

Leasehold and Freehold Reform Bill update



If you have been following our updates on the Leasehold and Freehold Reform Bill then you will know that it has been making its way through Parliament at a fairly steady pace. On 22 April 2024, the Bill entered the committee stage in the House of Lords. This stage is a chance for the members to thoroughly examine each individual clause and put forward any further proposed amendments. As a result of this stage, we have seen almost [150 amendments to the Bill](#).

Several points which were initially considered as given have now been revised. One key example of this is the Conservative government's promise to retrospectively remove all ground rent from existing leases. This is now not likely to be permitted and the proposal to move to peppercorn ground rents for all leases retrospectively has been rejected. This is due to concerns surrounding possible Human Rights Act challenges that may arise as a result of enacting retrospective legislation. It is now thought that if there are changes to the ground rent regulations then these are likely to result in a cap on current ground rents at no more than £250 per annum, rather than being cut to zero. It is also surmised that there will be a phasing out of these ground rents over 20 years rather than an immediate stop.

It is now also speculated that the Bill will not be enacted until 2025/2026 rather than by the end of 2024 as was initially indicated however no decisive reason for this has been given.

Now that the Bill has passed through the committee stage, it is set to enter the report stage in early June 2024. We will of course update you as matters progress.



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