

**P-04-573 - Call on the Welsh Government to Investigate the Residential Leasehold System in Wales.**

**Correspondence - 04.06.15 - Petitioner to the Chair**

To Mr William Powell AC / AM Chair of Petitions Committee

Dear Sir

Thank you for allowing me this final opportunity.

In answer to Mr Griffiths AM, I am not a member of the Elba Gowerton negotiations team, so I do not know why they did not involve the Lease Valuation Tribunal, other than I understand it is a costly exercise legally, being seen as a refuge of the last resort. Mr Llewelyn, chair of the negotiations team may well be able to enlighten you further.

As you are no doubt aware Mr Powell, the 12 month negotiations have been finally concluded, with the annual ground rent being set at £400. Although this may well seem an impressive reduction, 800% against 5000%, it is still £400 per year on top of an ever increasing Council Tax, Energy, Water and Transport costs, with many families still fearful of meeting this extra burden on their household bills.

Also within the settlement, Swansea council have agreed to offer discounts on their admin/legal fees, while a local solicitor has very kindly offered to act for all the residents for a fixed sum of £50 each. This is a considerable saving ; however it will only apply to those residents that agree to purchase their lease within the agreed time scale.

The finally agreed annual cost now set at £400, except for those residents who agreed to a fixed rate of £250p.a, following letters received from Lliw Valley Borough Council (approx 1996). Unfortunately, not all residents received the letters.

We are also informed the Purchase of Freehold valuation will be based on three properties:-

		Bulk purchase discount £446				
Terraced	- £6500	plus	discounted	legal/land	registry/admin	
fees etc.,	£6946.00					
Semi-detached	- £6750	"	"	"	"	
£7196.00						
Detached	- £7000	"	"	"	"	
£7446.00						

Those residents who agreed the fixed ground rent of £250, will have the opportunity to purchase their freehold at a fixed price of £5000, while receiving the same discounts as above, providing they also purchase within the agreed time scale.

For those who delay purchasing their freehold, will not receive the bulk purchase discounts, resulting in addition costs of £1896.00 or £2196.00.

The terms of the current lease will be subject to a rent review every 25 years, based on the RPI, over the proceeding 25 years. Fixed Rate Leaseholders have the option of keeping this lease or changing it to the £400 p.a, lease, which is fixed for the remaining term of the lease, this removes the risk of any further large rises: it will of course require a Deed of Variation.

The above are a very brief breakdown of the negotiated main points, I do hope they have been of some help to you.

Yours sincerely

Kenneth J Douglas