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Guidance

# Guide to the Leasehold and Freehold Reform Bill

Information relating to the Leasehold and Freehold Reform Bill which was introduced to Parliament on 27 November 2023.

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From: [Department for Levelling Up, Housing and Communities](#)  
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## Applies to England and Wales

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The Leasehold and Freehold Reform Bill will deliver on the government's manifesto commitments on leasehold reform. The Bill will make the long-term and necessary changes to improve homeownership

for millions of leaseholders in England and Wales, by making it cheaper and easier for more leaseholders to extend their lease, buy their freehold and take over management of their building.

## Background

The government is committed to promoting fairness and transparency for leaseholders and ensuring that consumers are protected from abuse and poor service. The government asked the Law Commission to review certain areas of leasehold law in 2017. Since then, the government has committed to legislate on a range of policy areas through a number of consultation responses. Links to previous consultations can be found at the bottom of this page.

The [Leasehold Reform \(Ground Rent\) Act 2022](https://www.gov.uk/government/publications/the-leasehold-reform-ground-rent-act-user-guidance) (<https://www.gov.uk/government/publications/the-leasehold-reform-ground-rent-act-user-guidance>) formed the first part of the government's programme of leasehold reform. The Act put an end to ground rents for most new qualifying long residential leases in England and Wales.

The Leasehold and Freehold Reform Bill will go further and deliver significant changes to the residential leasehold property system.

## Overview of Bill measures

The Bill will make long-term changes to improve home ownership for millions of leaseholders in England and Wales by empowering leaseholders and improving their consumer rights. The Leasehold and Freehold Reform Bill will:

**Increase the standard lease extension term for houses and flats to 990-years** (up from 90 years in flats, and 50 years in houses), with **ground rent reduced to a peppercorn** (zero financial value) upon payment of a premium. This will make sure that leaseholders can enjoy secure, ground rent-free ownership of their properties for years to come,

without the hassle and expense of repeated lease extensions.

**Remove the so-called ‘marriage value’**, which makes it more expensive to extend leases when they’re close to expiry.

**Remove the requirement for a new leaseholder to have owned their house or flat for 2 years before they can benefit from these changes** – so that more leaseholders can exercise their right to the security of freehold ownership or a 990-year lease extension as soon as possible.

**Increase the 25% ‘non-residential’ limit preventing leaseholders in buildings with a mixture of homes and other uses such as shops and offices, from buying their freehold or taking over management of their buildings** – to allow leaseholders in buildings with up to 50% non-residential floorspace to buy their freehold or take over its management.

**Make buying or selling a leasehold property quicker and easier** by setting a maximum time and fee for the provision of information required to make a sale (such as building insurance or financial records) to a leaseholder by their freeholder (known as ‘landlords’).

**Require transparency over leaseholders’ service charges** – so all leaseholders receive better transparency over the costs they are being charged by their freeholder or managing agent in a standardised comparable format and can scrutinise and better challenge them if they are unreasonable.

**Replace buildings insurance commissions for managing agents, landlords and freeholders with transparent administration fees** – to stop leaseholders being charged exorbitant, opaque commissions on top of their premiums.

**Extend access to “redress” schemes for leaseholders to challenge poor practice.** We will require freeholders who manage their property to belong to a redress scheme so leaseholders can challenge them if needed.

**Scrap the presumption for leaseholders to pay their freeholders' legal costs when challenging poor practice.**

**Grant freehold homeowners on private and mixed tenure estates the same rights of redress as leaseholders** – by extending equivalent rights to transparency over their estate charges and to challenge the charges they pay by taking a case to a Tribunal, just like existing leaseholders.

**Build on the legislation brought forward by the Building Safety Act 2022, ensuring freeholders and developers are unable to escape their liabilities to fund building remediation work** – protecting leaseholders by extending the measures in the Building Safety Act 2022 to ensure it operates as intended.

**Ban the sale of new leasehold houses** so that - other than in exceptional circumstances - every new house in England and Wales will be freehold from the outset.

## Useful links

- [Leasehold reforms give more rights and protections to homeowners](https://www.gov.uk/government/news/leasehold-reforms-give-more-rights-and-protections-to-homeowners)  
(<https://www.gov.uk/government/news/leasehold-reforms-give-more-rights-and-protections-to-homeowners>)
- [Leasehold and Freehold Reform Bill](https://bills.parliament.uk/bills/3523)  
(<https://bills.parliament.uk/bills/3523>)
- [Leasehold and Freehold Reform Bill Impact Assessment \(IA\)](https://publications.parliament.uk/pa/bills/cbill/58-04/0013/LeaseholdandFreeholdReformBillImpactAssessment.pdf)  
(<https://publications.parliament.uk/pa/bills/cbill/58-04/0013/LeaseholdandFreeholdReformBillImpactAssessment.pdf>) (PDF, 2.4 MB)
- Government consultations:
  - [Modern leasehold: restricting ground rent for existing leases](https://www.gov.uk/government/consultations/modern-leasehold-restricting-ground-rent-for-existing-leases)  
(<https://www.gov.uk/government/consultations/modern-leasehold-restricting-ground-rent-for-existing-leases/modern-leasehold-restricting-ground-rent-for-existing-leases>) (2023)
  - [Reforming the leasehold and commonhold systems in England and Wales \(2022\)](#)

<https://www.gov.uk/government/consultations/reforming-the-leasehold-and-commonhold-systems-in-england-and-wales>)

- [Redress for purchasers of new build homes and the New Homes Ombudsman \(2020\)](https://www.gov.uk/government/consultations/redress-for-purchasers-of-new-build-homes-and-the-new-homes-ombudsman)  
(<https://www.gov.uk/government/consultations/redress-for-purchasers-of-new-build-homes-and-the-new-homes-ombudsman>)
- [Strengthening consumer redress in housing \(2019\)](https://www.gov.uk/government/consultations/strengthening-consumer-redress-in-housing)  
(<https://www.gov.uk/government/consultations/strengthening-consumer-redress-in-housing>)
- [Implementing reforms to the leasehold system in England \(2019\)](https://www.gov.uk/government/consultations/implementing-reforms-to-the-leasehold-system)  
(<https://www.gov.uk/government/consultations/implementing-reforms-to-the-leasehold-system>)
- [Protecting consumers in the letting and managing agent market \(2018\)](https://www.gov.uk/government/calls-for-evidence/protecting-consumers-in-the-letting-and-managing-agent-market-call-for-evidence)  
(<https://www.gov.uk/government/calls-for-evidence/protecting-consumers-in-the-letting-and-managing-agent-market-call-for-evidence>)
- [Tackling unfair practices in the leasehold market](https://www.gov.uk/government/consultations/tackling-unfair-practices-in-the-leasehold-market)  
(<https://www.gov.uk/government/consultations/tackling-unfair-practices-in-the-leasehold-market>) (2017)
- Law Commission reports:
  - [Leasehold enfranchisement](https://www.lawcom.gov.uk/project/leasehold-enfranchisement/)  
(<https://www.lawcom.gov.uk/project/leasehold-enfranchisement/>)
  - [Right to manage](https://www.lawcom.gov.uk/project/right-to-manage/)  
(<https://www.lawcom.gov.uk/project/right-to-manage/>)
  - [Commonhold](https://www.lawcom.gov.uk/project/commonhold/)  
(<https://www.lawcom.gov.uk/project/commonhold/>)
- [LEASE: The Leasehold Advisory Service](https://www.lease-advice.org/)  
(<https://www.lease-advice.org/>)

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## Explore the topic

[Freehold and leasehold property \(/housing-local-and-community/freehold-leasehold-property\)](/housing-local-and-community/freehold-leasehold-property)



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