

Leasehold and Freehold Charges

Appendix C:
Survey of leaseholders results
(prepared by ComRes)

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1. Executive Summary

ComRes were commissioned by the Ministry of Housing, Communities and Local Government to conduct an online survey of 1,000 homeowners in England who own the property they live in through a lease. The key findings from the survey of leaseholders are as follows:

Service charges

- Over five in six (84%) surveyed leaseholders report paying a service charge compared to 12% who say they never pay a service charge. A third (34%) of surveyed leaseholders report paying a service charge monthly, followed by a fifth (22%) who say they pay a service charge every quarter.
- Leaseholders surveyed who pay a service charge report paying a median amount of £600 per year. Half (49%) of surveyed leaseholders living in a house who pay a service charge say they pay up to £250 compared to a quarter (25%) of those living in a flat who say they pay the same.
- 18% of those surveyed who live in a house say they pay up to £50 per year in a regular service or maintenance charge, compared to 7% of those who live in a flat. By contrast, those living in a flat who pay a service charge say they pay a median of £877 per year compared to £300 for those who live in a house.
- Over half (57%) of surveyed leaseholders who pay a service charge say this payment includes payment into a sinking fund.

Management arrangements

- Over half (53%) of surveyed leaseholders say a managing agent or property management company that works for the freeholder/landlord manages and looks after the common and/or external parts of their building and sends requests for payment of the service charge.
- The majority of surveyed leaseholders' managing agents, landlord/freeholders or Right to Manage companies provide a summary of the costs on which the service charge is calculated (64%), annual accounts (59%), and receipts and other documents which show how the service charge has been spent (56%).

- Over half of surveyed leaseholders say that they are satisfied with their landlord/freeholder, management company or Right to Manage company (58%) or managing agent (52%).
- The majority (62%) of surveyed leaseholders who are dissatisfied with their managing agent/freeholder/landlord selected reasons relating to cost, 53% of respondents selected reasons relating to repair and maintenance, and 49% of respondents selected reasons relating to communication. Three in ten (30%) surveyed leaseholders who are dissatisfied with their managing agent or the landlord/freeholder say that they have contacted them about the issue.
- A fifth (21%) of surveyed leaseholders say that they have been unable to pay charges due to the landlord/freeholder, management company or Right to Manage company compared to three quarters (75%) who say this hasn't happened.
- Over half (56%) of those surveyed who have been unable to pay charges due to the landlord/freeholder, management company or Right to Manage company say that more than one of the suggested actions was taken, for example, two in five (39%) say they were asked to pay the outstanding amount immediately.
- One in ten (10%) surveyed leaseholders say they have not been consulted by their landlord/freeholder about any work that took place and a further quarter (24%) say they have been consulted some of the time but not every time.

Administration or permission fees

- Over half (55%) of surveyed leaseholders say they have restrictive conditions in place, compared to a third (32%) who say they do not. A third (34%) of surveyed leaseholders report having to pay administration fees for making property alterations and three in ten (31%) say the same of subletting their property. The median reported amount that surveyed leaseholders most recently paid for subletting their property and making property alterations is £100.
- A fifth (22%) of surveyed leaseholders say that they have paid administration fees for other services related to their leasehold property compared to seven in ten (68%) who say they have not.

- The majority (57%) of surveyed leaseholders who have a restrictive condition in place say they have not taken any of the suggested actions related to trying to change the restrictive condition.

Ground rent

- Seven in ten (71%) surveyed leaseholders say they pay ground rent on their leaseholder property compared to a quarter (25%) who say they do not. Leaseholders surveyed living in flats and houses are equally likely to report paying a ground rent (71% and 70% respectively). Three quarters (76%) of those surveyed who live in a new build property say they pay a ground rent compared to two thirds (67%) of those who live in a second-hand property (76% vs. 67%).
- Surveyed leaseholders who say they pay a ground rent report a wide range of costs, from less than £10 to over £5,000. However, the median yearly ground rent cost is £210. For those surveyed who report paying a ground rent, the median ground rent per year reported by those living in a house (£250) is higher than those living in flats (£200). The median ground rent for new build leaseholders (£300) is double that of second-hand property leaseholders (£150).
- Over two in five (43%) surveyed leaseholders who pay ground rent on their leasehold property say the payment is reviewed at least every year. A quarter (24%) of those surveyed who pay a ground rent say that it is reviewed less frequently than every year but at least every 10 years. One in six (16%) leaseholders who pay a ground rent do not know how frequently it is reviewed. Half (51%) of surveyed leaseholders who pay a ground rent think that it will increase at the next review point.

2. Methodology

2.1. Methodology Note

ComRes were commissioned by the Ministry of Housing, Communities and Local Government to conduct an online survey of 1,000 homeowners in England who own the property they live in through a lease.

Respondents were selected by a self-selecting volunteer sample from ComRes's existing panel of homeowners. To ensure a mix of dwelling types, quotas were applied to the numbers of leaseholders living in houses and flats. ComRes were commissioned to achieve a survey quota of houses vs flats of 32% vs 68%, as per the split between houses and flats reported by DCLG in the 2017 Housing Statistical Release¹.

Please note that this sampling method does not guarantee a representative sample of the general population of leaseholders in England. Most notably those who own and rent leasehold properties in the private rented sector are not included. Therefore, the results should be treated with caution.

The polling was conducted between 8th May and 14th June 2019.

Questions related to cost were asked as open numeric questions. Where respondents were able to select multiple options when answering the question, this is indicated below in the relevant table.

Percentages are presented throughout the report and rounded to the nearest percent.

All between group differences were tested for significance at the 95% level, any differences reported in this annex are significant unless otherwise stated.

2.2. Guidelines for the Public Use of Survey Results

ComRes is a member of the British Polling Council (BPC) and abides by its rules (www.britishpollingcouncil.org). This commits ComRes to the highest standards of transparency.

¹ Housing Statistical Release, DCLG, 2017:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/646152/Estimating_the_number_of_leasehold_dwellings_in_England_2015-16.pdf

The BPC's rules state that all data and research findings made on the basis of surveys conducted by member organisations that enter the public domain must include reference to the following:

- The company conducting the research (ComRes);
- The client commissioning the survey;
- Dates of interviewing;
- Method of obtaining the interviews (e.g. in person, post, telephone, internet);
- The universe effectively represented (all adults, voters, etc.);
- The percentages upon which conclusions are based;
- Size of the sample and geographic coverage.

3. Survey findings

Q1. Thinking about the property that you currently live in, which of the following best describes the type of property?

| | |
|---------------------------------|------------|
| A purpose built flat, low rise | 45% |
| A converted flat | 17% |
| A purpose built flat, high rise | 6% |
| NET: Flat | 68% |
| A semi-detached house | 17% |
| A detached house | 8% |
| A terraced house | 7% |
| NET: House | 32% |

Base: All respondents (n=1,000)

- ComRes were commissioned to achieve a survey quota of houses vs flats of 32% vs 68%, as per the split between houses and flats reported by DCLG in the 2017 Housing Statistical Release 2.
- Over two thirds (68%) of surveyed leaseholders say that they currently live in a flat, with close to half (45%) saying that they live in a purpose built, low rise flat.
- Respondents age 55 or over were more likely (91%) than those age 18 to 34 (61%) to say that they currently live in a flat. Respondents age 55 or more were less likely (9%) to live in a house compared to those aged 18 to 34 (39%).
- Leaseholders surveyed living in the North are more likely to say that they are currently living in a house (51%) compared to other regions (36% Midlands, 24% South (including London).

² Housing Statistical Release, DCLG, 2017:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/646152/Estimating_the_number_of_leasehold_dwellings_in_England_2015-16.pdf

Two in five (41%) surveyed leaseholders live in a second-hand property, whilst three in ten (31%) live in a newly built property.

Q1b. And which of the following options applies to your property?

| | |
|--|-----|
| A second-hand property | 41% |
| A new build property | 31% |
| An ex-council/ex-local authority/ex-housing association property | 15% |
| A shared ownership home | 15% |
| A retirement development | 4% |
| Other | 1% |
| Don't know | 2% |

Base: All respondents (n=1,000)

- Only one in six surveyed leaseholders say they live in an ex-council/ex-local authority/ex-housing association property, or a shared ownership home (15% for each). Leaseholders surveyed are least likely to say they live in a retirement development (4%).
- Surveyed leaseholders aged 55 or over are more likely (48%) to live in a second hand property compared to those age 18 to 34 (35%).
- Surveyed leaseholders aged 18 to 34 are more likely to (18%) to live in a shared ownership property compared to those aged 35 to 54 (15%) or those aged 55 or older (6%).

Approaching half (45%) of surveyed leaseholders who do not own a share of the freehold say it is owned by a private company.

Q2. Do you know who owns the freehold (landlord) of the property you live in?

| | |
|---------------------|-----|
| Private company | 45% |
| Private individual | 18% |
| Housing association | 15% |
| Local authority | 14% |
| Other | 1% |
| Don't know | 7% |

Base: All respondents who do not own a share of the freehold (n=615)

- Less than one in ten (7%) surveyed leaseholders who do not own a share of the freehold say they don't know who the freeholder is.
- Surveyed leaseholders who do not own a share of the freehold and live in a house are more likely (26%) than those living in a flat (14%) to say that the freehold is owned by a private individual. Those living in a house are less likely to say their freehold is owned by a housing association (9%) compared to those living in a flat (18%).
- A fifth (19%) of those surveyed who do not own a share of the freehold and live in the Midlands say that the freeholder of the property is a local authority, higher than the proportion of those in the South (including London) (11%).

Over half of surveyed leaseholders (56%) say that they are able to buy a share of their freehold, however nearly a third (29%) say they are not able to buy any share of the freehold.

Q3. As far as you are aware, is it possible for you to buy the freehold or a share of the freehold?

| | |
|---|------------|
| Yes, it is possible for me to buy a share of the freehold (e.g. of a flat in a shared block) and I am currently in the process of buying it | 16% |
| Yes, it is possible for me to buy the freehold (e.g. of a house) but I cannot afford to buy it | 13% |
| Yes, it is possible for me to buy the freehold (e.g. of a house) and I am in the process of buying it | 11% |
| Yes, it is possible for me to buy a share of the freehold (e.g. of a flat in a shared block) but I cannot afford to buy it | 9% |
| Yes, it is possible for me to buy the freehold (e.g. of a house) but I am not interested in buying it | 4% |
| Yes, it is possible for me to buy a share of the freehold (e.g. of a flat in a shared block) but I am not interested in buying it | 3% |
| NET: Yes | 56% |
| No, it is not possible for me to buy the freehold or a share of it | 29% |
| Don't know | 15% |

Base: All respondents who do not own a share of the freehold (n=615)

- For surveyed leaseholders who do not own any share of their freehold, 19% are in the process of buying the full freehold, and 16% are in the process of buying a share of the freehold.
- For surveyed leaseholders who do not own any share of their freehold, 13% say it is possible to buy the freehold but they cannot afford it, and a further 9% say it is possible to buy a share of the freehold but they cannot afford it.
- Those living in a house are almost twice as likely (82%) as those living in a flat (42%) to say it is possible to buy either the freehold or a share of it.

- Surveyed leaseholders, aged 18 to 34 are significantly more likely than those aged 55 or over to say it is possible to buy at least a share of the freehold.

Seven in ten (71%) surveyed leaseholders say they pay ground rent on their leasehold property compared to a quarter (25%) who say they do not.

Q4. Do you pay a ground rent on your leasehold property? A ground rent is a payment made by the leaseholder to the freeholder under the terms of a lease and is not connected with providing services.

| | |
|------------|-----|
| Yes | 71% |
| No | 25% |
| Don't know | 4% |

Base: All respondents (n=1,000)

- Almost four in five (78%) surveyed leaseholders who do not own a share of the freehold say they pay ground rent on their leasehold property. This is higher than those who do own a share of the freehold (60%).
- Leaseholders surveyed living in flats and houses are equally likely to report paying a ground rent (71% and 70% respectively).
- Those surveyed who live in a property whose freehold is owned by a private company (88%) are more likely to say they pay ground rent than those who live in a property whose freehold is owned by a private individual (71%), local authority (78%) or housing association (68%).
- Surveyed leaseholders aged 55 or over are more likely to say they do not pay ground rent (33%) compared to those aged 18-34 (24%).
- Three quarters (76%) of those surveyed who live in a new build property say they pay a ground rent compared to two thirds (67%) of those who live in a second-hand property.

**Surveyed leaseholders who say they pay a ground rent report a wide range of costs.
However, the median yearly ground rent cost is £210.**

Q5. You mentioned that you pay a ground rent, how much ground rent do you pay per year?

| | |
|-----------------------|------------|
| Up to £10 | 10% |
| £11-£50 | 11% |
| NET: Up to £50 | 21% |
| £51-£100 | 11% |
| £101-£200 | 18% |
| £201-£300 | 12% |
| £301-£500 | 9% |
| £501-£1,000 | 9% |
| £1,001-£5,000 | 12% |
| £5,001+ | 8% |

Base: All respondents who pay a ground rent (n=708)

- For those surveyed who report paying a ground rent, the median ground rent per year reported by those living in a house (£250) is higher than those living in flats (£200).
- Of leaseholders surveyed who live in a house, 13% say they pay more than £5,000 in ground rent per year, compared to 13% of those who live in a flat.
- Leaseholders surveyed who pay a ground rent in the North and the Midlands are more likely to report a cheaper cost than their Southern counterparts – 14% of those in the North and 15% of those in the Midlands say they pay up to £10, compared to 5% in the South (including London). Three in ten (28%) Northern respondents and a quarter (24%) of Midlands leaseholders who pay a ground rent pay up to £50, compared to 16% in the South (excluding London).
- By contrast one in six (15%) of surveyed leaseholders in London who pay a ground rent say the cost is more than £5,000.

- Younger surveyed leaseholders aged 18-34 are more likely to report higher ground rent costs than older surveyed leaseholders. For example, one in ten (12%) adults aged 18-34 say their ground rent is more than £5,000 per year compared to 1% of those aged 55 and over. In comparison, a third (32%) of those aged 55 and over report their ground rent costing up to £10 compared to 2% of those aged 18-34. Similarly, half (48%) of those aged 55 and over who pay a ground rent pay up to £50 compared to a fifth (22%) of those aged 35-54 and a tenth (11%) of those aged 18-34.
- As well as being more likely to pay a ground rent, those surveyed who live in new build properties are less likely (8%) than those who live in second-hand properties (29%) to pay up to £50 per year for their ground rent.
- The median ground rent for new build leaseholders (£300) is double that of second-hand property leaseholders (£150).
- Those surveyed whose freehold owner is a local authority are more likely to report paying lower ground rents (39% of local authority leaseholders pay up to £50), than those whose freehold owner is a private company or individual (19% of leaseholders of a private company pay up to £50). However, the base size for local authority is fairly low (n=69) and therefore findings should be treated with caution.

Over two in five (43%) surveyed leaseholders who pay ground rent on their leasehold property say the payment is reviewed at least every year.

Q6. And how frequently is your ground rent payment reviewed (i.e. increase over time)?

| | |
|---|-----|
| At least every year | 43% |
| Less frequently than every year but at least every 10 years | 24% |
| Less frequently than every 10 years | 8% |
| It is fixed for all time and won't be reviewed | 10% |
| Don't know | 16% |

Base: All respondents who pay a ground rent (n=708)

- A quarter (24%) of those surveyed who pay a ground rent say that it is reviewed less frequently than every year but at least every 10 years.
- One in six (16%) leaseholders who pay a ground rent do not know how frequently it is reviewed.
- More surveyed leaseholders who pay a ground rent and live in a flat say it is fixed for all time and won't be reviewed (12%) compared to those living in a house (5%).
- However, a fifth (19%) of those living in a flat say that they don't know how frequently the ground rent they pay will be reviewed, compared to 8% of those who live in a house.
- Of surveyed leaseholders aged 18-34, 32% say their ground rent payment is reviewed less frequently than every year but at least every 10 years, compared to 10% of respondents aged 55 and over.
- A fifth (19%) of surveyed leaseholders who do not own a share of the freehold and pay a ground rent say they do not know how frequently it is reviewed, compared to one in ten (11%) who do own a share of the freehold.
- Of those surveyed who pay a ground rent and think it will double at the next point of review, two in five (40%) say it is reviewed less frequently than every year but at least every 10 years, three in ten (31%) say it is reviewed every year and a quarter (24%) say it is reviewed every 10 years. However, please note the low base size for this group (n=62) which means that findings should be treated with caution.

Half (51%) of surveyed leaseholders who pay a ground rent think that it will increase at the next review point.

Q7. How much, if at all, do you think your ground rent payment will increase at the next review point?

| | |
|--|------------|
| Increase slightly | 29% |
| Increase 100% (double) | 9% |
| Increase based on a formula (e.g. RPI) | 14% |
| NET: Increase | 51% |
| Stay the same | 31% |
| Other | 1% |
| Don't know | 17% |

Base: All respondents who pay a ground rent (n=708)

- A similar proportion of surveyed leaseholders who pay ground rent think the payment will stay the same (31%) or slightly increase (29%) at the next review point.
- Of those surveyed living in a house, 61% think that their ground rent payment will increase, compared to 47% of those living in a flat.
- Surveyed leaseholders aged 18-34 are more likely (61%) to think that their ground rent payment will increase, compared to respondents aged 55 and over (30%).
- However, 30% of surveyed leaseholders aged 55 and over are more likely to say that they don't know whether or not their ground rent will increase at the next review point, compared to 10% of respondents aged 18-34.
- Three in five (59%) surveyed leaseholders who own share of a freehold think their ground rent payment will increase, higher than leaseholders who do not own a share of freehold (48%).
- 63% of those surveyed who pay a ground rent and live in a new build property think that their ground rent will increase at the next review point, compared to 43% who live in a second-hand property.

Over five in six (84%) surveyed leaseholders report paying a service charge compared to 12% who say they never pay a service charge.

Q8a. How often, if at all, does your household pay a service charge? Please do not include any one-off payments or ground rent charges.

| | |
|---------------------------|------------|
| Yes, monthly | 34% |
| Yes, every quarter | 22% |
| Yes, every half year | 15% |
| Yes, every year | 14% |
| NET: Yes | 84% |
| Never | 12% |
| Don't know/can't remember | 4% |

Base: All respondents (n=1,000)

- A third (34%) of surveyed leaseholders report paying a service charge monthly, followed by a fifth (22%) who say they pay a service charge every quarter.
- Nearly nine in ten (88%) surveyed leaseholders who live in a flat say they pay a service charge, higher than those who live in a house (77%).
- Almost one in five (18%) leaseholders who live in a house say they never pay a service charge, higher than those who live in a flat who say they never pay a service charge (9%).
- A fifth (19%) of surveyed leaseholders in the North say they never pay a service charge, whilst one in ten in the Midlands (8%) and the South (including London) (11%) also say they never pay a service charge. Those living in the North West are the most likely region to say they never pay a service charge (23%).
- 18% of respondents aged 55 and over say they never pay a service charge, compared to 8% of respondents aged 18-34.
- Nine in ten (89%) respondents who own a share of the freehold say that they pay a service charge. This is higher than the proportion of those who do not own a share of

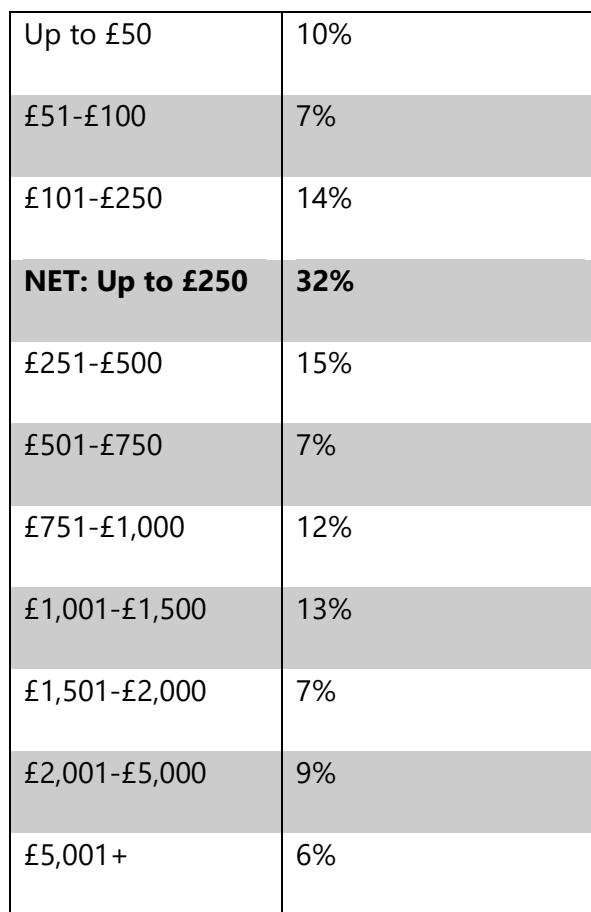
the freehold who say that they pay a service charge (81%). By contrast, one in seven (14%) surveyed leaseholders who do not own a share of the freehold say they never pay a service charge, compared to 9% of those who do own a share of the freehold.

- Those surveyed who live in a new build property are more likely than those who live in a second-hand property to say that their household pays a service charge, with nine in ten (91%) new build property leaseholders who say they pay a service charge compared to three in four (75%) second-hand property leaseholders who say they pay a service charge. Conversely, one in five (22%) leaseholders who live in a second-hand property say they never pay a service charge, significantly higher than 5% of new build leaseholders who say the same.

Leaseholders surveyed who pay a service charge report paying a median amount of £600 per year.

Q8b. You mentioned that your household pays a regular service or maintenance charge to cover the costs of repair and maintenance of the building or its communal areas.

Approximately, how much do you pay per year?



Base: All respondents who pay a service charge (n=843)

- Half (49%) of surveyed leaseholders living in a house who pay a service charge say they pay up to £250 compared to a quarter (25%) of those living in a flat who say they pay the same.
- 18% of those surveyed who live in a house say they pay up to £50 per year in a regular service or maintenance charge, compared to 7% of those who live in a flat. By contrast, those living in a flat who pay a service charge say they pay a median of £877 per year compared to £300 for those who live in a house.

- Leaseholders surveyed living in the South are more likely to pay a higher amount for their service charge than those living in the Midlands and the North. For example, the median amount in the South (excluding London) is £840 per year, compared to £635 in the Midlands and £500 in the North.
- Older adults surveyed aged 55 and over are more likely to report a higher yearly median amount for their service charge compared to their younger counterparts. Respondents aged 55 and over say they pay a yearly median amount for their service charge of £950, compared to £500 for respondents aged 18-34, and £710 for respondents aged 35-54. Over a third (35%) of leaseholders aged 18-34 who pay a service charge report paying up to £250.
- Leaseholders surveyed who live in a new build property report paying a greater variation of yearly service charges compared to second-hand property leaseholders – a third (34%) pay up to £250 (compared to 23% of respondents who live in a second-hand property) but one in ten (9%) of respondents who live in a new build property report paying £5,001+ (compared to 3% of respondents who live in a second-hand property). That said, second-hand property owners report a higher median service charge of £790 compared to £700 for respondents who live in a new build property.
- 37% of respondents who live in a couple household and pay a service charge say that they pay up to £250 per year in service charge fees, compared to 22% of respondents who live in a one person household and pay a service charge.
- 24% of those surveyed whose freehold owner is a private company and who pay a service charge say that their service charge is up to £250, compared to 38% of respondents whose freeholder is a private individual or local authority.
- Of those surveyed who pay a service charge but do not think that they pay into a sinking fund, 41% say that they pay up to £250 for their service charge, compared to 27% of respondents who pay a service charge and do pay into a sinking fund.

Over half (53%) of surveyed leaseholders say that a managing agent or property management company that works for the freeholder/landlord manages and looks after the common and/or external parts of their building sends requests for payment of the service charge.

Q9. Who manages and looks after the common and/or external parts of your building, development or estate (e.g. hallways, stairs, lift, buildings insurance, the roof) and sends you the request for payment of the service charge?

| | |
|---|-----|
| Managing agent or property management company working for freeholder/landlord | 53% |
| Freeholder | 21% |
| Residents, or residents' organisation | 18% |
| Other | 2% |
| Don't know | 6% |

Base: All respondents (n=1,000)

- Leaseholders living in a flat are more likely (61%) than those living in a house (36%) to say a managing agent or property management company looks after the common and/or external parts of their building and sends requests for payment of the service charge.
- Of those surveyed living in a house, 30% say that the freeholder manages and looks after the common and/or external parts of their building and sends requests for payment of the service charge, and 23% of respondents living in a house say it is done by a residents' organisation.
- Of those surveyed living in a flat, 16% say that the freeholder manages and looks after the common and/or external parts of their building and sends requests for payment of the service charge, and 16% say it is done by a residents' organisation.
- 26% of surveyed leaseholders aged 18-34 say that the freeholder manages and looks after the common and/or external parts of their building and sends requests for payment of the service charge, in comparison to one fifth (18%) of leaseholders aged 35-54 and one in six (15%) aged 55 and over.

Over half (57%) of surveyed leaseholders who pay a service charge say this payment includes payment into a sinking fund.

Q10. As far as you are aware, does your service charge include payment into a sinking (or reserve) fund?

| | |
|------------|-----|
| Yes | 57% |
| No | 22% |
| Don't know | 21% |

Base: All respondents who pay a service charge (n=843)

- Almost three in ten (28%) of surveyed leaseholders living in a house say their service charge does not include payment into a sinking fund, whilst one fifth (19%) of surveyed leaseholders living in a flat say their service charge does not include payment into a sinking fund.
- A quarter (24%) of surveyed flat leaseholders whose household pays a service charge say that they don't know if a sinking fund is included, compared to 12% of house leaseholders who say that they don't know if a sinking fund is included.
- 61% of leaseholders surveyed aged 35-54 who say they pay a service charge say that it includes a sinking fund compared to 50% of those aged 55 and over.

The majority of surveyed leaseholders' managing agents, landlord/freeholders or Right to Manage companies provide a summary of the costs on which the service charge is calculated (64%), annual accounts (59%), and receipts and other documents which show how the service charge has been spent (56%).

Q11. Do your managing agent, landlord/freeholder or Right to Manage company provide:

| | A summary of the costs on which the service charge is calculated | Annual accounts | Receipts and other documents which show how the service charge has been spent |
|--|---|------------------------|--|
| Yes | 64% | 59% | 56% |
| No | 17% | 19% | 24% |
| Don't know | 9% | 12% | 10% |
| Not applicable – I don't have a managing agent or property manager | 10% | 10% | 10% |

Base: All respondents (n=1,000)

- Surveyed leaseholders living in a flat are more likely than those living in a house to be provided with this information. 71% of respondents living in a flat say they are provided with a summary of the costs on which the service charge is calculated compared to 50% of respondents living in a house. 66% of respondents living in a flat say they are provided with annual accounts compared to 45% of respondents living in a house. 61% of respondents living in a flat say they are provided with receipts and other documents which show how the service charge has been spent compared to 46% of respondents living in a house.
- 69% of those surveyed in the South say their managing agent, landlord/freeholder or Right to Manage company provides a summary of the costs on which the service charge is calculated, compared to 60% in the North and Midlands respectively.
- For each option tested, those surveyed who own a share of the freehold are more likely than those who do not own a share of the freehold to say they are provided with this information. For example, 65% of respondents who own a share of the freehold say they are provided with annual accounts compared to 55% of respondents who do not own a share of the freehold.

One in ten (10%) surveyed leaseholders say they have not been consulted by their landlord/freeholder about any work that took place and a further quarter (24%) say they have been consulted some of the time but not every time.

Q12. By law, leaseholders must be consulted before the landlord/freeholder carries out works (e.g. roof repairs and redecorating) for which any leaseholder's contribution for those works will be above £250 (known as a Section 20 or Major Works Consultation).

Thinking about your current property, did the landlord/freeholder consult you about any work that took place?

| | |
|---|-----|
| I have been consulted every time this has happened | 41% |
| I have been consulted some of the time this has happened but not every time | 26% |
| I have not been consulted when this has happened | 10% |
| Not applicable – this hasn't happened | 20% |
| Don't know | 3% |

Base: All respondents (n=1,000)

- 44% of flat leaseholders surveyed say that they have been consulted every time before works have been carried out compared to 33% of respondents living in a house.
- 52% of leaseholders surveyed aged 55 and over say they have been consulted every time work has happened compared to 38% of respondents aged 18-34.
- Three quarters (75%) of respondents who pay a service charge say they have been consulted about work, whilst only a fifth (21%) of those who never pay a service charge say they have been consulted.
- Seven in ten (71%) surveyed leaseholders from the South (including London) have been consulted about work, higher than the 61% of respondents in the North who say they have been consulted about work.

Over half (55%) of surveyed leaseholders say they have restrictive conditions in place, compared to a third (32%) who say they do not.

Q13. *Your lease might have some restrictive conditions (called restrictive covenants) in place which will set out what you must not do (e.g. not installing hard floors, not keeping pets or causing a nuisance etc.)*

As far as you are aware, do you have any restrictive conditions (covenants) in place?

| | |
|---------------------------|-----|
| Yes | 55% |
| No | 32% |
| Don't know/can't remember | 13% |

Base: All respondents (n=1,000)

- Almost two in five (38%) surveyed leaseholders living in a house do not have any restrictive conditions in place, compared to three in ten (29%) respondents living in a flat who say they do not have any restrictive conditions in place.
- Leaseholders surveyed who pay other charges are more likely than those who do not pay other charges to have a restrictive condition in place. For example:
 - Three quarters (73%) of surveyed leaseholders who pay into a sinking fund say they have restrictive conditions in place, while only two fifths (44%) of respondents who do not pay into a sinking fund say the same.
 - 61% of leaseholders surveyed who pay a service charge say they have restrictive conditions in place compared to 26% of respondents who do not pay a service charge.
 - The majority (63%) of those surveyed who pay a ground rent say they have a restrictive condition in place, compared to 38% of those who do not pay a ground rent.

A third (34%) of surveyed leaseholders report having to pay administration fees for making property alterations and three in ten (31%) say the same of subletting their property.

Q14a. In some leases and under the law, the landlord/freeholder is entitled to require payment of a charge if you ask for a service, consent or permission connected with the use of your property.

Do you have to pay administration fees for any of the following?

| | Yes | No | Don't know |
|-----------------------------|------------|-----------|-------------------|
| Making property alterations | 34% | 45% | 22% |
| Subletting your property | 31% | 42% | 27% |
| Responding to your query | 25% | 59% | 17% |
| Keeping a pet | 25% | 59% | 16% |

Base: All respondents (n=1,000)

- A proportion of those surveyed report not knowing whether or not they have to pay administration fees for each of the tested options. For example, more than a quarter (27%) say they don't know if they have to pay a fee for subletting their property.
- For each option tested, surveyed leaseholders living in a house are more likely than those living in a flat to say they pay administration fees. 38% of respondents living in a house say they have to pay a fee for responding to their query compared to 18% of respondents living in a flat. 44% of respondents living in a house say they have to pay a fee for subletting their property, compared to 25% of respondents living in a flat. 43% of respondents living in a house say they have to pay a fee for making property alterations compared to 29% of respondents living in a flat. 36% of respondents living in a house say they have to pay a fee for keeping a pet compared to 19% of respondents living in a flat.
- Two in five (40%) respondents aged 18-34 say they have to pay administration fees for subletting their property, compared to 13% of respondents aged 55 and over who say they have to pay administration fees for subletting their property.

- Nearly half (46%) of respondents who say they have a sinking fund have to pay administration fees for making property alterations, while a third (33%) of respondents who do not have a sinking fund say the same.
- Those surveyed living in a new build property are generally more likely to report paying for some of the tested administration fees than leaseholders who live in a second-hand property. For example, a third (33%) of respondents who live in a new build property say they pay for a response to a query compared to 17% of respondents who live in a second-hand property and two in five (42%) of respondents who live in a new build property say they pay a fee to sublet their property compared to 24% of respondents who live in a second-hand property.
- There were few regional differences at an overall level for administration fees. However, three in ten (30%) surveyed leaseholders in the Midlands report paying a fee for keeping a pet – higher than the 22% of respondents in the South (excluding London) who report paying a fee for keeping a pet.

The median reported amount that surveyed leaseholders most recently paid for subletting their property and making property alterations is £100.

Q14b. Thinking about the most recent time for each of the following administration charges, approximately how much did you pay?

| | Responding to your query | Subletting your property | Making property alterations | Keeping a pet |
|---------------|---------------------------------|---------------------------------|------------------------------------|----------------------|
| Up to £10 | 20% | 20% | 20% | 22% |
| £11-£50 | 34% | 18% | 18% | 32% |
| £51-£100 | 15% | 16% | 14% | 16% |
| £101-£200 | 8% | 13% | 15% | 12% |
| £201-£300 | 5% | 8% | 8% | 4% |
| £301-£500 | 6% | 10% | 9% | 5% |
| £501-£1,000 | 3% | 6% | 6% | 4% |
| £1,001-£5,000 | 6% | 6% | 8% | 2% |
| £5,001+ | 4% | 4% | 3% | 2% |

Base: All respondents who pay each administration charge: responding to a query (n=244); subletting the property (n=312); making property alterations (n=333); keeping a pet (n=246)

- The median reported amount that surveyed leaseholders most recently paid for subletting their property and making property alterations is £100.
- Around a third of surveyed leaseholders who pay an administration charge for responding to a query (34%) or keeping a pet (32%) say that, the last time they paid, the cost was between £11 and £50. The median amount paid for these administration charges is £50.
- A fifth of surveyed leaseholders, thinking about the most recent time for each of the following administration charges, paid up to £10 for: responding to your query, subletting your property, making property alterations, and keeping a pet.

- Across all four types of administration charges, more than 50% of surveyed leaseholders paid under £100.
- There are no differences of note between surveyed house and flat leaseholders who pay these charges in terms of the median amount paid.
- Some of the survey responses look unrealistically high. They suggest that not all of the surveyed leaseholders understood the nature of administration charges and answered the questions incorrectly as a result. It is possible that respondents confused administration charges with service charges, which would explain the unrealistically high responses. These figures should be treated with caution as they are unlikely to be correct.

A fifth (22%) of surveyed leaseholders say that they have paid administration fees for other services related to their leasehold property compared to seven in ten (68%) who say they have not.

Q14c. Have you paid any administration fees for any other services related to your leasehold property?

| | |
|------------|-----|
| Yes | 22% |
| No | 68% |
| Don't know | 10% |

Base: All respondents (n=1,000)

- 31% of leaseholders surveyed living in a house report paying other administration charges compared to 18% of respondents living in a flat.
- 28% of surveyed leaseholders aged 18-34 say that they have paid administration fees for other services related to their leasehold property compared to 21% of respondents aged 35-54 and 9% of respondents aged 55 and over.
- Leaseholders surveyed in London are the most likely region to report having paid any administration fees for any other services related to their leasehold property (31%) compared to 19% in the North West.
- 26% of those surveyed who own a share of the freehold say that they pay fees for other services compared to 20% of respondents who do not own a share of the freehold.

The majority (57%) of surveyed leaseholders who have a restrictive condition in place say they have not done any of the tested actions related to trying to change the restrictive condition.

Q15. You mentioned that you have a restrictive condition (covenant) in place, have you ever tried any of the following?

| | |
|--|-----------|
| To lift or change the covenant by obtaining consent from the landlord/freeholder | 21% |
| To lift or change the covenant by obtaining consent from the other leaseholders | 20% |
| To make an application to the First-tier Tribunal for the variation of the lease | 8% |
| Other | 0% |
| NET: More than one action tried | 5% |
| None of the above | 57% |

Base: All respondents who have a restrictive covenant in place (n=554)

- A fifth (21%) of those surveyed with a restrictive covenant say that they have tried to lift or change the covenant by obtaining consent from the landlord/freeholder and a similar proportion (20%) say the same of obtaining consent from other leaseholders.
- Just under one in ten (8%) of those surveyed with a restrictive condition say they have tried to make an application to the First-tier Tribunal for the variation of the lease.
- Only one in twenty surveyed (5%) say they have tried more than one action in relation to changing the restrictive covenant.
- Leaseholders surveyed with a restrictive condition in place who live in a house are more likely than those who live in flats to say that they have tried each of the actions tested. For example, over two in five (43%) of those surveyed living in a house say they have tried to lift or change the covenant by obtaining consent from the other leaseholders, compared to one in ten (11%) of those who live in flats.

- Respondents aged 18-34 with a restrictive covenant in place are more likely than their older counterparts aged 35-54 to say that they have tried each of the actions tested. For example, three in ten (30%) respondents aged 18-34 say they have tried to lift the covenant by obtaining consent from the landlord/freeholder compared to a fifth (19%) of 35-54 year olds.

A fifth (21%) of surveyed leaseholders say that they have been unable to pay charges due to the landlord/freeholder, management company or Right to Manage company compared to three quarters (75%) who say this hasn't happened.

Q16. Have you ever been unable to pay any of the charges (service charge, ground rent) due to the landlord/freeholder, management company or Right to Manage company?

| | |
|------------|-----|
| Yes | 21% |
| No | 75% |
| Don't know | 4% |

Base: All respondents (n=1,000)

- 33% of leaseholders surveyed living in a house report being unable to pay any of the charges due to the landlord/freeholder, management company or Right to Manage company compared to 15% of respondents living in a flat.
- 28% of leaseholders surveyed aged 18-34 report not being able to pay any of the charges due to the landlord/freeholder, management company or Right to Manage company, compared to 18% of respondents aged 35-54 and 7% of respondents aged 55 and over.
- 24% of leaseholders surveyed who pay a ground rent say that they have been unable to pay any of the charges due to the landlord/freeholder, management company or Right to Manage company compared to 14% of respondents who do not pay a ground rent.
- Similarly, 24% of those surveyed who pay a service charge say that they have been unable to pay any of the charges due to landlord/freeholder, management company or Right to Manage company compared to 4% of respondents who do not pay a service charge.
- 14% of leaseholders surveyed living in the South East and 17% in the East say that they have been unable to pay any of the charges due to landlord/freeholder, management company or Right to Manage company. By contrast, 30% of respondents in the East Midlands and 28% of respondents in the North East say that they have been unable to pay any of the charges due to landlord/freeholder, management company or Right to Manage company.

Over half (56%) of those surveyed who have been unable to pay charges due to the landlord/freeholder, management company or Right to Manage company say that more than one of the tested actions was taken – for example two in five (39%) say they were asked to pay the outstanding amount immediately.

Q17. Did the landlord/freeholder, management company or Right to Manage company do any of the following as a result of you being unable to pay charges?

| | |
|---|------------|
| Ask you to pay the outstanding amount immediately | 39% |
| Send a letter about non-payment | 38% |
| Visit you to discuss the situation | 34% |
| Allow you to pay over a period of time | 27% |
| Approach your mortgage company to recover the charges | 20% |
| Refer you to financial advice or other support services | 20% |
| Make a claim against you in the County Court | 14% |
| Write to you to inform you that your lease could be forfeit and the house or flat repossessed if you do not pay the charges (and the legal costs that have been incurred as a result) | 13% |
| NET: More than one action taken | 56% |
| None of the above | 3% |
| Don't know | 0% |

Base: All respondents who have been unable to pay charges (n=208)

- Similar proportions of those surveyed who have been unable to pay charges due to the landlord/freeholder, management company or Right to Manage company say that as a result they: asked them to pay the outstanding amount immediately (39%), sent a letter about non-payment (38%), or visited them to discuss the situation (34%).
- Other options tested are less commonly selected – for example, around one in six surveyed say that as a result of being unable to pay charges, their landlord/freeholder, management company or Right to Manage company made a claim against them in the

County Court (14%) or wrote to them to inform them that their lease could be forfeit and the house or flat repossessed (13%).

- 47% of leaseholders surveyed living in flats who have been unable to pay say that the landlord/freeholder, management company or Right to Manage company sent them a letter about non-payment compared to 30% of respondents living in houses.
- 26% of respondents living in a house say that they were referred for financial advice or other support services compared to 13% of respondents living in a flat.

Over half of surveyed leaseholders say that they are satisfied with their landlord/freeholder, management company or Right to Manage company (58%) or managing agent (52%).

Q18. In your current leasehold, to what extent are you satisfied or dissatisfied with:

| | The landlord/freeholder, management company or Right to Manage company | The managing agent appointed by the landlord/freeholder / company |
|--------------------------|---|--|
| Very satisfied | 20% | 17% |
| Somewhat satisfied | 37% | 35% |
| NET: Satisfied | 58% | 52% |
| Somewhat dissatisfied | 23% | 19% |
| Very dissatisfied | 11% | 11% |
| NET: Dissatisfied | 34% | 30% |
| Don't know | 4% | 6% |
| Not applicable | 4% | 12% |

Base: All respondents (n=1,000)

- 58% of those surveyed were satisfied with the landlord/freeholder and 52% were satisfied with the managing agent.
- A third (34%) of surveyed leaseholders say they are dissatisfied with the landlord/freeholder, management company or Right to Manage company and three in ten (30%) say the same of the managing agent appointed by the landlord/freeholder, management company or Right to Manage company.
- 38% of leaseholders surveyed who do not own a share of the freehold say that they are dissatisfied with the landlord/freeholder, management company or Right to Manage company compared to 28% of respondents who do own a share of the freehold.

- There are no differences of note between surveyed flat leaseholders and house leaseholders in their satisfaction/dissatisfaction with the landlord/freeholder, management company or Right to Manage company. However, in terms of the managing agent, 59% of surveyed house leaseholders say that they are satisfied with the managing agent compared to 49% of respondents who live in a flat.

The majority (62%) of surveyed leaseholders who are dissatisfied with their managing agent/freeholder/landlord selected reasons relating to cost, 53% of respondents selected reasons relating to repair and maintenance, and 49% of respondents selected reasons relating to communication.

Q19. You mentioned that you are dissatisfied with your managing agent or landlord/freeholder. Which of the following reasons explain why?

| | |
|--|------------|
| Cost of management services is too high | 34% |
| Cost of repairs and maintenance is too high | 33% |
| Cost of management services keeps rising | 32% |
| The cost of insurance is excessive | 16% |
| NET: Cost | 62% |
| Repairs and maintenance are not carried out when required | 31% |
| Repair and maintenance are performed to a low standard | 27% |
| Repairs and maintenance are carried out unnecessarily | 18% |
| NET: Repair and maintenance | 53% |
| Not kept informed about what is or was going on | 28% |
| Poor transparency and communication about charges | 25% |
| Poor consultation about major works | 20% |
| NET: Communication | 49% |
| Services are poor | 36% |
| When repairs are needed, the managing agent does not make much effort to get good value for money on behalf of the residents | 26% |
| The managing agent does not do enough to get good deals on services like cleaning | 20% |
| Other | 3% |
| Don't know | 2% |
| None of the above | 2% |

Base: All respondents who are dissatisfied with their managing agent or landlord/freeholder (n=412)

- The most common individual reason selected by 36% of respondents who are dissatisfied with their managing agent/freeholder/landlord was that services are poor.
- 34% of respondents who are dissatisfied with their managing agent/freeholder/landlord say that the cost of management services is too high.
- 33% of respondents who are dissatisfied with their managing agent/freeholder/landlord say that the cost of repairs and maintenance is too high.
- The results suggest that there are multiple reasons why leaseholders are dissatisfied.
- Those surveyed who are dissatisfied with their managing agent/freeholder/landlord and live in flats are more likely to select each of the reasons tested compared to those living in houses who are dissatisfied. For example, seven in ten (70%) of those living in flats chose a cost related option compared to 45% of those living in a house.
- 64% of leaseholders surveyed who are a single person household and dissatisfied with their landlord/freeholder/managing agent say that repairs and maintenance are the reason for this compared to 50% of respondents in a couple household who are dissatisfied with their landlord/freeholder/managing agent.

Three in ten (30%) surveyed leaseholders who are dissatisfied with their managing agent or the landlord/freeholder say that they have contacted them about the issue.

Q20. You mentioned that you are dissatisfied with your managing agent or the landlord/freeholder of your current leasehold. Which, if any, of the following actions have you taken as a result?

| | |
|--|------------|
| Contacted the managing agent or landlord/freeholder about the issue | 30% |
| Contacted the Leasehold Advisory Service | 15% |
| Made an application to the First-tier Tribunal (Property Chamber) for a determination of the reasonableness of the charges | 15% |
| Contacted a local councillor/MP | 14% |
| Contacted the Ombudsman | 11% |
| Changed the managing agent/ set up Right to Manage company | 11% |
| Other | 1% |
| NET: Any action taken | 63% |
| Nothing | 34% |
| Don't know | 3% |

Base: All respondents who are dissatisfied with their managing agent or landlord/freeholder (n=412)

- The majority (63%) of surveyed leaseholders who are dissatisfied with their managing agent or landlord/freeholder say that they have taken one of the actions tested, compared to a third (34%) who say that they have done nothing as a result.
- Four in five (79%) of those surveyed who are dissatisfied and live in a house took any of the actions taken compared to 56% of those respondents who are dissatisfied and live in a flat.

- However, 36% of those surveyed living in a flat say that they contacted the managing agent or landlord/freeholder about the issue compared to 18% of respondents living in a house.
- Surveyed leaseholders who are dissatisfied with their managing agent or landlord/freeholder are twice as likely to say that they have contacted them about the issue (30%), compared to contacting the Leaseholder Advisory Service (15%) or having made an application to the First-tier Tribunal (15%).
- A quarter (26%) of those surveyed living in the Midlands who are dissatisfied with their managing agent or landlord/freeholder say that they made an application to the First-tier Tribunal for a determination of the reasonableness of the charges, compared to 11% of respondents in the South (including London). However, 8% of respondents living in the Midlands who are dissatisfied with their managing agent or landlord/freeholder say that they contacted the Leaseholder Advisory Service compared to 16% of respondents who are dissatisfied with their managing agent or landlord/freeholder in South (including London).