

Ministry of Housing, Communities and Local Government Consultation - Moving to commonhold:

banning leasehold for new flats

Response from Propertymark

May 2026

Background

1. Propertymark is the UK's leading professional body of property agents, with over 19,000 members representing over 12,500 branches. We are member-led with a Board which is made up of practicing agents, and we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry-leading training programme and mandatory Continuing Professional Development¹.

Consultation – overview

2. Under the Leasehold and Freehold Reform Act 2024, the sale of new leasehold houses was effectively banned. However, the legislation intentionally left out the banning of new leasehold flats which required additional consideration. With the Draft Leasehold and Commonhold Reform Bill published in January 2026, steps are being taken to prevent the sale of leasehold flats. This consultation details the Ministry of Housing, Communities and Local Government's (MHCLG) proposals on the types of flats being banned, any exemptions, the timing of the bans, transitional arrangements and the wider commonhold legal framework.

Propertymark response – summary

3. Propertymark welcomes the opportunity to respond to MHCLG's proposals to ban leasehold for new flats. Propertymark has campaigned for over a decade for the UK Government to take steps to address the leasehold system, both for consumers and professionals working in the property sector. This is evidenced by our 2018 "Leasehold a Life Sentence" Report where a survey of over 1,000 leaseholders demonstrated that 94% of leaseholders regret buying a leasehold and a further 93% stated they definitely would not buy another leasehold. Not only does this demonstrate leasehold being poorly understood but also negatively perceived. A recent survey in 2025 of over 200 Propertymark members found that, even in the past 24 months, 76% said selling leasehold properties is becoming even more difficult. We therefore welcome efforts to make flats a more

¹ [The professional body for the property sector | Propertymark](#)

attractive option for potential buyers, be they homeowners or buy to let landlords. Not only is this in the best interests of consumers and property agents but it is in the best interests of the housing market as a whole, as failing to address the concerns leaseholders have will potentially leave millions of leaseholders trapped in their own homes and millions of homes taken out of circulation in the housing market. Considering this, our response is driven by the following four overarching positions:

- **Firstly, we recognise the benefits of moving to commonhold, but it must allow for a smooth transition** – exemptions to existing new leasehold flats and those in development will avoid barriers to the sale of homes while facilitating a long-term transition to commonhold.
- **Secondly, careful consideration must be given to any decision to force leaseholders to convert to commonhold** – instead, the benefits of commonhold should speak for themselves, alongside efforts to make it easier for conversions to take place.
- **The regulation of all property agents (not just Managing Agents – (Block Managers)) will be required to support not only the move to commonhold but recent legislative changes such as the introduction of new measures in Renters’ Rights Act for the private rented sector in England** – requiring agents to be qualified and licensed will be essential to ensure that action can be taken against estate and letting agents selling and renting unexempt leasehold flats and Managing Agents who provide a poor-quality service.
- **Residents in a commonhold must have the ability to set up their own management arrangements** – while the UK Government should promote the use of a Managing Agent and setting up a resident management company, the freedom and flexibility for residents to set up their own arrangements will allow residents to take into account the specific needs of their block.

Consultation Questions – Propertymark response

Question 1: If you're responding on behalf of an organisation, please provide the organisation's name and the contact details of a nominated contact.

4. We are responding on behalf of Propertymark. All correspondence can be sent to henrygriffith@propertymark.co.uk

Question 2: In what capacity are you responding?

5. We are responding as a representative group for property agents.

Question 3: If you are responding as an individual, in which region(s) do you live? If you are responding on behalf of an organisation, in which region(s) do you primarily operate?

6. Propertymark is based in the West Midlands, but our 19,000 members operate across the UK from small independent agents to large corporations with hundreds of offices. In total, we represent 12,500 offices across the UK.

Question 4: For developers/landlords/managing agents: How many flats (individual units) do you currently own or manage?

7. While a portion of Propertymark members offer block management services, this is not the main focus of our membership. Client Money held for block management and/or holiday let activities are not regulated by Propertymark.

Question 5: For developers: Approximately how many new flats (individual units) do you expect to deliver in the next 5 years?

8. Propertymark does not represent developers, although a small minority of our members may have land and new homes development as part of their business.

Question 6: Do you agree with the proposed definition of a “flat” for the purpose of the ban. Yes/No, if No, please explain why. If you have any other comments on the proposed definition of a ‘flat’, please provide them here.

9. We agree that the definition should not just apply to conventional flats but to include houses converted into flats, purpose-built blocks of flats, flats over commercial units but also rows of properties with shared underground parking and property overhanging or underhanging its boundary with a neighbouring property. We therefore agree with the definition of flat as: “A separate set of premises (on one or more floors)
- Which forms part of a building
 - Which is constructed or adapted for use for the purposes of a dwelling and
 - The whole or a material part of which lies above or below some other part of the building.

Question 7: Do you agree with the proposed scope of the ban (categories in A-E above)?

A. Purpose-built new developments

That include flats for sale (and which may or may not include other uses, such as commercial units and light industrial space, or homes for rent).

B. A house newly converted into flats

Where at least one flat is for sale on a long lease.

C. Commercial buildings newly redeveloped to contain flats

Where at least one flat is for sale. For example, office space or a shopping centre with flats on upper floors.

D. Purpose-built rental blocks whose owners have later opted to sell flats for homeownership

For example, a block entirely made up of Build to Rent flats where one or all flats are subsequently marketed for sale to prospective homeowners.

E. Other residential buildings where there are no existing registered long residential leases

For example, an existing block of flats in vacant possession, that is refurbished so the flats can be resold.

10. We agree with the proposed scope of the ban for all five categories to ensure the changes are consistent across the property and housing sector.
11. While not included within the list of banned flats, we would encourage the UK Government to avoid banning flats with existing leases. As the UK Government has shared in the consultation

document, forcing leaseholders to purchase the commonhold before they are able to sell places an undue financial burden on them which they may not be able to afford. This would trap leaseholders in their homes even if they would otherwise have the ability to move. By allowing existing leaseholders to sell their homes, these remaining flats can be converted to commonhold overtime when the lease comes to an end or when the new leaseholder converts to commonhold.

Question 8: Should an owner of a building with a sitting commercial tenant and no residential long leases be required to change the building to commonhold if they wish to sell a new flat in the building?

12. We would not recommend that the owner of a building with a sitting commercial tenant and no residential long leases be required to change the building to commonhold. This is primarily because the relationship between the commercial and residential areas differs at a contractual level and it is often more beneficial that they are separate. Flats above commercial property are sometimes used to house staff or the business owners but often are separated with the commercial property being freehold or under a separate lease agreement. Typically, the commercial tenant won't pay service charge either, making it important to distinguish the commercial and residential property within a building. We would therefore recommend that the UK Government treat commercial and residential areas as distinct parts of a building, rather than requiring all parts to form a commonhold together. This will make it easier for residents, the freeholder and the owner of the commercial property to make changes to residential area that minimises the impact on the commercial lease. The UK Government should also review cases where a commercial and residential lease is more connected or cannot be separated, with the view of identifying a way for the property to form a Commonhold while minimising changes to the lease for the commercial tenant.

Question 9: Besides shared ownership (including specialist variants of shared ownership), home purchase plans, and equity release products, are there any other types of residential long leases that will be necessary within a commonhold? Please also include any data available on:

- the prevalence of flats currently using such an arrangement; and/or
- where possible, please provide the expected number of new units per year using this arrangement.

13. We are not aware of any leases that would be strictly necessary within a commonhold. However, the UK Government should consider views of organisations where they can demonstrate where a residential long lease would be more beneficial to leaseholders and other residents in the building than banning the lease to ensure that commonhold becomes the default tenure.

Question 12: Please provide any views or suggestions on the proposed structure of the ban

MHCLG proposes the current structure for the ban on new leasehold flats:

- **Advertising the sale of leasehold flats will be banned unless the flat qualifies for an exemption.**
- **Granting a new lease of a flat will be banned unless the flat qualifies for an exemption.**
- **All new long leases of flats will have to demonstrate their compliance with the ban with HM Land Registry (HMLR).**
- **If consumers were unlawfully granted a lease that wasn't exempt, they have the right to obtain the commonhold of their flat at no cost to them.**

14. We agree with the proposed structure of the ban as the most logical way to implement the changes. However, to support implementation it is imperative that HM Land Registry is resourced to ensure capacity as they will play a central, administrative, and regulatory role in establishing, managing, and documenting commonhold developments as well as existing leasehold property. Estate agents in England and Wales use HM Land Registry to verify property ownership, confirm tenure (freehold/leasehold), and identify legal restrictions such as covenants or easements. It is a key step to completing material information in property listings and will support agents to ensure they are not advertising the sale of leasehold flats will be banned unless the flat qualifies for an exemption. However, if information on HM Land Registry is not accurate or up to date then agents will struggle to comply and support consumers to understand what they are purchasing.

15. However, overall, the UK Government must recognise four things. Firstly, conversion will be most complex and hard where there are mixed use sites, defective leases, missing landlords or fragmented interests. Secondly, estate agents will play a vital role as often consumers come to them first when buying and selling a property. It will take time for them to understand commonhold so they can explain it simply to consumers and the wider market – a statutory code of practice and mandatory qualifications can support this. Thirdly, once leasehold flats are banned ensuring that consumers and the market understand Commonhold Community Statements, local rules, the need for a Commonhold Unit Information Certificate and a register of members as part

of a Commonhold Association is all new and getting the education and understanding right will be important in determining whether buyers feel confident, whether lenders remain comfortable and whether disputes are resolved quickly. Fourthly, managing agents will play an important role but will need to understand how budgets and governance work for commonhold and how this differs from leasehold service charges, again to give owners confidence in the new system.

Question 13: Do you anticipate that you, your organisation or your sector will begin using, or supporting the use of, commonhold once the new commonhold model is introduced, or only once the ban is in place for new flats?

16. As commonhold becomes the default tenure, more property commonhold property will be sold. Propertymark agents will play a key role in supporting consumers through sales, especially in the short-term where general knowledge of commonhold and the specific exemptions is poor. It will be essential for us to ensure that our members are ready to take buyers through the sale of commonhold and exempt leasehold and to answer any questions they have. Propertymark will support our members through our four main forms of training, support and CPD. Firstly, all new Propertymark members need to obtain a qualification based on their seniority level at their company, which for the majority of members is a Level 3 (the equivalent of an A-Level in England and Wales)². As with all new legislation that will impact our members, our existing qualifications will be reviewed, with updated exam questions and study materials provided on the topic of commonhold. Secondly, Propertymark members are required to complete a set level of CPD every year. The main way they can achieve this is by attending one of our training courses that delve into a specific topic for a couple of hours to a full day's training³. New courses on Commonhold will be essential for supporting members who have already received their qualification. Thirdly, Propertymark holds regular webinars that often provide updates on legislative requirements, we envision that we will run multiple webinars that go through the legislation prior to the enactment date⁴. Fourthly, Propertymark holds regional and national conferences throughout the year that include speakers on topics of importance for our members⁵. Combined, members will have access to considerable resources that will ensure they have a full understanding of commonhold to help both buyers and sellers navigate the new tenure.

² [Study Programmes for Estate and Letting Agents | Propertymark](#)

³ [Estate and letting agent training courses | Propertymark](#)

⁴ [Webinars | Propertymark](#)

⁵ [Conferences | Propertymark](#)

Question 14: What actions or activities would you, your organisation or your sector need to undertake to prepare for the widespread use of commonhold? And how long would these take?

17. Beyond needing to understand the ban on the sale of leasehold flats has taken effect, estate agents will need to ensure they have a full understanding of the exemptions and what commonhold is. This is so they can explain the changes to potential buyers but also, more importantly, they can play a role in ensuring no unexempt property is sold under the ban. To do this, estate agents will need to understand how they can identify if the property is leasehold or commonhold and how the exemptions would apply. This may require estate agents to inform existing leaseholders and freeholders if the property can be sold and what they would need to do in order to sell it legally, including the process of turning the property from leasehold to commonhold.

18. As the UK's largest professional body of property agents, Propertymark would take three actions. Firstly, Propertymark would produce guidance to support estate agents in the activities they will need to undertake. Secondly, we would introduce new courses and training for our members alongside guidance. Thirdly, the ban on selling leasehold flats will need to be embedded in our compliance process. We would support our members to ensure they understand how they can demonstrate they identify if they are able to sell a leasehold property and if a property marketed as commonhold is in fact leasehold. We may explore the possibility of embedding this into our Membership Rules so that when it is evident that a freeholder has miss-sold leasehold, we can investigate the estate agent involved if they are a member of Propertymark.

Question 15: From the point at which the revised commonhold law comes into force, how long would you, your organisation or your sector need to prepare for using commonhold as the default tenure in new blocks?

19. We can organise courses quickly once legislation has received Royal Assent and we do not expect any further changes to be made. With a notice period of at least six months, we can produce short courses, training and webinars before the legislation well before the legislation has come into force. Producing new or updating existing content for qualifications will take more time. We would need at least six months to update existing learning materials and assessment criteria, approve new content and for this to be signed off by Propertymark Qualifications as well as Ofqual.

Question 16: Should the UK government introduce the ban on new leasehold flats with a single implementation date for everyone, or should it be staggered, allowing certain types of new building or developments more time to adopt commonhold?

20. We support the approach to introduce the ban on new leasehold flats with a single implementation date for everyone. This has clear benefits for sales agents when determining if the property they have been instructed to sell can be sold legally as they will not have to consider additional exemptions for certain types of property. This benefit also extends to freeholders and potential buyers who would have a better understanding of if a specific property cannot be sold as leasehold, reducing uncertainty in the market. This approach will ultimately prevent sales from falling through and reduce the number of homebuyers who purchase leasehold property that wasn't exempt from the ban.

Question 17: Do you agree that self-contained blocks that have already sold new leasehold flats at the time the ban is commenced should be able to continue to do so?

21. We agree that self-contained blocks that have already sold new leasehold flats at the time of the ban should be able to continue to do so, especially where a lease has been granted already on a flat. This will prevent issues where existing leases will have to be withdrawn or converted. The conversion to freehold would remain at the discretion of leaseholders should they wish to do so, gradually phasing out these leasehold flats.

Question 18: If you answered yes to the previous question, how long should developers have to complete the self-contained block?

22. A time limit on the sale of these flats is not necessary. There would be few downsides to allowing developers to complete self-contained blocks, while an arbitrary completion time may lead to the flats being left uncompleted.

Question 19: Are there any alternative approaches to dealing with phased sites?

23. We do not consider any alternative approaches to be necessary. Where leases have already been granted at the time of the ban, continuing to allow them to be sold would be the least disruptive

option while having a limited impact on the total number of leasehold properties that will need to convert to commonhold over time.

Question 20: Where land is owned on a leasehold basis at the point the ban comes into force, what further conditions, if any, should enable the site to qualify for an exemption?

Please tick which, if any, of the following should apply:

- **the leased land was acquired before the ban is commenced**
- **the site has planning permission at the point the ban is commenced**
- **the site is under construction at the point the ban is commenced**
- **the first sale of a leasehold flat occurs within a fixed period of time after the ban is commenced:**
- **none of the above**
- **other (please specify)**

24. We would recommend that as long as a site has approved planning permission before the point the ban is commenced, the leasehold flats sold on the flat should be exempt. This is because if planning permission was provided, this would indicate that the local planning authority understood that the homes being built would be in the best interest of local communities and respond to housing need. Delaying this and opening up plans again would cause undue delays to the delivery of new homes. However, to disincentivise plans from being rushed with no regard for the capacity of the developers to complete projects, the UK Government should consider setting requirements for developers to demonstrate their ability to complete works to a reasonable deadline, especially if they have multiple approved planning applications taking place simultaneously.

25. If the leased land was acquired before the ban is commenced, but no planning permission was granted, that provides the opportunity for applications to put forward alternative projects. This avoids stockpiling of land where developers or local authorities don't currently have a plan for what homes will be built or what the land will be used for.

Question 21: If you selected 'the first sale of a leasehold flat occurs within a fixed period of time after ban has commenced', please specify the time period.

- **within 1 year**
- **within 2 years**

- **within 5 years**
- **no time requirement**

26. We don't recommend that a time requirement be given for flats to be exempt as long as the development received planning permission before the ban was put in place.

Question 22: Where a site is owned on a leasehold basis, should the developer have a fixed amount of time to finish selling leasehold flats on the site once the ban has commenced?

27. No, instead we recommend that where a site is owned on a leasehold basis, the developer's progress towards developing the site should be reviewed to determine if the land was purchased to stockpile it with little regard for delivering on the development project. Should the project not have commenced sufficiently within a reasonable time period, then any flats built on the land should have to be commonhold. This is to disincentivise stockpiling of land before the ban comes into effect and to prevent development plans being approved but left without progress for decades.

Question 23: If Yes, how long should the developer have to sell the remaining leasehold flats on the site once the ban has commenced?

- **1 year**
- **2 years**
- **5 years**
- **Other**

28. We do not recommend that developers have to sell the remaining leasehold flats on the site within a certain time frame. If the leasehold fails to sell, we encourage that the developer reaches an arrangement with the local authority to identify if the flat could be used for assisted or emergency housing.

Question 24: For developers/landowners only. Do you own any land intended for residential or mixed-use development on a leasehold basis?

29. Propertymark is neither a developer nor a landowner.

Question 25: Are there any alternative approaches for dealing with historical leased land?

30. Where owners of historical leased land cannot be identified, the UK Government should review the impact this land will have on development. If development is being stalled or can no longer be used (due to banning the sale of leasehold flats) then the ownership of the land should be addressed with the aim of allowing commonhold flats to be built on the land.

Question 26: Are there any technical or minor changes to part 1 of the published Draft Commonhold and Leasehold Reform Bill that would better support specific private sector-led development models or forms of homeownership?

31. Specific technical requirements for how developers can build new homes or introduce new forms of homeownership falls outside of Propertymark's expertise. While we may have some suggestions, however we would recommend deferring to developers and other professionals experienced in the delivery of homes rather than the sale of property.

Question 27: Are there any technical changes to the published Draft Commonhold and Leasehold Reform Bill that would further enable the affordable housing sector to use commonhold?

32. As with our response to the answer to question 26, we would defer to the expertise of housing associations and local authorities.

Question 28: Are there any types of commonhold building or development (for example those over a certain number of units) which should be required to appoint professional directors and/or managing agents?

33. Propertymark recommends that Managing Agents should come recommended for all commonhold buildings to coincide with a new regulatory structure for Managing Agents and property agents. Any potential concerns with hiring a Managing Agent would be offset by greater powers for residents to change their Managing Agent and for a new regulator or existing professional body to revoke membership will ensure that Managing Agents provide a good service. However, ultimately this should be at the discretion of residents and landlords as the experience some leaseholders have had with some managing agents has contributed to the need for leasehold reform. We do however propose the following two recommendations that would enable residents to instruct a Managing Agent should they wish to. Firstly, UK Government guidance on the changes from leasehold to commonhold should highly recommend that residents appoint a Managing

Agent or professional director especially for larger blocks, new developments and where residents have limited experience in managing a building. Secondly, should a majority of residents be dissatisfied with the way the building has been managed without a Managing Agent or professional director, there must be a mechanism to allow for residents to appoint one.

Question 29: Apart from professional management, are there any additional requirements that should apply to owners of particularly large or complex commonhold buildings? Please outline the nature of the building and any additional obligations you think should apply.

34. We have two additional requirements that we recommend should apply to owners of particularly large or complex commonhold buildings. Firstly, where no Management Agent has been appointed, the owner must be able to demonstrate competencies in management of buildings. This could be demonstrated through their own qualifications or experiences, e.g. management of similar buildings in the past. Secondly, where an original developer cannot be identified or has ceased to exist, the building owner must take responsibility for any defects identified through regulations of the quality of the building. This includes legislation such as the Building Safety Act 2022. This would help to prevent situations that we are currently seeing where flammable cladding is not being replaced in buildings or where residents are paying far more than they reasonably should be due to owners waiving their responsibility. This will help future remediation efforts if other products or designs of buildings are found to pose a serious risk to residents.

Question 30: Do you agree with our proposed definition of ‘micro-commonholds’ as those which contain 4 residential units or fewer?

35. Yes, we agree with the proposed definition of ‘micro-commonholds’ as those that have 4 residential units or fewer.

Question 31: If no, where do you think that threshold should be set?

- **2 units**
- **6 units**
- **other**

36. We support the proposed definition of 4 units.

Question 32: Should any legal obligations on commonhold associations be removed or made optional for very small, simple commonholds?

37. We retain our stance that management arrangements of commonholds should be at the discretion of residents and owners. However, unlike in our response to question 28, we recommend that the UK Government doesn't strongly recommend that commonhold associations or Managing Agents should be established or appointed for micro-commonholds. This would enable individual blocks to set up their own management arrangements depending on what best suit the needs of owners and residents.

Question 33: For those involved in the development, marketing, sale and conveyancing of new blocks of flats, in the past 3 years, what percentage of these typically have the following features?

- 990-year leases (or longer) as standard [None, 0 to 25%, 26 to 50%, 51 to 75%, 76 to 100%, don't know]
- sold as share of freehold [None, 0 to 25%, 26 to 50%, 51 to 75%, 76 to 100%, don't know]
- a resident management company (regardless of whether it owns the freehold) [None, 0 to 25%, 26 to 50%, 51 to 75%, 76 to 100%, don't know]
- a resident management company that owns the freehold of the building/s [None, 0 to 25%, 26 to 50%, 51 to 75%, 76 to 100%, don't know]
- professional managing agents responsible for the upkeep of the building [None, 0 to 25%, 26 to 50%, 51 to 75%, 76 to 100%, don't know]
- a reserve fund in place from the outset [None, 0 to 25%, 26 to 50%, 51 to 75%, 76 to 100%, don't know]

38. Should MHCLG be willing to, Propertymark has the capacity to collect this information and report its findings at a later date.

Question 34: Will you or your organisation need to implement new, or update existing, systems to adapt to the use of commonhold?

39. There will only be minor changes to Propertymark's systems to adapt to the use of commonhold. Largely, this will include producing new guidance on commonhold and updating our sales protocol toolkit⁶ to include references to the ban on leasehold flats that our members will need to be aware

⁶ [Property Sales Protocol Toolkit | Propertymark](#)

of. Estate agents in England and Wales will need to be aware of the changes and introduce processes to identify if a property is leasehold instead of commonhold and to identify if it qualifies for an exemption. Managing Agents will need to update their own forms and processes to account for the differences between leasehold and commonhold, for example, removing their arrangements to collect ground rent if they currently do so for leasehold properties.

Question 35: Will your organisation need to train/upskill staff to adapt to the use of commonhold?

40. Propertymark expects that some level of training will be required for some staff, especially those in its Compliance and Policy & Campaigns teams so they have a full understanding of commonhold. We will be recommending that estate agents train and upskill their own staff and we will be producing training and courses to help them improve their knowledge on leasehold.

Question 36: Will you or your organisation need to consult external professionals to adapt to the use of commonhold?

41. Propertymark's training and courses are delivered by external professionals who we will be consulting in order to deliver high quality training.

Question 37: Do you expect any costs to arise from complying specifically with the ban (e.g. adapting marketing materials, issuing warning notices, including prescribed clauses in exempt leases)?

42. As a professional membership organisation, we do not expect that considerable costs will arise aside as costs for developing new training, qualifications and guidance on legislation is already factored into budgets for the departments responsible for these areas at Propertymark. For professionals working in the sector, we do expect that estate agents will incur costs to train and upskill their staff as well as implementing procedures to identify if leasehold flats are exempt from the ban. However, we don't expect these costs to be significant and will decrease over time as more leasehold flats convert to commonhold.

Question 38: Do you anticipate any efficiencies to arise from the adoption of commonhold in the form of cost savings for you or your organisation?

43. We do not anticipate any cost savings for Propertymark. However, we do expect cost savings for estate agents selling flats. The price of flats is currently falling behind growth in average house

prices partially due to existing negative attitudes towards leasehold property. This means that flats spend more time on the market compared to houses and are marketed at a lower price than should be expected given historic property price rises. Maintaining a property on the market for a lower price for longer increases costs for estate agents for a lower payment at the end of the transaction. We expect that converting leasehold flats to commonhold will increase the sale price of flats and reduce the average time to sell them. This will result in higher revenues and cost savings for estate agents.