

P-04-573 Call on the Welsh Government to Investigate the Residential Leasehold System in Wales – Correspondence from the Petitioner to the Clerking Team, 01.10.14.

Dear Kayleigh,

Many thanks for your recent email with enclosures the content of which I note.

I would be grateful if you could forward the following comments to the Petitions Committee for consideration at their meeting on the 7th October.

With regard to the newspaper article it is important for the Committee to understand that as yet no revised proposals have been received from the City & County of Swansea. The recent press coverage claiming victory on behalf of the residents is therefore extremely premature.

Representatives of the Elba residents are meeting the CCS tonight (1st October) during which we understand those revised proposals will be made known. Until we have details of the revised proposals we have no way of knowing whether they will be acceptable. Even after the revised proposals are put to us we will still need to take legal advice regarding their merits and the long term implications.

Realistically this is just the start of the process not, as the press would perhaps have you believe, the end.

However, the CCS' willingness to revisit their original decision is encouraging and we are hopeful of a reasonable outcome, in due course, for the Elba residents.

Turning to the letter from Mr Carl Sargeant it is very difficult to comment without sight of the information provided to him by the Leasehold Advisory Service. I would concede that the clause in the Elba lease is relatively unusual but neither would it be the first case to come before the Upper Tribunal (Lands Tribunal) due to a swingeing increase in ground rent resulting from a draconian rent review clause. The scale of the problem is what sets it apart, as it is unusual for an entire estate to be affected, rather than individual leaseholders here and there under a private landlord.

There is an issue here and I would urge the Petitions Committee and Mr Sargeant to review the cases that have come before the Upper Tribunal (Lands Tribunal) on this point. It is hardly an isolated issue.

Moreover, depending upon the outcome of the Elba dispute the problem could become more prevalent. The dispute here has been widely reported and there is no doubt that at least the private landlords and their advisors are keeping a weather eye on developments. An outcome favouring CCS could encourage those landlords to include similar provisions in their future leases, in the hope of securing a windfall at a later date at the expense of their tenants.

We are at least fortunate that our landlord is a Local Authority. Were it a private landlord commerciality would trump all other interests and, given the potential amount at stake, could lead to protracted and lengthy litigation.

Also, the Elba dispute has arisen now because the 25 year review date fell in this year. Until that time the residents were blissfully unaware of the problem. It is quite possible that there are similar leases on other estates in Wales where the review date has not yet crystallised, leading to an underestimation of the scale of the problem.

The risk is that by doing nothing about the issue WAG will simply be sowing the wind, only to reap the whirlwind at a later date.

The primary legislation affecting this issue is the Leasehold Reform Act 1967, quite an old piece of legislation by modern standards and one that has given rise to uncertainty regarding the concept of 'modern ground rents' as evidenced by the above referenced cases which have come before the Upper Tribunal (Lands Tribunal).

As someone who has personally been affected by this issue as a resident of the Elba estate and on behalf of the hundreds of others I would urge the Petitions committee to look into the system of residential leasehold property in Wales to ensure transparency and protection for homeowners.

Yours sincerely,

Nicholas Llewelyn

Chair of the Elba Action Group

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Att: Ms Kayleigh Driscoll, Partitions Committee Deputy Clerk.

Dear Sirs / Madam

5000+% increase per year, for a small parcel of land, your humble property is standing on. This bombshell dropped through the doors, not to a towering mansion in leafy Mayfair or Knightsbridge, London, but a small rural village, in the heart of Wales. Multi millionaires you may well think, alas, no, just young families, a few pensioners and even a few disabled, your average Welsh community.

The Lease was the brain child of Lliw Valley Borough Council, designed on the principles of the commercial lease. It was not suitable or appropriate for residential communities. any street wise authority, would have understood immediately, that this type of lease was not fit for purpose, and binned it. Not Swansea council, their little greedy eyes lit up at the thought of pocketing even more money from their cash poor residents.

There was no warning of such an increase, no consultation, the ensuring trauma was immense across the estate, any heart attacks or strokes will be at this labour councils door. This lease is evil by content, because the perpetrators obviously knew the hardship this increase would bring to ordinary working folk, it follows they knew this would also make all their properties worthless and thus destroy the wealth and well being of all those families.

Did such thoughts bother them, no, they twitter on that it is legal; all that means, it has not violated any known laws, even though it is more than twice the amount charged, by loan sharks, in interest. "We must get the best value for our ratepayers", they wail. What do they think those people suffering this assault are, they are also their ratepayers..

Swansea council have failed miserably, in their Duty of Care to the effected residents of Gowerton, and should, in all decency, hang their heads in shame.