

P-05-1129 Apply legislative measures now to enact the Law Commission's recommendations to abolish Leasehold, Correspondence – Petitioner to Committee, 28.09.21

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Jack Sargeant MS
Chair - Petitions Committee
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28th September 2021

Dear Jack,

I am pleased to provide you with an update to our position with regards to petition *P-05-1129 – Apply legislative measures now to enact the Law Commission's recommendations to abolish leasehold.*

Our position is still very much that leasehold should be abolished.

With regards to the recent legislation in the form of Leasehold Reform (Ground Rent) Bill coming from Westminster, we feel this is a watered-down piecemeal solution being presented by a government that are freeholders themselves, act on behalf of builders and have interests in the hedge funds that profit from leasehold.

Any leasehold is bad. To those who do not live with the nightmare that is leasehold, peppercorn rents seem like a simple solution, but it will still heavily restrict leaseholders to unreasonable fees, little or no recourse to builders and unregulated management agents. This is on top of the mis-selling, escalating ground rents and complex leasehold contracts often designed to maximise profit for the freeholders. Everyone seems to forget that when a leasehold ground rent rises above £250 it becomes a shorthold tenancy meaning someone could lose their home in just one month if they forget to pay that ground rent.

As we have seen time and time again, any loopholes in leasehold contracts will soon be exploited unless it is gone for good. We have seen this with insurance brokerage fees going to freeholders but paid for by leaseholders. We have seen this in preferred contractors billing extra to give kickbacks to freeholders. We have seen this in excessive waking watch costs when they are generally not needed. We have seen this with the latest scandal of charging for fire safety work that turned out to be unnecessary. The stories just keep coming out. The only way to prevent the exploitation of leaseholders by freeholders and their agents is to abolish leasehold altogether, giving residents back control of their properties.

As seen in the evidence gathered by the Welsh Government on behalf of the Minister for Climate Change, there are no advantages to leasehold. The business of leasehold needs to stop and the only way to do this is remove it for good, just as every other country in the world has done bar England and Wales.

Past Welsh MP's have lobbied for the removal of leasehold in Wales for over fifty years and I trust the Petition Committee see how this complex issue would be better solved by abolishing leasehold rather than "polishing" leasehold into an ever more complex system.

Thank you for the opportunity to add further comment and thank you to the Petition Committee for considering this petition.

Yours sincerely,

Mark Habberfield

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