

The King's Speech – what next for leasehold reform



On 17 July 2024, the eagerly-awaited King's Speech was delivered after Labour secured a majority in the General Election on 4 July 2024.

The King's Speech contained some of the key policies the Labour government indicated were on their list of priorities. Reforming leasehold enfranchisement found itself at the top of their agenda. This included bringing into effect the key provisions of the Leasehold and Freehold Reform Act 2024 (LAFRA 2024) enacted earlier this year under the previous government.

The professed intention of LAFRA 2024 is to make enfranchisement easier and cheaper, empowering leaseholders of flats and houses through the introduction of new enfranchisement rights. This includes the controversial abolition of marriage value and the simplification of certain procedural requirements restricting a leaseholder's ability to enfranchise. However, the current government has also introduced the spectre of the further reform of the leasehold system through enacting the remaining Law Commission recommendations on enfranchisement and the Right to Manage.

Radically, the government has also pledged to take steps to bring the current leasehold system to an end through the introduction of new legislation, with the King's Speech noting that, 'Draft legislation will be published on leasehold and commonhold reform'.

The aim of the legislation will be to reinvigorate commonhold through a comprehensive new legal framework and banning the sale of new leasehold flats, so commonhold becomes the default tenure. Furthermore, it will aim to tackle issues with existing ground rents in leasehold flats, partnering with the new protections introduced for homeowners on private estates under LAFRA 2024.



Finally, the draft legislation is also expected to end the widely perceived injustice of forfeiture with the intention of protecting leaseholders at risk of losing their home for small unpaid debts.

However, while the direction of travel seems clear, the timetable for the introduction of these reforms remains unclear. It seems the residential real estate sector must continue to be patient.

How we can help

If you need advice or help on any of the topics raised please contact our [residential estates team](#).



[Veronica Vundi](#)

Senior Paralegal