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## High Court Challenge to Freehold Reforms Begins

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A group of prominent landowners, alongside two charities, has launched a judicial review in the High Court to contest the Leasehold and Freehold Reform Act 2024, passed under the previous Conservative government. The claimants, including the Cadogan Group, the Grosvenor Group, and John Lyon's Charity, argue that the legislation infringes upon their property rights as protected by the European Convention on Human Rights (ECHR). They assert that the reforms, which aim to simplify and reduce costs for leaseholders extending

leases or purchasing freeholds, could result in significant financial losses without adequate compensation.

The hearing, which commenced on Tuesday and is expected to conclude by Friday, has raised concerns among leaseholders who fear delays to long-overdue reforms. The LAFRA was fast-tracked through Parliament before the 2024 general election, earning praise from leasehold campaigners for its intent to bolster the rights of approximately 4.5 million leasehold property owners in England and Wales. The act seeks to streamline the process of lease extensions and freehold purchases while making them more affordable. However, the freeholders' challenge focuses on the revised calculations for lease extensions, which they claim could cost them hundreds of millions of pounds.

The claimants argue that the changes unfairly shift wealth to leaseholders, particularly in central London, while limiting their ability to invest in local communities and support charitable initiatives. John Lyon's Charity, which funds programmes for underprivileged children, has expressed particular concern. In a recent interview, CEO Dr Lynne Guyton stated, "This reform pulls the rug out from underneath those who need the most support across the capital. Without an exemption, we will lose at least 10% of the charity's income, putting educational, mental health, and youth programmes at risk."

Leaseholders, however, are frustrated by the potential setbacks. Phil Jones, a 57-year-old leaseholder from Westcliff-on-Sea, shared his plight: "My ground rent doubles every 10 years and is now £500 annually. My freeholder offered to scrap it for £60,000, which I can't afford. This makes my flat unsellable as mortgage companies won't lend on it." He added, "Life is on hold. I'm trapped here. It's so unfair." Jones questioned the legitimacy of the challenge, noting that the legislation has already received Royal Assent.

The Labour government, which has pledged to abolish the leasehold system entirely and introduce a commonhold model by the end of the current Parliament, has yet to implement the Leasehold and Freehold Reform Act 2024's provisions fully. Deputy Prime Minister Angela Rayner told MPs on Monday, "We'll be robustly defending these challenges, and we'll await the court's judgement." However, the government's cautious approach to timelines amid the ongoing litigation has drawn criticism. Leasehold groups are particularly incensed that their bid to represent flat owners in the case was rejected. Harry Scoffin, founder of Free Leaseholders, remarked, "Not a single leaseholder voice will be heard at the High Court. Is this how democracy is supposed to run? We urge the government to stand firm against this campaign by wealthy vested interests."

The leasehold system, often described as “feudal” by both the previous Conservative government and the current Labour administration, has long been a point of contention. Originating in the Middle Ages and formalised in the 1920s, it remains a complex and controversial aspect of property ownership in England and Wales. Scotland abolished leasehold in the 1980s, and Northern Ireland operates a distinct system.

As the High Court deliberates, leaseholders like Jones fear that the challenge could stall reforms for years, leaving them trapped in an outdated system. The government’s promise of further legislation later this year offers some hope, but campaigners remain wary of delays and the influence of powerful freeholders.