



A leaseholder's guide to

Leasehold Reform: Where Things Stand

Lease extensions and enfranchisement —
the position as at 26 July 2026

What has actually changed?

Very little, so far as lease extensions and freehold purchases are concerned. Almost everything that has been announced since 2024 is still waiting to be switched on, and the date on which that happens has not been fixed.

Reform has been promised, legislated for in part, litigated over, scrutinised by a parliamentary committee and consulted upon. The headline changes leaseholders have read about — extensions of 990 years, the abolition of marriage value, a cap on ground rents in existing leases — are not law that applies to you today.

This note sets out how the law reached its present state, what is genuinely in force, what is not, and what the realistic timetable looks like. It is dated, because it goes out of date.

REFORM IN NUMBERS

1993	when leaseholders of flats first gained the right to extend and to enfranchise collectively
90 years	the extension a statutory claim delivers today — not the 990 years the 2024 Act promises
One	the number of substantive enfranchisement changes in the 2024 Act brought into force so far
2027	the earliest Royal Assent expected for the Bill now working through Parliament
2028	the year the Government is targeting for the £250 ground rent cap on existing leases
40 years	the transitional period proposed before capped ground rents fall to a peppercorn

Dates for future events are stated intentions or informed expectations, not commitments. Check the date on the cover of this note before relying on it.

Sixty years of reform

Leasehold reform is not new. It has arrived in instalments since the 1960s, each one extending rights rather than replacing the system — which is part of why the present exercise is proving difficult.

1967

Leasehold Reform Act 1967

HOUSES

Leaseholders of houses were given the right to buy their freehold or to extend by fifty years. Flats were not covered at all, and residence and rateable value conditions restricted who could claim.

1993

Leasehold Reform, Housing and Urban Development Act 1993

FLATS

The foundation of the law as it still operates. Leaseholders of flats gained the right to a 90-year lease extension at a peppercorn ground rent, and the right to buy the freehold of their building collectively. Both remain subject to residence and low-rent tests at this stage.

2002

Commonhold and Leasehold Reform Act 2002

ACCESS WIDENED

The residence test was abolished and replaced with a two-year ownership requirement, and the low-rent test went. Buy-to-let and second-home owners came within the scheme. The Act also created the right to manage and introduced commonhold, which was then barely used.

2022

Leasehold Reform (Ground Rent) Act 2022

NEW LEASES ONLY

Ground rent on new long residential leases was reduced to a peppercorn, from 30 June 2022 and from 1 April 2023 for retirement properties. It bit on the extended term of a voluntary lease extension, but it did nothing for existing leases — which is the gap the current Bill addresses.

Legislated, but largely dormant

The Leasehold and Freehold Reform Act 2024 received Royal Assent on 24 May 2024. More than two years later, one substantive enfranchisement provision has been commenced.

The 2024 Act promised	Status	In force?
Removal of the two-year ownership requirement	Commenced 31 January 2025	Yes
Lease extensions of 990 years, not 90	Awaiting commencement	No
Abolition of marriage value	Awaiting commencement, under appeal	No
A prescribed Standard Valuation Method and rates	Consultation opened July 2026	No
Each party to bear its own process costs	Awaiting commencement, under appeal	No
Non-residential limit raised to 50% for enfranchisement	Awaiting commencement	No
Removal of the 12-month bar after a withdrawn claim	Awaiting commencement	No

THE ONE CHANGE THAT DID LAND

Since 31 January 2025 there has been no minimum period of ownership before a lease extension claim can be made. A leaseholder who completed last month can serve notice as soon as they are registered as proprietor. It is a genuine improvement, and it is the only part of the 2024 Act's enfranchisement package that currently applies.

The equivalent widening of the non-residential limit from 25% to 50% did commence for right to manage claims, on 3 March 2025. It did not commence for collective enfranchisement, and the two are frequently confused — including in published commentary.

The pipeline, and why it moves slowly

A second piece of primary legislation is now required before the first can be brought into force. That is the essential point to understand about the present position.

Where the Bill has got to

- A draft Commonhold and Leasehold Reform Bill was published on 27 January 2026 for pre-legislative scrutiny, together with a policy statement on ground rents.
- The Housing, Communities and Local Government Committee reported on 27 May 2026. It concluded the draft Bill was a significant step but needed changes, and called for the final Bill to be introduced in autumn 2026.
- The Committee also recommended that the Government use the Bill to correct the technical defects in the 2024 Act, and pressed for the ground rent cap to commence sooner than proposed.
- The Government's response was due by 27 July 2026. On 10 July the Housing Minister wrote to the Committee confirming it would not meet that deadline, citing the constraints on government business following the Prime Minister's resignation announcement of 22 June 2026.
- The current expectation is introduction in autumn 2026, Royal Assent around mid-2027, and the ground rent cap taking effect in 2028 — though the Committee has argued for late 2027.

Why it takes this long

- **The 2024 Act does not work as drafted.** Technical defects have to be repaired by further primary legislation before the enfranchisement provisions can be commenced at all.
- **Property rights are engaged.** Removing marriage value and capping ground rents on existing leases interferes with interests that freeholders paid for, which raises questions under Article 1 of Protocol 1 to the European Convention on Human Rights and requires careful, defensible design.
- **It is being litigated.** Freeholder groups challenged the marriage value and costs provisions by judicial review. The High Court dismissed the challenge on 24 October 2025, and the Court of Appeal has since granted five groups of freeholders permission to appeal.
- **Every element needs secondary legislation.** The valuation rates alone require consultation, drafting, parliamentary approval and a commencement date. There will be no single switch-on moment.
- **Politics intervenes.** The delay to the Government's own response to the Committee this month is a plain illustration: even a well-supported programme moves at the speed of the parliamentary timetable.

05 • WHAT IT MEANS FOR YOU

Wait, or proceed?

This is the question every leaseholder asks, and it deserves an honest answer rather than a convenient one. For most people, on most facts, we advise proceeding under the law as it stands.

The case for proceeding now

- **Your lease is getting shorter while you wait.** Every year of delay reduces the unexpired term and, in most cases, increases the premium. A saving from reform can be swallowed whole by the passage of time.
- **The 80-year threshold does not wait.** A lease at 82 years today may be below 80 before any reform commences, at which point marriage value becomes payable under current law — the very cost the reform was meant to remove.
- **Today's cost is knowable.** A valuer can tell you what a claim will cost now. Nobody can tell you what the prescribed rates will be, when they will apply, or whether the Court of Appeal will disturb the provisions they support.
- **Other plans should not be held hostage.** A sale, a remortgage, a probate administration or a building's wider plans cannot be paused indefinitely for legislation with no commencement date. This is the most common and most expensive reason to regret waiting.

When waiting may be the better course

- Where the lease is long — comfortably above 80 years — and can absorb several years of delay without crossing the threshold.
- Where the ground rent is high or escalating, since both the proposed cap and the 2024 Act's treatment of ground rent in the premium calculation could reduce the price materially.
- Where a building's non-residential floor area falls between 25% and 50%, so that collective enfranchisement may become available in future when it is not available today.
- And in every case, only where nothing else in your plans depends on the lease.

Waiting is a bet on a timetable you do not control. It can be the right bet. But it should be a decision taken on your own numbers, with a view on how long your lease can afford to wait — not a decision taken by default because reform is in the news.

We are happy to give you a view either way, and we will tell you plainly where we think waiting is the better course. The Leasehold Advisory Service also publishes neutral guidance for leaseholders weighing the same question.

Where to start

Whether to act now or wait turns on your lease, your ground rent and your plans. None of that can be answered from a newspaper article, and all of it can be answered fairly quickly.

01

Tell us about the lease

A SHORT CALL, AT NO COST

The date it was granted, the term originally granted, the ground rent payable and whether a sale, remortgage or estate administration is in prospect. We can obtain the title if you do not have it.

02

We give you the numbers both ways

USUALLY WITHIN A FEW DAYS

What a claim is likely to cost under the law as it stands, how close your lease is to the 80-year threshold, and the realistic effect the proposed reforms would have on your own figures.

03

You decide, with a date in mind

IN YOUR OWN TIME

If waiting is sensible, we will tell you how long your lease can afford to wait and what would change our advice. If it is not, we will say so and explain why.

SPEAK TO US

Arcadia Law Ltd

15 Approach Road, London SW20 8BA

020 8546 6630 info@arcadialaw.co.uk arcadialaw.co.uk

This note reflects our understanding of the position on 26 July 2026. It is general information and not legal advice, and it concerns a subject that is changing: dates given for future events are stated intentions or informed expectations rather than commitments. Take advice on your own lease and your own timing before deciding whether to proceed or to wait. For current developments see the Insights section at arcadialaw.co.uk.

Arcadia Law Ltd is a private limited company registered in England and Wales, company number 10043933, registered office 15 Approach Road, London SW20 8BA. Authorised and regulated by the Solicitors Regulation Authority, SRA number 629605. © Arcadia Law Ltd 2026.