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LEASEHOLDERS STILL NOT BEING OFFERED ENOUGH BY HIPs

The Government is set to dramatically reduce the burden of Home Information Packs (HIPs) on leaseholders after representations were made to the Housing Minister's leasehold working group by the Association of Residential Managing Agents (ARMA).

Proposals in a consultation paper (responses to which must be in by 30.9.08) do away with leaseholders having to provide some 12 extra documents and pieces of information and replace it with a simple one page questionnaire that lessees can complete themselves.

“We are more than delighted that government has listened to common sense and is going with a proposal we mooted 2-3 years ago,” comments ARMA's chairman, Brett Williams. “By reducing the lease information in the Pack to that crucial for a buyer to make an informed decision on his or her purchase of a leasehold flat the process will be easier, quicker and virtually costless for the seller. Indeed the government's paper states ‘These proposals will remove the need for leaseholders to provide large volumes of information and documentation before marketing their property, which can be time consuming and costly.’ At last we have achieved parity between leaseholders and freeholders in terms of HIPs.”

However, Williams goes on to say the government's proposals miss out on one crucial piece of information the prospective leaseholders really must have; information on how the leasehold system works and the related rights and responsibilities of the flat owner.

“The consultation paper uses phrases such as ‘purchasers should also be better informed about the property they are looking to buy’ and yet we cannot find any reference to telling them what they are buying,” explains Williams. “The required information still fails to contain basic information about leasehold tenure that would assist the prospective buyer. Buyers of leasehold flats often take up occupation without any understanding that they may have to pay a ground rent or service charge, or that they have rights and obligations. ARMA has cooperated with the Leasehold Advisory Service to publish a short leaflet titled ‘Living in Leasehold Flats’ which fills this knowledge gap. So we are proposing once again to Government that such a leaflet be required information for leasehold HIPs. We are not concerned if the leaflet is branded in some other way but we perceive a leaflet must be made a requirement to be attached to the HIP. It could be freely downloadable from the government's HIPs website.”

ARMA's leaflet ‘Living in Leasehold Flats: A guide to how it works, your rights and responsibilities’ is freely downloadable from the publications page of www.arma.org.uk.

About ARMA

Formed in 1991, ARMA is the only body in England and Wales to focus exclusively on matters relating to the block or estate management of long leasehold residential property. With over 200 corporate members managing in excess of 800,000 units in more than 32,000 blocks of flats or estates (at least 60% of which are lessee-controlled properties), the Association's founding principal aims are to represent its members and the interests of lessees, resident management companies and investor freeholders.

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Attached: Living in Leasehold Flats leaflet

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