



Home Ownership Division  
3rd Floor Fry Building  
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14 December 2017

**BY EMAIL ONLY**

Dear Sirs

### **Improving the home buying and selling process - Call for Evidence**

LEASE supports the government's vision to grow home ownership and increase transparency and fairness for leaseholders. Through our work we also encourage best practice and improvements in the management of residential leasehold property.

We welcome the opportunity to provide views on the matters set out in the call for evidence. As the leading source of independent leasehold advice to leaseholders in England and Wales, providing that advice across both the public and private sectors, we are well placed to comment; and keen to help DCLG and those buying and selling leasehold property achieve better outcomes from the conveyancing process.

We have limited our comments to questions 15, 16, 20, 21, 22 and 23; and we hope that they prove helpful.

#### **Buying a leasehold property**

**Q15. Should sellers be required to provide more information before they market their property?**

**a. If so, what information should be provided?**

Each property should have live 'passport' containing salient information which must be present in order for the property to be marketed. The passport stays with the property and salient information is added/removed over time.

The onus should be on the agent to verify that they have the requisite information. For example, the November/December 2017 issue of Property Professional magazine provides an illustrative story from The Property Ombudsman (PO). PO did not uphold a seller's complaint when the buyer pulled out of the purchase, because the seller provided the wrong lease length. A passport, verified by the agent, would have avoided this problem altogether.

**Q16. Should sellers of leasehold homes be encouraged to engage with their freeholder before marketing their home for sale?  
a. If so, in what ways should they engage?**

The freeholder or relevant landlord should be obliged to supply relevant information to agents/owners. This should be for a set fee, subject to increase by RPI; and produced within a set timescale. There should be a penalty (fine or other similar sanction) for not complying with the requirements.

**Q20. Should managing agents / freeholders be required to respond to enquiries within a fixed time period?  
a. If so, how could this be done?**

Yes, through standards (consolidated Code of Practice perhaps) enforced by a single property services Regulator.

**Q21. Should maximum fees be set for the services and information provided by managing agents / freeholder to home buyers and sellers?  
a. If so, how could this be done?**

Rather than capping such fees, the services they reflect should not be independent of a building's management fee. Instead, it should be a requirement that any contract for the provision of management services must incorporate services to home buyers and sellers.

**Q22. Should the government introduce standard mandatory forms for collecting information about leasehold?**

Standards vary, information varies, conveyancers not understanding varies. Hence, having a standard form would assist all sides.

**Q23. What can be done to improve the customer experience of buying a new build home?**

The developer of a new build scheme should disclose information in an 'information pack' or some other similarly defined document. Similar to the fundamental information provided under the Right to Buy ('Section 125 Notice'), the service charges should be capped for an initial period, say three years, and based on good faith estimates rather than figures pitched to assist sales. Anything not disclosed, that ordinarily would fall as a service charge item, is a matter solely for the developer to meet during those three years. In addition, the information should include (a) plans for the reserve/sinking fund; and (b) summary of risk assessments undertaken, the action recommended and if those actions have been implemented.

Yours faithfully

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