

## **How will the new Leasehold and Freehold Reform Bill affect my income as a Freeholder?**

As the property landscape undergoes significant changes, it's crucial for developers and freeholders to understand and adapt to the latest reforms, especially regarding ground rent and lease extensions. These reforms are reshaping property ownership dynamics and present both challenges and opportunities for stakeholders in the real estate sector.

Ground rent has been a point of contention in recent years, with concerns about escalating fees and their impact on leaseholders. In response, the UK government has introduced reforms aimed at addressing these issues and enhancing transparency and fairness in the Leasehold property market.

One of the key reforms affecting developers is the proposed ban on the sale of new Leasehold houses and the restriction of ground rents on new Leasehold flats to peppercorn or zero. This move aims to end the practice of developers selling houses as leaseholds, which has trapped homeowners in contracts with escalating ground rents and onerous lease terms. By restricting ground rents on new leasehold flats to zero, the government aims to protect leaseholders from excessive and unpredictable costs and promote homeownership.

For freeholders, who typically hold ultimate ownership of leasehold properties, the reforms have implications, particularly concerning lease extensions. The government has proposed reforms to simplify and streamline the process of extending leases, making them more affordable and accessible for leaseholders. One significant change is the increase in standard extension terms from 90 to 999 years, granting leaseholders greater security and eliminating the need for further lease extensions in their lifetime. This empowerment allows leaseholders to invest in their properties with long-term stability, free from the burden of impending lease expiration. The longer lease terms not only benefit leaseholders but also contribute to a more stable and sustainable property market, reducing uncertainty for both leaseholders and potential buyers and enhancing the overall attractiveness and market value of leasehold properties.

In conclusion, the ground rent reforms for newly built flats and lease extensions mark a significant development in the leasehold system in the UK. While they pose challenges for developers and freeholders, they also present opportunities for innovation and collaboration. By staying informed and proactive, stakeholders can navigate these reforms successfully and contribute to a more transparent property market for all.

If you are a Freeholder or a Developer and would like to help manage your existing or new projects or have any questions about the new Leasehold reforms, then do not hesitate to contact our friendly and helpful team for a no obligation conversation at 020 3488 2093 or send us an email at [property@archeryestate.co.uk](mailto:property@archeryestate.co.uk)