

The King's Speech 2023: what this means for leasehold reform



After much anticipation and media speculation we have at last been provided with insight into the legislative reform of leasehold, set out in today's King's Speech.

The government has announced new laws to reform the housing market with an intended Leasehold and Freehold Bill to be laid before parliament later this month.

Consistent with the government's previous messaging, key proposals for this bill are:

- Making it cheaper and easier for existing leaseholders in houses and flats to extend their lease or buy their freehold with the intention that leaseholders pay less to gain security over the future of their home.
- Increasing the standard lease extension term from 90 years to 990 years for both houses and flats, with ground rent reduced to £0.
- Removing the requirement for a new leaseholder to have owned their house or flat for two years before they can exercise their right to extend the lease.
- In freehold acquisitions, increasing the current 25 per cent 'non-residential' limit to 50 per cent non-residential floor space thereby widening the ambit of mixed use buildings capable of being enfranchised.
- Banning the creation of new leasehold houses so that – other than in exceptional circumstances – every new house in England and Wales will be freehold from the outset.

The government has also indicated that they will be consulting on capping existing ground rents. Subject to such consultation the government will look to introduce a cap through this bill.



Read the [Prime Minister's Statement](#) of earlier today.



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