.uk

Question 2. In what capacity are you responding?

- homeowner, including leaseholder or prospective buyer
- private intermediate landlord (head lessee)

- private landlord (that owns the freehold of a leasehold property)
- local authority or relevant representative group
- **housing association or relevant representative group**
- developer, home builder, or relevant representative group
- managing agent, property agent, or relevant representative group
- lender, valuer, insurer, or relevant representative group
- legal professional, conveyancer, or relevant representative group
- other

Question 3 . If you are responding as an individual, in which region(s) do you live? If you are responding on behalf of an organisation, in which region(s) do you primarily operate?

- North East
- North West
- Yorkshire and the Humber
- East Midlands
- West Midlands
- East of England
- South West
- **South East**
- **London**
- Wales
- national organisation
- other

Question 4. For developers/landlords/managing agents: How many flats (individual units) do you currently own or manage?

- 0 to 25
- 26 to 50
- 51 to 100 - 250
- 251 to 500
- 501 to 1000
- **1001+**

Question 5. For developers: Approximately how many new flats (individual units) do you expect to deliver in the next 5 years?

- 0 to 50
- 51 to 100
- 101 to 200
- 201 to 300
- 301 to 400
- 401 to 500

- 501 to 1000
- **1001+**

Scope of the ban

Definition of a flat

To ensure the ban captures both conventional and more unconventional types of flats, including those that may outwardly appear to be houses but that are not covered by the house ban in the Leasehold and Freehold Reform Act 2024, we are proposing the following legal definition in the draft Bill for consultees to comment, copied here:

A “flat” is a separate set of premises (on one or more floors)—

- a) which forms part of a building,*
- b) which is constructed or adapted for use for the purposes of a dwelling, and*
- c) the whole or a material part of which lies above or below some other part of the building.*

Question 6. Do you agree with the proposed definition of a “flat” for the purpose of the ban.

- Yes
- **No**

If No, please explain why:

Defining a “flat” broadly in a way that captures lots of complex typologies forces more complex schemes into the commonhold default. Complex schemes are exactly where the rollout risks, including on decision-making and lending, are highest.

The proposed definition focuses on the physical characteristics of an individual unit, rather than how buildings are designed, owned and managed in practice which is as integrated systems. Even within single-tenure structures, there are shared systems, services and management that sit above individual homes. Complex schemes with multiple tenures in a single structure become significantly harder to operate. This risks confusion and inconsistency, because key decisions about safety, maintenance and long-term investment are made.

We’re also concerned that the definition isn’t clear about where responsibilities start and end, which could create ongoing management issues and may make lenders cautious if ownership and responsibilities aren’t clearly defined. UK Finance flagged in their submission to the Housing, Communities & Local Government Committee’s Call for Evidence on the *Draft Commonhold & Leasehold Reform Bill* that moving to commonhold is a significant industry change that could affect initial mortgageability and

value. And it explicitly warns that conversion proposals could create mixed tenure blocks that are “highly problematic” and “harder to mortgage”.

Housing associations in particular routinely develop and manage mixed-tenure schemes and carry non-delegable statutory responsibilities for safety and long-term stewardship. This is a risk for housing associations with multi-tenure programmes and buildings.

The proposed scope of the ban

Once the ban has commenced, we are proposing that it will apply to the sale of flats in the following types of multi-unit building:

- a) Purpose-built new developments: that include flats for sale (and which may or may not include other uses, such as commercial units and light industrial space, or homes for rent);
- b) A house newly converted into flats: where at least one flat is for sale on a long lease;
- c) Commercial buildings newly redeveloped to contain flats: where at least one flat is for sale. For example, office space or a shopping centre with flats on upper floors;
- d) Purpose-built rental blocks whose owners have later opted to sell flats for homeownership: for example, a block entirely made up of Build to Rent flats where one or all flats are subsequently marketed for sale to prospective homeowners; and
- e) Other residential buildings where there are no existing registered long residential leases: for example, an existing block of flats in vacant possession, that is refurbished so the flats can be resold.

Question 7. Do you agree with the proposed scope of the ban (categories in A-E above)?

	Agree	Disagree
A. Purpose-built new developments		Y
B. A house newly converted into flats		Y
C. Commercial buildings newly redeveloped to contain flats		Y
D. Purpose-built rental blocks whose owners have later opted to sell flats for homeownership		Y

Please provide justification for cases where you disagree:

We believe it would be better to assess tenure at the building level, with exemptions to support different development types. The approach as proposed risks inconsistent management being delivered by housing associations in complex developments.

The proposals could also lead to unintended consequences, such as an increase in shared ownership leasehold houses, which would run against the wider aims of recent leasehold reform.

There is also insufficient clarity on how mixed-use or phased developments would work, including how decisions would be balanced between residential and commercial, or how control should work during early sales phases where a small number of owners could end up having disproportionate influence.

Question 8. Should an owner of a building with a sitting commercial tenant and no residential long leases be required to change the building to commonhold if they wish to sell a new flat in the building?

- Yes
- **No**

Please explain your answer:

We do not believe it would be reasonable to require a building owner to convert a whole building to commonhold when they want to sell a new flat, especially where there's an existing commercial tenant and no long residential leases. Mixed-use buildings are usually set up, funded, and managed as one, and the commercial element plays a part in making the overall building financially viable.

Requiring a full conversion could create unnecessary complexity, disrupt existing arrangements, and will likely disincentivise owners from selling new flats in the building. There needs to be more flexibility for mixed-use buildings, which reflects how the building operates and doesn't undermine long-term management agreements and activities.

Considering the case for exemptions

Permitted leases within a commonhold

Under existing legislation, long residential leases cannot be granted within commonhold. In the Draft Commonhold and Leasehold Reform Bill, we are changing this to broaden the scope for commonhold's use. This will allow certain types of long residential leases within commonhold, specifically, shared ownership leases (including specialist variants of shared ownership, such as Older Persons Shared Ownership, and Home Ownership for people with Long-term Disabilities), home purchase plans (including Islamic finance products), and certain equity release products that require a lease.

There may be other circumstances where the use of specific types of long residential leases within a commonhold may be necessary. We would like to hear from consultees on any such examples, and how commonly they might be expected to be used in practice.

Question 9. Besides shared ownership (including specialist variants of shared ownership), home purchase plans, and equity release products, are there any other types of residential long leases that will be necessary within a commonhold? Please provide your reasoning for why the arrangement is being suggested. Please also include any data available on the prevalence of flats currently using such an arrangement:

Besides shared ownership, we don't believe that most flats sold for owner occupation require alternative long-lease structures. Expanding the list too far could create the same issues that commonhold is trying to address.

Land that cannot currently be registered as commonhold

The current commonhold legislation already details certain categories of land that are not permitted to be registered as commonhold. These are flying freeholds, agricultural land and contingent titles (see below).

Land not registrable as commonhold

Flying Freeholds

- A. *To avoid the creation of **flying freeholds**, the creation of commonhold land at first floor level or above is prohibited unless all the land below it and down to the ground is part of the same commonhold.*

Agricultural land

- B. ***Certain sites used for agriculture**, such as those with a farm business tenancy, or a tenancy of an agricultural holding, cannot be registered as commonhold.*

Contingent title

Land also cannot be registered as commonhold land if it is held contingent on external events, including:

- C. ***Land subject to a compulsory purchase order** cannot be registered as commonhold;*
- D. ***Certain sites for institutions or places of worship**, including land reserved for educational institutions (e.g. museums or libraries), and sites used for worship (e.g. a church or temple); and*
- E. ***Certain sites that have been used for schools**, for example land which is held subject to a grant under the Schools Sites Act 1841 reverts to the grantor when the land in question ceases to be used for a school.*

We foresee that most of these categories will continue to be relevant and therefore subject to an exemption from the ban on new leasehold flats, otherwise neither new leasehold nor commonhold flats could be provided on such sites. However, we welcome views on whether there is a case for any of the above exclusions to be removed from this list.

Question 10. Which, if any, of the above types of land that cannot be registered as commonhold should continue to be excluded and therefore exempt from the ban?

	Exempt from the ban	Not exempt from the ban
A: Flying Freeholds	Y	
B: Certain sites used for agriculture	Y	
C: Land subject to a compulsory purchase order	Y	

D: Certain sites for institutions or places of worship	Y	
E: Certain sites that have been used for schools	Y	

Please provide a justification for why and any data available on the prevalence of the given category of land:

We agree all the above types of land should continue to be excluded from commonhold and exempt from the ban on new leasehold flats. Otherwise, it could prevent homes from being delivered at all. Keeping the exemptions allows developments and sales to proceed where commonhold isn't possible.

Developments where future use of leasehold may be justified

The reformed commonhold model is designed to accommodate all types of residential and mixed-use development. In addition to your feedback on the list of sites currently prohibited from registering as commonhold, we welcome views and evidence on where continued use of leasehold may be justified.

Question 11. We welcome your views on whether any land ownership arrangements, or types of development, should be exempt from a ban on new leasehold flats. Please provide justification for why the arrangement is being suggested, and any data available on the volumes of flats (or number of sites and buildings) using this arrangement that could be anticipated per year.

Leaseholds may continue to be needed in mixed-use developments, where residential and commercial are within the same building and we need to balance different interests. It may also be justified during phased developments, where a leasehold structure allows us to manage risk and retain control while a scheme is being built. In some cases, leasehold may be needed to support funding or ownership models, where lender or investor requirements exist. This is likely to apply to a small number of sites, but without flexibility the risk is that schemes are delayed, redesigned, or not brought forward at all.

As we set out in our answers in the 'scope of the ban' section, a lack of provision for the continued use of leaseholds would risk undermining the delivery of affordable homes and mixed communities due to the complexity of applying commonhold to mixed-tenure buildings. The use of commonhold in complex multi-tenure sites could create regulatory, financial and delivery risk due to a mismatch between accountability and control especially for housing associations.

Structure of the ban on new leasehold flats

How the ban will operate

The general structure of the proposed ban is set out here for comment:

Marketing: Advertising for sale a new leasehold flat will be banned, unless the flat qualifies for an exemption. Where an exemption applies, marketing materials must show the basis for exemption.

Sale: Granting a new lease of a flat will be banned, unless the flat qualifies for an exemption. For exempt leases of flats, the landlord will be required to issue a prescribed 'Warning Notice' to the prospective buyer and their solicitor. This must be issued at least 7 days before exchange of contracts, detailing the exemption and where necessary providing further evidence of compliance. The 7-day period will provide the prospective buyer with the opportunity to ask questions and seek further evidence if required.

Registration: Assurance for first and subsequent buyers will be provided through the land registration system. All new long leases of flats registered with His Majesty's Land Registry (HMLR), will have to include a new 'Prescribed Statement' confirming their compliance with the ban. Failure to comply will trigger a temporary restriction on title, preventing the flat from being resold until the property's status is resolved.

Redress: Buyers will have rights to redress if mis-sold a leasehold flat in breach of the ban. Remedies will vary depending on the nature of the breach:

- i. If a consumer was unlawfully granted a lease in a commonhold building, they will have the right to obtain the commonhold unit, at no cost to them.
- ii. If one or multiple flat owners were unlawfully sold a leasehold flat in a relevant building, they will have the right to require the building be converted to commonhold and to acquire their flat as a commonhold unit, at no cost to them.
- iii. If a consumer acquired a leasehold flat that qualified for a legitimate exemption, but the required evidence was not provided, they will have the right to have this corrected in the lease at the landlord's expense.

Enforcement of the ban will occur through financial penalties, scaled according to the level of consumer harm. For example, wrongly advertising a new leasehold flat would incur a lower penalty than completing a prohibited sale. The enforcement of the ban will be led by a lead enforcement authority appointed by the Secretary of State.

Question 12. Please provide any views or suggestions on the proposed structure of the ban.

As it provides clarity across marketing, sale, registration and redress, the proposed structure of the ban should help sales and marketing teams and prevent mis-selling. As government further develops these reforms, we would encourage a continuation of this simple and consistent approach to the process. Marketing materials and legal documentation will need to clearly set out the tenure being offered, particularly for products such as shared ownership, where Key Information Documents and legal packs will need updating to reflect any changes.

There is likely to be a period where leasehold and commonhold homes will be marketed at the same time and this will create confusion for buyers, especially where different tenure types exist within the same development. The seven-day warning notice needs to align with conveyancers.

Timetable for moving to commonhold

To support a successful transition to commonhold as the default tenure for flats, the UK government is keen to understand how long different parts of the housing sector may need to adapt, and the reasons behind these timelines.

We are seeking views from consultees on how long your profession or sector would need to prepare for commonhold becoming the default tenure for new flats. In addition to a time estimate, we are particularly interested to understand the drivers behind your response.

Question 13. Do you anticipate that you, your organisation or your sector will begin using, or supporting the use of, commonhold once the new commonhold model is introduced, or only once the ban is in place for new flats?

- Once the new commonhold model is introduced
- **Only when the ban comes into force**
- Other

Please set out your reasoning:

We would use commonhold once the ban comes into force as presently there is too much uncertainty about how the new model will work, particularly with lenders and solicitors. We also anticipate government and the housing sector as a whole will need to carry out significant buyer and resident education as commonhold is established and becomes required in law.

Question 14. What actions or activities would you, your organisation or your sector need to undertake to prepare for the widespread use of commonhold? And how long would these take?

Housing associations will need time to prepare for commonhold as it's not just a legal change; it affects how buildings are owned, managed, funded and sold, especially in mixed-tenure developments.

Clear legal frameworks will be needed to show how commonhold works alongside shared ownership and rented homes, including decision-making, cost sharing and building safety responsibilities. Housing associations will also need certainty that commonhold aligns with their regulatory duties and long-term stewardship role.

From a buyer and resident perspective, as it will be unfamiliar, we will need to explain it clearly, reassure buyers and lenders, and provide support to residents.

Internally, organisations will need to update documentation, train staff and align development, sales and housing management teams. A phased transition, with time to build confidence and test, will be essential to making commonhold work in practice.

It should be noted that given the breadth of actors involved in the successful development, marketing, sale and management of a building, a successful transition will depend on the readiness of the wider housing and legal systems, not just the introduction of a new legal framework.

Question 15. From the point at which the revised commonhold law comes into force, how long would you, your organisation or your sector need to prepare for using commonhold as the default tenure in new blocks?

- No time
- 1 years
- 2 years
- 5 years
- **Other**

Please explain your answer:

We don't feel it is possible to accurately estimate the preparation time involved given the early stage of proposals and the lack of detail we currently have about its implementation. Certainly a multi-year transition will be necessary given the scale of the changes proposed.

Phased implementation for different types of development

The complexity of transitioning to commonhold may differ across types of development. For example, it has been suggested that the ban could start with smaller blocks that are generally simpler to manage and move to larger more complex blocks once familiarity with commonhold has increased. Others suggest that it may be better to have a single point from which commonhold is required to support implementation and avoid confusion for consumers and industry.

Question 16. Should the UK government introduce the ban on new leasehold flats with a single implementation date for everyone, or should it be staggered, allowing certain types of new building or developments more time to adopt commonhold?

- The ban should commence at a single point
- **The ban should be staggered**

If you think the ban should be staggered, which development or building types should be granted more time to prepare for a ban on the sale of new leasehold flats? Please set out your reasons for any answer given, and the estimated volumes of these products delivered each year.

We believe the ban should be introduced in phases to allow commonhold time to be tested and properly embedded. A staggered approach would reduce the risk of disruption to housing delivery for complex and mixed-tenure developments.

Sites under development when the ban is commenced

Development of a single site can take years from start to completion, whether the site is a single block or occurs in phases. The UK government acknowledges that when the ban is introduced, there will be blocks already under development, some of which the developer may have begun selling as leasehold.

At the point of commencing the ban, where a block stands alone and no units have yet been sold off, we believe a developer should be able to pivot to sell these as commonhold once development is complete. However, where a block is not yet complete, but leases have already been granted or sold, we recognise shifting to commonhold may be challenging. We are therefore proposing a transitional arrangement that would allow self-contained blocks in which new leasehold flats have already been sold at the point the ban is commenced to continue to do so following commencement of the ban.

Question 17. Do you agree that self-contained blocks that have already sold new leasehold flats at the time the ban is commenced should be able to continue to do so?

- **Yes**
- No

Please explain your answer:

We agree that self-contained blocks that have already sold new leasehold flats at the time the ban is commenced should be able to continue to do so. Without this provision, we would expect to see significant issues for development and sales teams, and possible implications with funding requirements. It would also cause confusion for buyers and residents.

Question 18. If you answered yes to the previous question, how long should developers have to complete the self-contained block?

- **No time limit**
- 1 years
- 2 years
- 5 years
- 10 years
- other

Please explain your answer:

It is not possible to determine a fixed timeframe for completing a self-contained block, as delivery and sales are influenced by a range of external factors, including market conditions, construction timelines and access to mortgage finance. Introducing fixed time limits could create unintended pressure on delivery and may not reflect the realities of development

Question 19. Are there any alternative approaches to dealing with phased sites?

For phased developments, each phase should be treated separately so sites already designed or underway can proceed under existing arrangements, while later phases transition to commonhold. This gives time to test and refine the model and avoids delaying delivery. Clear rules will be needed to manage shared infrastructure and services across phases so different tenure types can operate alongside each other without creating confusion or risk, which we suggest government consider as they develop proposals further.

Flats built on historical leasehold land

The ban on new leasehold houses includes an exemption for land leased by 21 December 2017 (the day before the policy intent was announced in the response to the house ban consultation). This will allow owners of sites meeting that condition to continue to sell leasehold houses after the ban comes into force.

For the flat ban, we are minded to make a similar provision, and supplement it by requiring that any leasehold land exempted from the ban must have been both leased and acquired prior to a specified date before the ban commences.

This approach disincentivises the stockpiling of leased land from a particular date (for example, by those looking to get round the ban), but it is open ended, and so consumers could be sold new leasehold houses on these sites at any point in future. We think this should not be an open-ended exemption, and so are seeking views on whether there should be a cut-off date by which legacy leasehold sites are used to provide leasehold flats.

Question 20. Where land is owned on a leasehold basis at the point the ban comes into force, what further conditions, if any, should enable the site to qualify for an exemption?

Please tick which, if any, of the following should apply:

- **the leased land was acquired before the ban is commenced**
- **the site has planning permission at the point the ban is commenced**
- **the site is under construction at the point the ban is commenced**
- **the first sale of a leasehold flat occurs within a fixed period of time after the ban is commenced**
- none of the above
- other

If you selected Other, please specify:

All of the above conditions should enable the site to qualify for an exemption. Maintaining flexibility is essential to protect the progress of planned or active developments. Because these projects are designed and financed based on specific tenure models, imposing late-stage changes could compromise their financial viability and overall delivery.

Question 21. If you selected 'the first sale of a leasehold flat occurs within a fixed period of time after ban has commenced', please specify the time period.

- within 1 year
- within 2 years
- within 5 years
- **no time requirement**

Question 22. Where a site is owned on a leasehold basis, should the developer have a fixed amount of time to finish selling leasehold flats on the site once the ban has commenced?

- Yes
- **No**

If you selected No, please set out your reasoning:

Too many factors affect sales ability that are outside of the developer's control for the proposal to be proportionate or effective.

Question 23. If Yes, how long should the developer have to sell the remaining leasehold flats on the site once the ban has commenced?

- 1 year
- 2 years
- 5 years
- Other

If you selected Other, please specify:

Question 24. (For developers/landowners only) Do you own any land intended for residential or mixed-use development on a leasehold basis?

[Yes/No]

If yes, please provide the number of sites and their capacity, and what costs you anticipate incurring acquiring the land on a freehold basis instead of leasehold?

[Free text with 32,000 character limit]

Question 25. Are there any alternative approaches for dealing with historical leased land?

[Free text with 32,000 character limit]

Further refinements to support market-wide adoption of commonhold

The UK government proposes to limit the number of exemptions to the ban so as to maximise the number of consumers who would stand to benefit from commonhold. We therefore consider that making adjustments to the commonhold laws to provide further flexibility will reduce the need for exemptions in certain circumstances, and support broader, more inclusive adoption.

Question 26. Are there any technical or minor changes to part 1 of the published Draft Commonhold and Leasehold Reform Bill that would better support specific private sector-led development models or forms of homeownership?

Nothing additional to the clarity that has been mentioned already throughout our response to this consultation.

Supporting adoption in the affordable housing sector

We recognise that affordable housing providers have additional responsibilities, including to comply with the standards set by the Regulator of Social Housing, such as the Safety and Quality Standard and the Neighbourhood and Community Standard.

With the draft legislation now available, we welcome views from those working in the affordable housing sector on whether further changes to the commonhold framework would help in meeting their obligations to their tenants and to the Regulator.

Question 27. Are there any technical changes to the published Draft Commonhold and Leasehold Reform Bill that would further enable the affordable housing sector to use commonhold?

Yes. The Bill would better enable the affordable housing sector if it included clearer technical provision for shared ownership and mixed-tenure schemes, which are central to the delivery of Homes England and GLA-funded housing. Greater clarity is needed on how shared ownership operates within commonhold, including staircasing, voting rights, cost liability and lender security, to ensure mortgage availability and protect funder requirements.

In addition, modest flexibility around governance, phasing and landlord step-in rights would help Registered Providers meet long-term stewardship and funding obligations without disrupting development programmes. These targeted changes would not weaken the policy intent but would reduce delivery risk, support lender and investor confidence, and help ensure commonhold can be adopted at scale.

Professional management in commonhold developments

We anticipate that developers of most new commonhold developments, particularly larger or more complex ones, will have managing agents put in place from the outset (though of course, the commonhold unit owners may choose to replace a managing agent or make their own appointment at a later point), as is common practice in new share of freehold arrangements.

While self-management by lay directors may be suitable for small or simple buildings, stakeholders have suggested that more complex sites may require professional directors or agents to ensure effective governance and compliance.

Question 28. Are there any types of commonhold building or development (for example those over a certain number of units) which should be required to appoint professional directors and/or managing agents?

- Yes
- No

If yes, please specify which types of commonhold development and provide your reasoning:

Under the Building Safety Act regime for higher-risk buildings, the Principal Accountable Person (PAP) manages fire and structural risks for the parts they are responsible for, and they cannot delegate their legal obligations. The PAP is often an organisation such as a housing association, local authority or a commonhold association. In such circumstances, there should be a requirement to appoint professional directors and/or managing agents.

Commonhold associations would be responsible for decisions relating to building safety, financial management, maintenance and compliance; responsibilities should be undertaken with the appropriate level of knowledge and support. This is particularly important in higher-risk or more complex buildings.

Question 29. Apart from professional management, are there any additional requirements that should apply to owners of particularly large or complex commonhold buildings? Please outline the nature of the building and any additional obligations you think should apply.

We would expect the same management standards, qualifications and certifications that apply to leasehold buildings would also apply to commonhold buildings. We would anticipate that as proposals develop further, government explores requirements for complex buildings that ensure residents are not exposed to avoidable risk when decisions are taken collectively.

Micro-commonholds

Small buildings are typically simpler to manage, as they will involve fewer shared areas and infrastructure. This will be true of small commonholds, and so we are also open to reflections on whether to apply commonhold laws in exactly the same way for all sizes of buildings.

Other jurisdictions which use commonhold-like models do not apply a one-size-fits-all approach, and we are conscious that some of the requirements of the general commonhold legal framework may be unduly onerous for very small, simple buildings – for example, those involving four or fewer units, perhaps where the only shared areas are a hallway and parking. For the purposes of this consultation, we have termed these ‘micro-commonholds’.

Question 30. Do you agree with our proposed definition of 'micro-commonholds' as those which contain 4 residential units or fewer?

- Yes
- No

Question 31. If no, where do you think that threshold should be set?

- 2 units
- 6 units
- other

If you selected Other, please specify:

[Free text]

Please provide your reasoning:

[Free text with 32,000 character limit]

Question 32. Should any legal obligations on commonhold associations be removed or made optional for very small, simple commonholds?

- Yes
- No

If yes, please specify which obligations you believe should be removed or made optional, and explain your reasoning:

For housing associations and affordable housing delivery, it would be helpful if some legal obligations on commonhold associations could be simplified or made optional for very small, simple commonholds, as long as key protections remain in place. In small, low-risk buildings (for example, a single block with a small number of owner-occupiers), lighter-touch governance, simplified meeting and reporting requirements, and the use of standard model rules could reduce unnecessary cost and administration, making commonhold more workable.

However, core obligations around building safety, financial transparency, protection of service funds and basic dispute resolution should remain mandatory to protect residents, meet regulatory and funder expectations, and maintain lender confidence. A proportionate, tiered approach would support adoption without undermining safety or accountability.

Costs and benefits

The UK government is also interested in understanding the potential costs and efficiencies that might arise from moving from leasehold to commonhold in new developments, and whether there are any sector-specific costs or efficiencies we should be aware of.

Question 33. For those involved in the development, marketing, sale and conveyancing of new blocks of flats, in the past 3 years, what percentage of these typically have the following features? Please provide an approximate percentage for each.

	None	0-25%	26-50%	51-75%	76-100%	Don't know
990-year leases (or longer) as standard					X	
A resident management company that owns the freehold of the building(s)						
Professional managing agents responsible for the upkeep of the building						
A reserve fund in place from the outset						

Question 34. Will you or your organisation need to implement new, or update existing, systems to adapt to the use of commonhold?

- Yes
- No

If yes, please provide a brief description of these changes and their associated costs:

As a minimum, we know system updates will be required. At this point in the development of proposals, we're unable to accurately estimate the associated costs.

Question 35. Will your organisation need to train/upskill staff to adapt to the use of commonhold?

- Yes
- No

If yes, please provide a brief description of the training required and its associated costs:

Colleagues will need training to advise purchasers of the set-up, particularly where we may be operating in mixed tenure buildings.

Question 36. Will you or your organisation need to consult external professionals to adapt to the use of commonhold? (E.g. legal professionals, consultants etc.).

- Yes
- No

If yes, please provide a brief description of the external advice needed and its associated costs:

Yes. We use external legal advisers when disposing of empty homes through sales.

Question 37. Do you expect any costs to arise from complying specifically with the ban (e.g. adapting marketing materials, issuing warning notices, including prescribed clauses in exempt leases)?

- Yes
- No

If yes, please outline why, and your expected cost per development, purchase / sale, or contract to change:

Costs to adapt marketing materials, updating sales information and issuing prescribed notices are expected to be low and largely one-off, and would mostly be absorbed into existing marketing refresh and sales process updates.

There may be initial legal costs associated with updating lease precedents and incorporating prescribed clauses. These costs are likely to be front-loaded and should reduce once standardised documentation is in place, particularly for Registered Providers delivering multiple schemes.

There will also be minor ongoing administrative and training costs, as we need to explain the new tenure arrangements clearly to purchasers and to respond to lender and solicitor enquiries. There will be a cost to update our customer and development systems.

Question 38. Do you anticipate any efficiencies to arise from the adoption of commonhold in the form of cost savings for you or your organisation?

- Yes
- No

If yes, please outline where you might expect these efficiencies to materialise, and by how much associated costs may fall:

ENDS