

FAISAL RASHID MP



HOUSE OF COMMONS LONDON SW1A 0AA

Secretary of State for Communities and Local Government
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18th September

Dear Sajid

I would like to start by thanking you for arranging this consultation, and I welcome the government's announcement that the law on residential leasehold is to be reformed. Issues surrounding the leasehold market are very important to my constituents.

Warrington is a growing town that has experienced a considerable amount of recent housebuilding; many of them currently live in newer leasehold properties. In 2016, 44% of house sales, and 51% of all transactions, in Warrington South were leasehold. This is higher than average for the North West, and much higher than the average for England. You will also appreciate that many of these homes have been purchased by younger, who deserve a decent start in their homes as they bring up their families and establish themselves as property owners.

This is deeply concerning as there are a number of significant issues with leasehold ownership, such as excessive service charges; the lack of transparency over what services are being provided and how they are being charged; lack of regulation of managing agents; and the resale of freeholds to wealthy property companies, which frequently double ground rents rendering houses virtually unsalable. Many people who have bought leasehold properties did not appreciate the very adverse terms under which they purchased their homes and it is hardly surprising, therefore, that 57% of leaseholders regret buying a leasehold property.

The fact that so many home-owners have to live with such conditions is completely unacceptable, and I am disappointed that the government have taken this long to take this issue seriously. For the last year Labour has been saying that using leasehold to sell homes is unfair and unjustifiable, and I believe we must use this consultation to put an end to grossly unfair terms and conditions, including ground rent rises, unfair charges to carry out home alterations and staggering rises in the cost for leaseholders to purchase their freeholds.

In order to do this we must put a cap on rip-off rises in ground rent; deal with existing contracts that contain unfair buy-out clauses; ban the sale of new build homes as leaseholds; and do everything we can to encourage the creation of commonholds rather than leaseholds.

Member of Parliament for Warrington South

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The overriding principle within the consultation should be that the best interests of ordinary homeowners should not be sacrificed for the sake of the profit margins of the house building industry.

Yours sincerely,

Faisal Rashid

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