

New measures introduced to tackle leasehold concerns in Wales

The Minister announced the package of measures with a visit to The Quays in Barry, and met representatives from Taylor Wimpey and Barratts, who have developments at the site.

For houses and flats which qualify for support under Help to Buy – Wales:

- new criteria will require a developer to present a genuine reason for a house to be marketed as leasehold
- leasehold contracts will have to meet minimum standards, including limiting the starting ground rent to a maximum of 0.1% of the property's sale value
- leasehold agreements will have to run for a minimum of 125 years for flats and 250 years for houses.

The Help to Buy Wales – Conveyancer Accreditation Scheme will ensure that trained and registered conveyancers provide clear advice to all Help to Buy – Wales purchasers. The scheme already has more than 150 trained members across Wales. This is designed to ensure that home buyers are properly advised of the implications of their agreements and other ongoing commitments. As well as Help to Buy – Wales buyers, other home buyers will be able to make use of their services.

The Welsh Government provides smaller home builders with affordable loans through the Wales Property Development Fund and the same Help to Buy – Wales leasehold criteria will now apply to properties built through this scheme.

Rebecca Evans said:

“I am delighted that major home builders such as Taylor Wimpey, Bellway, Barratts, Redrow and Persimmon will no longer offer houses for sale on a leasehold basis, unless absolutely necessary. I look forward to other developers making the same commitment.

“These measures have been developed in co-operation with the industry through our House Builder Engagement Programme including the Home Builders Federation and Federation of Master Builders.

“We have acted swiftly to take targeted and tangible action over concerns about leasehold sales on newbuild homes, and where leasehold is already the tenure, I am setting up a new group to recommend reforms to the system. I intend to put in place a voluntary Code of Practice to underpin these measures, improve standards and to promote best practice.

“This is only the start of my plans to address concerns around leasehold. I have not ruled out the possibility of legislation in

the future, which may well be needed to make leasehold, or an alternative to it, fit for the modern housing market.”

Anthony Essien, Chief Executive of LEASE, said:

“We look forward to continuing to work with the Welsh and English governments in supporting leaseholders. Measures like these are clear evidence of their intent to support leasehold homeowners now and in the future. LEASE will do all it can to assist both governments to improve the sector for our leasehold customers”.