

Baroness Scott of Bybrook OBE
Parliamentary Under Secretary of State (Faith and Communities,
and Lords Minister)
Department for Levelling Up, Housing and Communities
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7 August 2023

Dear Lady Scott of Bybrook OBE,

Re: Consumer protection for blocks of flats

As the CEO of Propertymark I would like to reaffirm our support for the Earl of Lytton's amendment to introduce the Building Safety Remediation Scheme into the Levelling-up and Regeneration Bill. Propertymark is the UK's leading professional body for property agents, with over 17,500 members representing 12,800 branches.

We would first like to make it clear that we are very supportive of the position that the Department for Levelling Up, Housing and Communities has taken in regard to leaseholder protections. It is our position that leaseholders should never cover the costs for remediation works since we do not see a scenario where they would be responsible for a building safety defect, unless the building is leaseholder owned.

That is why we are seeking clarification and further action from the UK Government in relation to proposals for leaseholder protections. Firstly, while we understand that buildings over 11 meters in height are most at risk of structural damage and loss of life in the event of a fire, it is difficult for us to rationalise why leaseholders in buildings less than 11 meters in height are not protected, even if flammable cladding is present in the building. It is our understanding that freeholders are already refusing leaseholder protections on the basis of height or number of storeys of the building, which represents a growing picture of freeholders and developers refusing protections.

Secondly, in order to fully protect leaseholders, they require protections that extend beyond 14 February 2022. We note the example provided by the Earl of Lytton in the House of Lords on 20 July 2023, where some developers are offering to extend leases, which effectively removes their protections. We ask how this is acceptable and in the best interests of leaseholders when it goes against the fundamental aims of leaseholder protections.

Thirdly, considering the amount of funding set aside to fund remediation works through the existing programmes, over £5.1bn through the Cladding Safety Scheme (CSS) and the Building Safety Levy, we would like to ask how a programme such as the Building Safety Remediation Scheme would not represent better value for money for leaseholders and taxpayers. Even if the Building Safety Scheme were to cost £100m (an immensely overinflated figure that may reflect over 10 years of running costs) that would not even be 2% of the total funding allocated for the Cladding Safety Scheme.

Leaseholders would also benefit from greater protections, with an Ombudsman style service where leaseholders have the ability to raise concerns if protections have been illegally taken away, or where legally binding decisions can be enforced to ensure leaseholders do not pay any remediation costs.

Considering all of this, we would like clarification on the following:

- How the Cladding Safety Scheme will prevent developers from passing remediation costs to leaseholders, even if funding is available.
- What recourse will there be for developers who passed costs onto leaseholders, through the various means identified by the Earl of Lytton and other members of the House of Lords
- Considering the wider support from industry bodies, what plans do DLUHC have to address our concerns on the limitations of the current leaseholder protections.

I look forward to hearing from you.

Best wishes,



Nathan Emerson MNAEA MARLA MNAEA(Comm.)
Chief Executive Officer
Propertymark