



Ministry of Housing,
Communities &
Local Government

English Housing Survey Methodology Paper

Cognitive testing of leasehold questions



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Executive summary

1. The English Housing Survey (EHS) is a national survey of people's housing circumstances and the condition and energy efficiency of housing in England. It is commissioned by the Ministry of Housing, Communities and Local Government (MHCLG) and run by a consortium of contractors led by NatCen Social Research.
2. From time to time, MHCLG commission work to improve EHS data collection and methodology. This report gives the findings from one such piece of work: cognitive testing of a series of questions on whether owner occupied dwellings are owned on a freehold or leasehold basis.
3. Collecting robust information on leaseholders is important to MHCLG, particularly because the number of leasehold properties is expected to rise in the future. The existing survey questions on this topic are known to be problematic, and to underestimate the number of leasehold dwellings¹. There is concern that the leasehold questions are not understood correctly by participants and this may be a factor in the underreporting of leasehold properties.
4. In order to assess this, NatCen Social Research was commissioned to cognitively test and improve the existing leasehold questions, which have been included in the EHS questionnaire since 2009-09. Thirty face-to face cognitive interviews were carried out across two rounds of testing in London and the north of England. The first round of testing was used to identify any problems with the existing questions, with the second round testing proposed changes to questions identified as being problematic at round one. Participants were recruited from owner occupiers thought to be likely leaseholders, including some who had previously taken part in the EHS.
5. The study found that respondents' understanding of the terms freehold and leasehold was variable and that the existing questions did not provide an answer option for people who were both leaseholders and owned a share of the freehold.
6. For leaseholders, some of the follow up questions were also problematic because questions were interpreted in different ways, there was uncertainty about the difference between ground rent and a service charge, and there was a general lack of knowledge about their lease. While some participants had their documentation to hand, finding the information required was not always easy.

¹ See: <https://www.gov.uk/government/collections/leasehold-dwellings>.

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7. Based on the findings from the first round of testing, changes were made to questions identified as problematic due to their wording or structure. Changes involved including definitions, simplifying wording, and or adding/ amending answer options. Round two test findings indicated these changes were broadly successful in improving question clarity. However, people's lack of knowledge about their leaseholder status and the terms of their lease remain an issue and should be considered by analysts and policy makers when interpreting results.
 8. This report was produced by Sophie Pilley, Catherine Fenton and Debbie Collins at NatCen Social Research. If you have any queries about it or would like any further information, please contact ehs@communities.gsi.gov.uk.

Section 1

Background and methodology

- 1.1 Having accurate information on the characteristics of those living in leasehold and freehold dwellings in England is important for MHCLG. The number of leasehold dwellings is expected to increase over the coming years and there is growing policy interest in the area. An important source of information on the characteristics of those living in leasehold dwellings comes from the English Housing Survey (EHS). However, the EHS significantly underestimates the number of leasehold dwellings in England.
- 1.2 There are two main reasons why the EHS underestimates the number the leasehold dwellings:
 - The EHS cannot provide an estimate of the number of leasehold properties in the social or private rented sectors, because respondents are tenants who will not know if their home is leasehold; and
 - Owner occupiers may not understand the leasehold questions and misreport their leasehold status. Subsequent analysis has found that, each year, the EHS underestimates the number of owner occupied leasehold properties by almost a million².
- 1.3 NatCen Social Research undertook cognitive testing on the current leasehold questions to understand the second of these two reasons. The first round of cognitive testing examined the existing leasehold questions. These questions were revised and tested in a second round of cognitive interviews. A final set of questions was developed and included in the 2018-19 EHS questionnaire.
- 1.4 This report outlines the findings from the two rounds of cognitive testing. This section focuses on the methodology.

What is cognitive interviewing?

- 1.5 Cognitive interviewing methods provide an insight into the mental processes participants use when answering survey questions, thus helping researchers to identify problems with question wording and questionnaire design. The method investigates four cognitive stages: (1) how participants understand and interpret survey questions, (2) how they recall information that applies to the question, (3) the judgements they make as to what information to use

² See: <https://www.gov.uk/government/collections/leasehold-dwellings>.

when formulating their answers, particularly when information is not readily recalled and (4) the response mapping process.

- 1.6 A combination of participant-led ‘think aloud’ (people talking through how they worked out their answers), interviewer observations and scripted probes were used to test the survey questions. Probes were asked retrospectively after each set of questions on a particular topic. Using the ‘think aloud’ technique, participants were asked to say aloud what they were thinking as they went about completing the task of answering the questions.
- 1.7 The cognitive interviewers also ‘observed’ the participant’s reactions to the questions and noted any signs of uneasiness, confusion, embarrassment, and so on. Interviewers used spontaneous probes (probes which are not scripted and are reactive to the participant) whenever these emotions were noted to check whether the participant understood the question and was comfortable answering them.

What was tested and when

- 1.8 Cognitive testing was carried out in two rounds with fieldwork taking place in September and October 2017 in London and the north of England.
- 1.9 The 2016-17 EHS questions concerned with identifying leaseholders were tested in round one. These questions establish whether the respondent (an owner occupier) is a leaseholder, freeholder or owns the property in some other way, and then checks if the leaseholder also owns a share of the freehold. Additional follow up questions capture information on:
- the length of the lease
 - whether the respondent pays ground rent, a service charge or pays into a reserve fund for one-off repairs and maintenance
 - how much ground rent and/or service charge they pay
 - who is responsible for the regular service or maintenance
- 1.10 These questions were revised and tested again in the second round. Testing of the entire set was done to replicate the survey question order. Changes made to questions tested at round two were based on findings from round one.

Interview format

- 1.11 Cognitive interviews were semi-structured with interviewers following a topic guide, which was designed in consultation with the MHCLG. First, interviewers introduced the study, using a script provided by the NatCen

research team. The think aloud technique was demonstrated and participants had the chance to practice it on a different topic (the number of windows in their home). The interviewer explained the format of the interview: the interviewer would ask a survey questions and the respondent would attempt to answer it thinking aloud as they did so; the interview would then ask the next survey question.

- 1.12 At predefined points indicated on the topic guide, the interviewer would go back and ask scripted cognitive probes. The topic guide also included a section towards the end of the interview, in which participants were asked to reflect on their knowledge of freehold and leasehold, and to think about the question set as a whole and suggest any improvements that could be made.

Recruitment of participants

- 1.13 Cognitive interviewing is a qualitative method and as such samples are purposive, being designed to reflect the range and diversity of the population of interest, rather than to be statistically representative. The quotas set for this project reflected the types of adults needed to adequately test the survey questions. The quotas were similar for each round of testing.
- 1.14 Experienced NatCen cognitive interviewers carried out a total of 30 face-to-face interviews with participants across London and the north of England over two rounds. Participants were interviewed in their homes. Interviews lasted about an hour and were audio recorded with the participants consent. Participants were given a £20 high street voucher as a ‘thank you’ for their help.
- 1.15 Participants for both rounds of cognitive testing were recruited in advance of testing. The sample came from two sources: previous EHS participants (referred to hereafter as the EHS follow up sample) and fresh recruitment.
- 1.16 Matching work done by MHCLG, comparing individual’s EHS survey responses to administrative records held by the Land Registry, provided a sample for both rounds of testing. This matched sample included EHS respondents interviewed in 2015-16 whose survey responses appeared to correctly or incorrectly classify them as leaseholders (i.e. their survey responses and administrative record were in agreement that they were a leaseholder, or their administrative record listed the dwelling differently to the survey). Those living in areas where cognitive testing was going to take place were sent an advance letter inviting them to take part in this research. EHS follow up sample members could get in touch with the NatCen research team if they did not want to be contacted by a cognitive interviewer. Cognitive interviewers were instructed to prioritise cases where the survey and administrative records were contradictory.

1.17 In addition, doorstep recruitment was undertaken, which targeted owner occupiers, particularly those living in flats (purpose built and converted properties) to boost sample numbers in areas where there were not enough EHS follow up cases. Cognitive interviewers identified properties that looked like flats (or houses in areas where the interviewer had established homes were typically owned leasehold, e.g. from EHS follow up interviews) and asked the occupant a short screening questionnaire that established their eligibility. The screening questionnaire did not ask whether the property was owned leasehold, as this would have risked contamination of the test. Instead an assumption was made that owner occupied flats would most likely be owned leasehold (possibly with a share of freehold). The composition of the cognitive interviewing sample for rounds one and two are shown in Table 1.1 and Table 1.2 respectively.

Table 1.1: Characteristics of round 1 cognitive interview participants

	Follow up	Fresh	Total
House	4	3	7
Flat – Purpose built	3	2	5
Flat – converted	1	1	2
Maisonette	1	1	2

1.18 Round one involved interviews with 16 participants: eight living in the north of England and eight living in London.

Table 1.2: Characteristics of round 2 cognitive interview participants

	Follow up	Fresh	Total
House	7	2	9
Flat – Purpose built	1	2	3
Flat - converted	0	1	1
Maisonette	1	0	1

1.19 Round two involved interviews with 14 participants: 11 living in the north of England and three living in London. London contained fewer EHS follow up cases than the north of England, and all cases were exhausted during round one, which resulted in only fresh sample being recruited at round two.

Analysis

1.20 Interviews were summarised by the NatCen interviewers, who reviewed the audio recording of each interview. All interview summaries were written into

a structured Excel pro-forma. Responses to each survey question were recorded, along with observations made by interviewers, any think aloud data and findings from each of the scripted probes. Data could thus be read horizontally as a complete case record for an individual, or vertically by question tested, looking across all cases. Once the matrix was completed, the data in the matrix were reviewed thematically for each round following the Framework approach. This report presents results from this thematic analysis of the questions, and recommendations for changes to questions and further testing. Recommendations in this report are based on the debriefing discussion, which took place between the researchers, interviewers and MHCLG representatives, as well as a full analysis of the data.

Section 2

Findings and recommendations

2.1 This section presents findings from the cognitive interviews and the recommendations made based on these findings. The questions that were tested are shown in boxes. The question name, wording, routing rules and instructions are shown. Findings are summarised for each round of testing, followed by the recommendations that were made. Changes to questions between rounds were made in consultation with the MHCLG. The final question wording can be seen in Annex A.

Lease – round one

2.2 Testing of the current Lease question aimed to explore whether participants were able to identify the ownership of their property and feel confident in doing so. Testing also explored participants' understanding of the terms freehold and leasehold.

ASK ALL

Lease

May I just check, do you (and your partner) own this house/flat freehold, leasehold or in another way?

INTERVIEWER NOTE: Commonhold is a relatively new type of freehold. It combines freehold ownership of a unit in an accommodation block with membership of a commonhold association. The association owns and is responsible for the management and upkeep of the common parts of the development.

Freehold	<input type="checkbox"/>	ASK CHLease
Leasehold	<input type="checkbox"/>	ASK CHLease
Another way	<input type="checkbox"/>	GO TO D3
Don't know	<input type="checkbox"/>	GO TO D3

Key findings – round one

2.3 Participant understanding of the terms Freehold and Leasehold was variable, Table 2.1.

Table 2.1: Understanding of the terms freehold and leasehold (round one)

Answer to Leasehold	Understanding of freehold	Understanding of leasehold
R1 001 Leasehold	<i>“Owning the house and the land and not having a restrictive covenant, like needing to pay the initial owner when you want to build a conservatory or change your mortgage.”</i> Here she explained that if you have a restrictive covenant then it is not a freehold.	<i>“It means that somebody else owns the land and is trying to make additional money out of the home owner... leasehold is a cash cow for the developers to make more money.”</i> She would have to pay the leaseholder a fee if she wanted to build a conservatory or change her mortgage and pay ground rent to a company.
R1 002 Leasehold	<i>“Owning the ground that the flat or house it sitting on.”</i> He is thinking about the land the structure sits on as opposed to both the building and land. R said that he has looked into buying the freehold with his solicitor but decided against it at the time because it was going to cost a lot of money	They call it ground rent or <i>“renting the land from a 3rd party. I don't own the land, I lease it.”</i> He is very sure about his answer option
R1 003 Leasehold	<i>“you own the land, the land that the house is built on, your garden, the driveway up to the highway I guess”</i>	<i>“to be honest I don't know and I should know... I don't know if it means they, the leasehold company I guess they have a responsibility for something but I honestly don't know... the house is yours but you're paying a land rent to have the house on the land”</i>
R1 004 Leasehold	<i>“the right to sell without any terms or conditions”</i>	<i>“there's a lease of some sort and it belongs to a company or council and they have some sort of hold over how or what you sell.”</i> Here she explained that her house is 20% less the market value of other 2 bedroom semidetached homes in the area. She said I have to sell the house 20% less than the current value
R1 005 Leasehold	<i>“I don't know.”</i> Participant had heard of it but did not know what it meant.	<i>“that you're renting or sort of sharing the house.”</i> I asked the R who owns the building or structure of the house and she said that she does because the leaseholder does not bother with them and they can do whatever they want to the house without needing
R1 006 Leasehold	<i>“that the land is free? I don't know, I haven't really thought about it”</i>	<i>“well you lease, it's not yours it's like renting a house I suppose until you pay for the lease and then the lands yours”.</i> Interviewer asked him if he does not own the land then who does and he answered <i>“the builders”.</i>
R1 007 Freehold (R had moved not long after EHS interview)	<i>“the house and the land belong to me”</i>	<i>“I had to pay a £50 charge every year for the land, and it was on the deeds as well.”</i>
R1 008	<i>“ you own the land that the building is on”</i>	<i>“some other person owns the land to which you usually pay a small fee each year”</i>

Answer to Leasehold	Understanding of freehold	Understanding of leasehold
R1 009 Could not answer (owns share of freehold)	Not asked	"the term leasehold doesn't mean a great deal because it is such a long one" and added "I have a garage for instance which is 14 year lease and I know that I will lose the use of that garage and it will revert back to the owner... in this case I have a property which has 999 years lease on it.. A share of the freehold, in my way of thinking that is basically... I have the share of the freehold"
R1 010 Leasehold	"the Landlord who owns the building and manages all the leases"	"the ownership of the flat/property for the specified period the term of the lease"
R1 011 "Both" (has share of freehold)	"you are not paying ground rent to a freeholder in relation to your leasehold...when I just had a leasehold and someone else had the freehold I had to pay ground rent to the freeholder... I guess we are notionally paying ourselves nothing"	"the person who owns the property can decide to sell it outright... or they can hold on to the freehold and sell you the property only as a leasehold"
R1 012 Leasehold	"you own free... at the end there is nothing to be worried"	"at the end you have to worry about accommodation"
R1 013 Leasehold	"you own not just the house but that you own the land underneath it"	"the Freeholder owns land so we own the flat for a fixed period of time... either you extend the lease or return the property to the freeholder"
R1 014 Freehold (but owns share of it)	"you can do whatever you want to your house provided you are not in a conservation area or it is a listed building"	"we are still leasehold because we have a Lease where you have to abide by certain rules... you have to pay a service charge to contribute towards utilities and repairs... it is complicated because we still have a lease from the previous Freeholder..". The R concluded that the term Leasehold refers to "where you have a set of rules and regulations which you have to adhere by and pay for the services".
R1 015 Leasehold	"you own the building outright; there is not a lease to it...so it is your building". The Respondent explains further that it means if she wanted to leave the flat to her son she would not have to worry about extending the Lease.	"I don't know... I just know it means you ... you have ownership of it for a certain period of time..."
R1 016 Leasehold	"I own the building but someone else owns the land... and I pay a ground rent... if it is freehold, I wouldn't need to pay that"	"you are leasing your building from someone who owns the land"

2.4 People's knowledge of the status of their property ownership was based on different sources of information. Some people had documentation that stated the property was leasehold and had looked at these recently. Others described how, on further investigation post purchase, they found that their documentation contained details about restrictive covenants or clauses that left them liable to pay, for example, a specified fee or percentage to a

company or individual if they re-mortgaged or extended the property. This was mentioned by some participants living in houses in the north of England.

- 2.5 Some drew on what they had been told when they bought their property: "I have known since I moved in that it was a leasehold flat..... We just have leasehold on our own flats and the freehold is owned by [name of] Council" (male living in a leasehold flat in London). In other cases people knew they were on an 80/20 agreement, a type of shared ownership arrangement and that they were a leaseholder. However they were not always sure if they also owned a share of the freehold and if so what proportion of the freehold they owned.
- 2.6 One participant, who lived in a leasehold house in the north of England, described how when purchasing his home the estate agent had described it as a "virtual freehold". Only later did he discover that in fact he owned it leasehold.
- 2.7 In some cases participants were not entirely sure of their status but surmised that they must be a leaseholder because they had to pay ground rent and/or a service charge, or because they had not paid the full market rate for the property (this latter point was only mentioned by those living in houses in the north of England).
- 2.8 The question was problematic for people who knew that they owned a share of the freehold. Among those we interviewed this applied to people living in flats. In this circumstance participants wanted to answer both Leasehold and Freehold. The question does not allow for this.

Recommendations and suggestions

- 2.9 We recommended that the question include a short explanation of the terms leasehold and freehold.
- 2.10 We also recommended that the question include an additional answer option: 'both leasehold and share of freehold'.

Lease – round two

- 2.11 In round two, a showcard was added to the question Lease to clarify the meaning of the terms leasehold and freehold. The testing aimed to assess whether the changes to the question aided participants' understanding of the terms and whether the showcard was helpful. An additional response option, 'both leasehold and share of freehold' was added to the question Lease. The testing in round two assessed whether this was understood as intended and whether this additional response option helped participants with the follow up questions. The changes from round one are highlighted below.

ASK ALL Showcard A

Interviewer read out:

There are different ways that households can own their house or flat. Freeholders own the building and the land it stands on. Leaseholders do not own the land and are often liable to pay a service charge and ground rent.

How do you (and your partner) own this house/flat?

INTERVIEWER NOTE: Commonhold is a relatively new type of freehold. It combines freehold ownership of a unit in an accommodation block with membership of a commonhold association.

The association owns and is responsible for the management and upkeep of the common parts of the development.

Freehold	<input type="checkbox"/>	ASK CHLease
Leasehold	<input type="checkbox"/>	ASK FreeHld1
Both leasehold and share of freehold	<input type="checkbox"/>	ASK CHLease
Another way	<input type="checkbox"/>	GO TO Rygrdamt
Don't know	<input type="checkbox"/>	GO TO Rygrdamt

Key findings – round two

2.12 As with round one, understanding of the terms Freehold and Leasehold was variable, Table 2.2.

Table 2.2: Understanding of the terms freehold and leasehold (round two)

Answer to Leasehold	Understanding of freehold	Understanding of leasehold
R2 012 Leasehold	<i>"you have complete control over the property and the land that it is on"</i>	<i>"although you have paid for the property the actual land that it sits on is owned by the leaseholder...it is easy to know ...because I recently completed so I have to pay a service charge and I am part of a purpose built block and I am actually speaking to the leaseholders right now".</i>
R2 013 Leasehold	R could not define freehold any better than the definition provided	<i>"I am very aware of the fact it is a leasehold property. There are certain things which make it very clear to you, such as ground rent and things like that".</i>

Answer to Leasehold	Understanding of freehold	Understanding of leasehold
R2 014 Leasehold	"someone that doesn't own your own place, but that owns the land the building is standing on and the external walls... that has the freehold of the whole building"	"Leasehold means to have limited time or to have a time line on your ownership of your property"
R2 008 Leasehold	"I'm not exactly sure but it's something to do with the, don't know, uh, the tenancy of the house. It's a legal binding word, as I don't know the full amount of information I am not quite sure."	"It's just a ...a legal form of wording really isn't it? It's part of the process of buying, part of the process of your lease. It's just a word to me" Pays a peppercorn rent
R2 009 Leasehold	"you own your house and the land on it, and that you have freedom to do what you like on that area"	"you're bound by, well someone else owns the land and sometimes they own part of the house and you're bound by a contract."
R2 010 Leasehold	"the freedom that you own the land that the house is built on"	Leasehold was the "opposite" Respondent knew his house was leasehold as he was in the process of trying to buy the freehold
R2 011 Freehold	"you buy the house and the land outright"	"if you are in a flat you often own the physical building you live in, and you own a portion of the building [the flat is in] but not the whole building because it's shared with other people."
R2 001 Freeholder	The land on which the house was built-on was owned by them "...and we will never have to pay anybody else an amount."	Somebody else owning the land that a house is built on, "...and you must pay them a sum of money twice-a-year, or once-a-year."
R2 002 Freeholder	"...we own the house...access to the building...the ground that the house is on."	"When someone else owns the Freehold of your house & you pay a charge to them, to exist on the property."
R2 003 Freehold	"...the land that the house is on as opposed to the ground rent that had to be paid, half-yearly." Respondent had bought the freehold around 2 years ago	"...the man who built the house owned the land, who had held the title to the land that the house was built on. We had to pay ground rent to the Freeholder." Later the respondent said "To my mind 'ground rent' and 'Leasehold' are the same thing. Am I confusing things here?"
R2 004 Leasehold	"...literally, you are free to hold that property...the building and the land it stands on."	"...when you don't own part of that property; it's owned by somebody else. I don't own all of the ground; I am leasing it & pay rent for that ground." Respondent said he had paid ground rent to the farmer who built the houses but stopped over 20 years ago
R2 005 Leasehold	"...well, there's no charge for the land." She gestured, laughing, with her shoulders, 'don't know.' R spent some moments pondering what 'Freehold' meant. "It's ownership of the building, the	"You don't have the Title to the land. It's somebody else's; that's why you have to pay a charge."

Answer to Leasehold	Understanding of freehold	Understanding of leasehold
	<i>Title to the property."</i>	
R2 006 Leasehold	<i>"...owning a house, free, without any interference from anyone."</i>	He leases the land; the back yard, front garden & the land the house stands on. <i>"I knew it wasn't Freehold, 'cos I pay rent."</i>
R2 007 Leasehold	Not asked	<i>"I own it through a mortgage and I don't own the land...just the property. Therefore, I believe I am a Leaseholder."</i>

- 2.13 The people we interviewed were all certain of their status and answered the question without hesitation. However, on probing it transpired that some people's knowledge of their property status was limited.
- 2.14 As found in round one, people's knowledge of the status of their property ownership was based on a range of sources: recalling when they bought their home and what they were told at that time; the availability of documentation and when they had last looked at it; and whether they paid ground rent, a service charge or "peppercorn rent". Some people had documentation that stated they were a leaseholder or freeholder and had looked at it recently, because they had moved, had bought the freehold or were investigating buying the freehold.
- 2.15 Understanding of the term leasehold was fairly consistent, and the definition provided on the card and by the interviewer was in keeping with participants' own definitions. Understanding of freehold was variable.
- 2.16 For example R2 008 did not hesitate in saying she was a leaseholder because she paid a peppercorn rent to the flat below (and they pay one to her) but she did not understand what freehold was and was not sure about the details of her lease. R2 005 said that when she bought her house she was told it was a leasehold property, and that she did not own the land and would have to pay a charge to a managing agent. However she did not really understand the differences between freehold and leasehold, and she was still uncertain. In both cases the respondents had gaps in their knowledge that affected how they answered subsequent questions.
- 2.17 In round one, the Leasehold question was found to be problematic for people who were a leaseholder and owned a share of the freehold. We did not interview anyone in round two in this situation.

Recommendations and suggestions

- 2.18 Overall the revised question appeared to successfully convey the definition of leasehold but the concept of freehold is not being conveyed clearly and needs revision and further testing, if time allows.
- 2.19 The definition of freehold needs to be amended to avoid confusion at CHLEASE and FreeHld1. The following amend is proposed:

There are different ways that households can own their house or flat. Freeholders own the building property and the land it stands on, either with or without a mortgage. Leaseholders do not own the land and are often liable to pay a service charge and ground rent.

CHLease – round one

- 2.20 The question CHLease asked whether participants owned the freehold of the whole building or just their flat/maisonette. The testing assessed whether participants had difficulty answering the question.

ASK IF: (Lease = Freehold) AND (FLAT=yes)

CHLease

You mentioned that you own the flat/maisonette freehold, can I just check, do you own the freehold of ...

READ OUT

...the whole building jointly with other leaseholder(s),

the whole building yourself,

or just your flat/maisonette?

(SPONTANEOUS) Don't know

ASK PROBES THEN
GO TO **LgthLF**

ASK PROBES

Key findings – round one

- 2.21 Three participants were asked CHLease. These were all participants who had mentioned at Lease that they owned a share of the freehold.
- 2.22 In the actual EHS survey interview it is unclear how interviewers would code Lease in this situation, or indeed whether all those in this situation would be identified at Lease.

2.23 Participants found this question straightforward to answer and were able to select an answer option that applied to their situation.

Recommendations and suggestions

2.24 This question should be asked of those who answer Lease as Freeholders and Both leasehold and share of freehold.

CHLease – round two

2.25 In round two, the routing was changed to include participants who selected ‘both leasehold and share of freehold’ to ensure participants were routed to this question.

ASK IF: (*Lease = Freehold OR Both leasehold and share of freehold*) **AND** (*FLAT=yes*)

Can I just check, do you/your household own the freehold of ...

READ OUT

...the whole building jointly with other leaseholder(s),

the whole building yourself,

or just your flat/maisonette?

(SPONTANEOUS) Don't know

ASK **Freehd12**

Key findings – round two

2.26 This question was not tested because no one living in a flat or maisonette identified themselves as a freeholder or owning a share of the freehold at Lease. As such it has not been possible to assess the revised question.

Recommendations and suggestions

2.27 Given the recommendation at Lease to change the wording of the definition of freehold we recommend this question is amended as follows, to make clear that the building refers to the building in which your flat is situated.

Can I just check, do you/your household own the freehold of...

READ OUT

...just your flat or maisonette,

ASK FreeHld12

the whole building in which your flat is
situated jointly with other
leaseholder(s),

or the whole building yourself?

(SPONTANEOUS) Don't know

FreeHld1 – round one

2.28 The question FreeHld1 asked participants whether they owned the freehold of the whole building or with other leaseholders.

ASK IF: (Lease = Leasehold) AND (FLAT=yes)

FreeHld1

You said that the flat/maisonette is leasehold but, may I just check, do you also own the freehold of the whole building, either as an individual or along with other lease holders collectively?

Owns freehold of whole building as an
individual

ASK FreeHld12

Owns a share of the freehold of whole
building collectively with other
leaseholders

ASK FreeHld12

Does not own freehold

ASK FrHlder

(SPONTANEOUS) Don't know

Key findings – round one

2.29 In some cases this question was not asked when it should have been. There were two reasons for this: in some cases those who owned a share of the freehold had already been identified through the think aloud at LEASE and

had been asked CHLease. Some leaseholders living in flats were not asked this question in error.

- 2.30 Of those asked this question, some had difficulties. One participant, who owned two fifths of the building in which his flat is situated was not sure whether he was the leaseholder or a freeholder, as he and the other flat owners in the building shared the freehold exclusively, and the lease on his flat was 999 years. Another participant who owned a share of the freehold (identified at LEASE) had a complicated freehold arrangement: he and other leaseholders in some of the other flats in the building owned a share of the freehold. 'White knights' owned the share of the freehold for other people in the block who did not buy a share of the freehold. He was unsure which response option applied – 'owns freehold of whole building as an individual' or 'owns a share of the freehold of the building collectively with other leaseholders'. A participant living in a shared ownership house had to think carefully about whether she owned a share of the freehold. She did not but because she had been through various stages with the shared ownership, involving re-mortgaging, this made her think.
- 2.31 Others found it straightforward because they knew they did not own the freehold.

Recommendations and suggestions

- 2.32 The question should be simplified to: Do you also own the freehold of the building, either as an individual or along with other lease holders?

Yes, own freehold of the building solely

Yes, own freehold of the building with others

No, don't own freehold of the building

FreeHld1 – round two

- 2.33 The question wording of FreeHld1 and response options were changed in round two in order to simplify the question.

ASK IF: (Lease = leasehold AND (FLAT=yes))

Do you/your household also own the freehold of the building, either as an individual or along with other lease holders?

Yes, own freehold of the building solely

Yes, own freehold of the building with others

ASK FreeHld12

No, don't own freehold of the building

ASK FrHlder

(SPONTANEOUS) Don't know

Key findings – round two

2.34 Some participants were asked this question in error: they were leaseholders but lived in a house not a flat. The question was straightforward to answer for those who were clear what their ownership status and lived in a flat but was problematic for participants who were uncertain about the difference between leasehold and freehold and lived in a house (and should not have been asked the question). One participant (R2 008), who said she owned the property leasehold, answered 'don't know' to this question. Although she said the question was not difficult to understand, she said her knowledge of the subject was limited and that she did not fully understand the term freehold.

2.35 R2 005 asked for the question to be repeated twice before answering 'solely'. Her initial hesitation was caused by the word 'own'. She knew she did not own the property, it was owned by the bank with which she had a mortgage. Furthermore, she did not understand '...the Freehold...' reference. She read the definition on the Showcard for Lease again, but was still not certain "...so I'm just a Leaseholder, am I? So, I don't have any Freehold, do I?"

Recommendations and suggestions

2.36 We propose the following amendment for consistency with CHLease.

Do you/your household also own the freehold of the building in which your flat is situated, either as an individual or along with other lease holders?

Yes, own freehold of the building solely	<input type="checkbox"/>	
Yes, own freehold of the building with others	<input type="checkbox"/>	ASK FreeHld12
No, don't own freehold of the building	<input type="checkbox"/>	ASK FrHlder
(SPONTANEOUS) Don't know	<input type="checkbox"/>	

FreeHld12 – round one

- 2.37 The question FreeHld12 asked whether the freehold was held in the name of a company or individual names. The testing aimed to ensure that this question was being understood as intended.

ASK IF FreeHld1 = OwnsFr (owns freehold of whole building as an individual or collectively with other leaseholders)

FreeHld12

You said that you own a share of the freehold of the building collectively with other leaseholders. Can I just ask whether the freehold is held in the name of a company or in your individual names?

In the name of a company	<input type="checkbox"/>
Individual names	<input type="checkbox"/>
(SPONTANEOUS) Don't know	<input type="checkbox"/>

Key findings – round one

- 2.38 Two participants were asked this question. Both were people living in flats where they owned a share of the freehold with other people in the building. In one case the participant found the question easy to answer. He owned the freehold of the building collectively with other leaseholders 'in the name of a company'. He was involved in setting up the freehold and so knew what the arrangement was.
- 2.39 In contrast, the other participant found this question difficult to answer. The freehold arrangement is complicated: he and other leaseholders in some of the other flats in the building own a share of the freehold. 'White knights' own

the share of the freehold for the remaining people in the block who did not buy a share of the freehold. However, although he owned a share of the freehold he did not see himself as a freeholder, and so struggled with this question (and FreeHld1) because he did not want to be classed as a freeholder.

Recommendations and suggestions

2.40 The question should be simplified: You said that you own a share of the freehold of the building with other leaseholders. Is your share held in your name or the name of a company?

My name (include joint names with other hhld/family member)

Name of a company

[Spontaneous] Don't Know

Freehld12 – round two

2.41 In round two the question wording and response options were changed and tested to assess whether the revised question worked as intended.

ASK IF CHLEASE OR FreeHld1 = owns freehold of whole building collectively with other leaseholders

You said that you/your household own a share of the freehold of the building with other leaseholders. Is your share held in your name or the name of a company?

My name (include joint names with other hhld/family member)

Name of company

(SPONTANEOUS) Don't know

Key findings – round two

2.42 None of the people who took part in round two said that they owned a share of the building collectively with other leaseholders and so this question was not tested.

Recommendations and suggestions

2.43 Amend question wording to improve clarity, in line with proposed changes to CHLease and Freehld1.

You said that you/your household own a share of the freehold of the building in which your flat/maisonette is situated with other leaseholders. Is your share held in your name or the name of a company?

FrHlder – rounds 1 and 2

2.44 The question FrHlder asked participants who were leaseholders, who owned the freehold.

ASK IF: FreeHld1 = NOwn (Does not own freehold)

FrHlder

Is the freehold owned by ... READ OUT

...a private individual,
a company owned by other
leaseholders (respondent not
a member of company),
any other type of company,
a housing association,
a charity or charitable trust (not
housing association),
a local authority or council,
the church commissioners,
or some other organisation?
(SPONTANEOUS) Don't know

Key findings – round one

2.45 Participants who were asked this question did not have any problems answering it. Those living in shared ownership knew that the freehold was owned by the housing association. In another case, the participant knew that the freehold was owned by a private individual.

Recommendations and suggestions

The question should be left as currently worded.

Key findings – round two

- 2.46 This question was not asked of anyone who participated round two because no one met the routing condition.

Recommendations and suggestions

- 2.47 Pilot the question as currently worded and obtain respondent feedback via respondent debriefing.

LgthLF – round one

- 2.48 In round one, the aim of the testing was to explore whether participants could provide information on the length of their lease and feel confident in doing so. The testing also assessed whether participants understood the phrase 'full lease term'.

ASK IF: HOUSEFLAT = YES OR (CHLease = whole building jointly owned with others (1)p6)

LgthLF

How long was the full lease term on this property?

Interviewer: A lease of 21 years and one day (or longer) has legal implications.

21 years or less	<input type="text"/>
21 years and 1 day - 30 years	<input type="text"/>
31 - 40 years	<input type="text"/>
41-50 years	<input type="text"/>
51 - 60 years	<input type="text"/>
61 - 70 years	<input type="text"/>
71 - 80 years	<input type="text"/>
81 - 98 years	<input type="text"/>
99 - 125 years	<input type="text"/>
126 -250 years	<input type="text"/>
251 years or longer	<input type="text"/>
Don't know	<input type="text"/>

Key findings – round one

- 2.49 A number of participants queried whether they should be answering about the length of the lease when the property was built or the length of the lease when they bought the property. Both types of responses were given.
- 2.50 Some participants found it easy to give a response once they had decided which way to answer. Others found it more difficult, giving estimates or answering don't know. Participants answering don't know knew they had a large lease and would outlive it.
- 2.51 Participants said they could easily refer to paperwork to look this information up; however interviewers commented that having been shown paperwork in a number of households it would take some time to sort through to find the correct information.

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- 2.52 In some cases participants had bought the property, extended the lease and then bought the freehold which extended the lease further; they gave their answer thinking of the lease when they first purchased the property.

Recommendations and suggestions

- 2.53 The question wording should be amended to reflect the aim of the question, making it clear to participants that they should report the length of the lease at the time of purchase.
- 2.54 How long was the full lease term on this property when you purchased it? This should stop participants from querying whether their response should be from point of purchase or when the property was first built.

LgthLF – round two

- 2.55 The proposed wording was adopted at round two testing. The banded response options were replaced with an open ended numerical field. If participants were unable to provide an exact figure they were asked a follow up question - LgthLFe - which asked for a banded estimate.

ASK: ANYONE WHO IS A LEASEHOLDER, OR BOTH LEASEHOLDER & OWNS A SHARE OF THE FREEHOLD

How long was this lease on this property when you/your household bought it?

Enter number of years below

Key findings – round two

- 2.56 Some participants found this question easy to answer. They had either recently bought the property and the information was fresh in their minds or they could easily remember the number of years as they felt it was important to know in case they decided to sell in the future.
- 2.57 Others found this question difficult to answer and were unsure their answer was 100 percent accurate. However, most participants were able to give an estimation as they knew it was a long time e.g. around 99 years or tried to do the maths based on the lease when the property was built.

- 2.58 One participant was unsure if 99 years was based on the year the property was built or the year she bought the property (R2 008). Another participant (R2 010) said he had not really thought about it at the time of purchase and was unable to answer; he said he would need to look up the information.
- 2.59 Another participant answered incorrectly saying 18 years because he worked out how many years of the lease had already expired when he moved into the property (R2 006).
- 2.60 Participants who were unsure of their answer were uncertain about which documents they would consult or could not access the information easily because the documents were held by their solicitor.

Recommendations and suggestions

- 2.61 Asking ‘how long was left on the lease when you bought this property’ might clarify the question further to ensure people are giving an answer based on the length of the lease left at the time of purchase. This option should be tested.

LgthLFe – round two

IF R CAN'T PROVIDE A NUMBER

Can I check, do you think the lease was...READ OUT....

Less than 21 years,	
More than 21 but less than 80 years, or	
More than 80 years when you/your household bought it?	
SPONTANEOUS (Don't know)	

Key findings – round two

- 2.62 Participants were asked this question if they were unable to provide an answer or were unsure of their answer at LgthLF.
- 2.63 One participant found this question easier to answer as he knew it was above 80 years. He looked at his documents, which confused him a little as they stated the length of the lease when the property was built and not at the time of purchase. The length at purchase was 86 years (R2 014).

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- 2.64 Another participant initially answered more than 80 years, however when she checked her documents and did some calculations she realised her initial answer was incorrect. Her lease had been 99 years when the property was built but there had only been 40-50 years left when she purchased it (R2 008).
- 2.65 Finally, one participant said he has little knowledge of the details of the property. He changed his response from more than 21 but less than 80 to less than 21 whilst doing calculations. He knew that there was not long left on the lease and was currently looking into purchasing the freehold. He seemed to be answering about the amount of time left as he gave the same response to the next question (R2 010).

Recommendations and suggestions

- 2.66 Participants seemed willing and able to provide an estimate. Respondents' lack of knowledge led to some inaccurate answers. Encouraging the use of documentation could improve accuracy. This question should be retained and piloted.

LgthLN – round one

- 2.67 The question LgthLN asked how long the lease has to run and was tested to assess whether the question was understood by participants as intended.

And how long does the lease have to run now?

21 years or less	<input type="checkbox"/>	ASK EXTEND
21 years and 1 day - 30 years	<input type="checkbox"/>	ASK EXTEND
31 - 40 years	<input type="checkbox"/>	ASK EXTEND
41-50 years	<input type="checkbox"/>	
51 - 60 years	<input type="checkbox"/>	
61 - 70 years	<input type="checkbox"/>	
71 - 80 years	<input type="checkbox"/>	
81 - 98 years	<input type="checkbox"/>	
99 - 125 years	<input type="checkbox"/>	
126 -250 years	<input type="checkbox"/>	
251 years or longer	<input type="checkbox"/>	
Don't know	<input type="checkbox"/>	

Key findings – round one

- 2.68 On the whole, participants reported finding this question easy to answer. Some participants worked out their answer by subtracting the time since they bought the property or since the property had been built from their answer to LgthLF.
- 2.69 Others answered 'Don't know', explaining that they would need to look up the information. One participant believed his lease has been extended but had not seen the paperwork.
- 2.70 Among those interviewed were participants you had extended their lease. In this situation their answer to this question was larger than to LgthLF.

Recommendations and suggestions

- 2.71 Although participants generally found this question easy to answer, some participants who had extended their lease may be unsure how to answer. If MHCLG would like responses to this question to take into account extensions of to the original lease then this should be included in the question wording. If the original lease has been extended, please take this into account when giving your response.

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- 2.72 If participants answer ‘don’t know’ to this question, a follow up question should be asked that establishes broadly how long the lease has left to using banded answer options.

LgthLN – round two

- 2.73 For round two the question wording was adapted to clarify that participants should include any extensions to the lease. The time bands were replaced with an open numerical field. If participants were unable to provide an exact figure they were asked the follow up question LgthLNe, which provided banded response categories.

Ask: ANYONE WHO IS A LEASEHOLDER, OR BOTH LEASEHOLDER & OWNS A SHARE OF THE FREEHOLD

And how long does the lease have left to run, **taking into account any extensions to the lease that have been made since you/your household bought the property?**

Enter number of years below

Key findings – round two

- 2.74 Most participants found this question easy to answer, particularly those who had recently purchased their property. Some had to do a calculation, subtracting how long they have lived in the property from their previous answer but found this easy to do.
- 2.75 One participant said she would be unable to give a response without looking at her paperwork; this participant was also unable to answer LgthLF (length of lease at purchase) accurately (R2 008). Another participant said ‘don’t know’ but the reasons for this were not explored. (R2 007)

Recommendations and suggestions

- 2.76 Problems that occurred with this question were due to a lack of knowledge. The question wording used in round two should be retained and participants encouraged to consult documentation where possible.

LgthLNe – round two

IF R CAN'T PROVIDE A NUMBER AT LgthLN

Can I check, do you think the lease currently has...READ OUT....

Less than 21 years,	
More than 21 years but less than 80 years, or	
More than 80 years to run?	
SPONTANEOUS (Don't know)	

Key findings – round two

- 2.77 Participants who were unable to answer the previous question (R2 008 and R2 007) found this question easy to answer and knew which category their lease fell into.

Recommendations and suggestions

- 2.78 This question worked well for those who said 'don't know' to the previous question. The question should be retained and piloted.

EXTEND – round one

- 2.79 The question Extend asked participants whether they have considered extending their lease.

ASK IF: lgthLN = 1 or 2 or 3

Have you considered extending your lease?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

WHY Ext Why did you decide to extend/ not extend your lease?

RECORD ANSWER

Key findings – round one

- 2.80 A small number of participants were asked this question. One participant said she was looking into extending her lease to make things simpler for the executor of her estate. Another said he had not considered extending because it would cost a lot of money and would mean the freeholder could increase his ground rent.
- 2.81 Other participants mentioned during think aloud for previous questions that it can be difficult to sell a property if the lease doesn't have long to run and may reduce the property's value.

Recommendations and suggestions

- 2.82 We recommend that this question is kept as currently worded.

Rygrdrnt – round one

- 2.83 The testing aimed to explore whether participants were able to answer questions about ground rent their understanding of the term 'ground rent'.

ASK IF: (((Lease = LLease (1)) OR (Lease = DONTKNOW)) OR (CHLease = BuildJ (1))) OR (CHLease = flat (3))

Rygrdrnt

Does your household pay ground rent?

Yes

ASK Rygrdamt

No

(SPONTANEOUS) Don't know

Key findings – round one

- 2.84 Some participants had a good understanding of what ground rent entailed and how much they paid; however, participants were unsure what this payment was for. One participant said:

“I wouldn't be able to tell you exactly what we get in return for our £25...it is just money that we pay to the Freeholder” (R1 009)

- 2.85 When asked to describe what the term ‘ground rent’ means in their own words, participants said:

“You're sharing the costs and also the privilege of living here” (R1 005)

“You rent the ground that the house is built on. You can buy it off the builder or whatever... it leaves it open to unscrupulous firms to charge you more” (R1 006)

“I own the property but not the land” (R1 007)

“It means... you are paying a nominal rent for the actual ground the flat is built on” (R1 010)

“The amount paid to the freeholder for the land the property is built on” (R1 011)

“We do not own the ground which is the freehold and we have to pay for the ground” (R1 012)

“Rental that the freeholder will charge for the property on that land...set up when the lease is created” (R1 014)

- 2.86 There were some issues found regarding the understanding of the term ground rent. One participant said:

“I don't know if ground is to do with the lease or if ground rent is totally different “(R1 003)

2.87 The participant said ground rent referred to the “upkeep and maintenance of the surrounding building’ or block of flats” (R1 003). Others questioned whether ground rent was still relevant today and thought it was something used “in old days” (R1 009).

2.88 Some participants said they were unsure what the term ‘ground rent’ was and questioned whether it was a service charge:

“is it like a service charge?... I don't know what it is...I pay rent on the part of the property that I don't own and I pay a mortgage on the part that I do own... so I am not sure” (R1 016)

2.89 One participant said he used to pay ground rent but had recently purchased a share of the freehold. He mentioned that he may have to pay peppercorn rent.

Recommendations and suggestions

2.90 There were some issues regarding the understanding of the term ‘ground rent’. We therefore suggest that a clear definition is included after the question to help aid participants’ understanding of the term. See below for an example.

Rygrdrnt

Does your household pay ground rent?

Ground rent is a fee you must pay to the freeholder as a condition of your lease.

Yes	<input type="checkbox"/>	ASK Rygrdamt
No	<input type="checkbox"/>	
(SPONTANEOUS) Don't know	<input type="checkbox"/>	

Rygrdamt – round one

2.91 The question Rygrdamt was asked of participants who said they paid ground rent. The testing aimed to assess whether this question was easy for participants to answer and if participants understood the term ‘ground rent’.

ASK IF: Rygrdrnt = Yes (1)

Rygrdamt

What is the total ground rent for this accommodation?

Interviewer: If don't know or unsure, ask for an estimate

Nothing 00

£ ASK Rygrdper

Don't know

Key findings – round one

2.92 Most of the participants who paid ground rent did not find it difficult to answer this question and were clear how much they paid for ground rent. Answers varied and are shown below:

£10.00 (annually)

£25.00 (quarterly)

£50.00 (annually)

£122.00 (annually)

£150.00 (annually)

Two participants were unsure of the amount but were aware they paid an annual ground rent fee

2.93 Participants who answered this question said they found it easy to answer. Some of the participants said they were aware of the amount because they are invoiced every year. Others said they found the question easy because the amount has not changed since they have moved into their accommodation. The two participants who were unsure of the amount paid in ground rent did not have difficulty understanding the question. Instead, one participant (R1 006) said he did not know the exact amount because his wife pays the annual charge. The other participant (R1 016) said she found the question very easy, but could not give an exact amount because the figure is combined with the service charge and can vary.

2.94 However, due to some participants misunderstanding the first question (Rygrdrnt) regarding the meaning of ground rent, this may result in non-response if participants do pay ground rent but have selected 'no' at the first question and are therefore routed past the follow up questions.

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- 2.95 After checking her lease documents, one participant found that she did pay ground rent (£100 annually). However, she was unsure what the term 'ground rent' means and therefore found it difficult to answer these questions (R1 003).

Recommendations and suggestions

- 2.96 The question was understood as intended by participants. However, there are some issues related to the previous question that need to be resolved to ensure that participants understand the term 'ground rent'. This will ensure that participants, who pay ground rent, code the first question correctly and are routed to the following questions regarding how much they pay for ground rent.

Rygrdamt – round two

- 2.97 In the second round of testing, the question Rygrdrnt was removed and a definition of the term ground rent was added to Rygrdamt. The aim of the second round of testing was to assess whether the definition aided participants' understanding of the term ground rent. The routing was changed to ensure that the question was asked of participants who were leaseholders or were both leaseholders and owned a share of the freehold.

Ask if: LEASE= LEASEHOLDER, OR BOTH LEASEHOLDER & OWNS A SHARE OF THE FREEHOLD, or IN ANOTHER WAY OR DK

Rygrdamt

Ground rent is a fee you pay to the freeholder as a condition of your lease.
Sometimes this is paid as part of your service charge.

What is the total ground rent for this accommodation?

Interviewer: If don't know or unsure, ask for an estimate

Nothing 00 **GO TO PROBES**

£ **ASK Rygrdper**

Don't know GO TO PROBES

Key findings – round two

- 2.98 Some participants said that they pay ground rent for their accommodation. Participants who answered this question said they found it easy to answer. Table 14-1 summarises the amount paid in ground rent, the period this

covers and what participants think the term 'ground rent' means for those asked Rygrdamt and Rygrdper.

Table 2.3: Participants' definition of ground rent

Serial Number	Rygrdamt	Rygrdper	Definition of ground rent
R2 005	£200	One year	<i>'as I do not have the Title, I am paying a charge to the owners for living on their land, I suppose'</i>
R2 006	£14	One year	<i>'paying for the garden, the house & the ground at the back of the house'</i>
R2 012	£132	One year	<i>'it's a fee I have to pay to the Leaseholder even though I own the property... I don't agree with it at all'</i>
R2 013	£70	One year	<i>'is a charge that you have to pay every year, it doesn't mean very much to me, I simply pay it... it is not like service charge you understand... but is historic'</i>
R2 010	£25	One year	<i>'as in the land is being rented to you, we pay a fee for that'</i>
R2 014	£300	One year	<i>'the ground rent which I pay once a year, it often gets added up with electricity and service charge... so it varies how much I pay... so it is about £300 a year... but I can't give you the exact figure because the payment varies'</i>
R2 007	£10.40	One year	<i>'the land that the house is sitting on...within my boundary; consisting of the house wall at the side, the back wall & the front garden wall'</i>

- 2.99 The question was easy to answer where participants had paid the fee or had looked at their paperwork recently. Some participants questioned what the fee was for.
- 2.100 One participant (R2 014) said he found the question 'fairly easy'. However, the participant said the payment is combined with other annual charges such as electricity for communal areas and a service charge. The participant said this made it difficult for him to know the exact amount paid for ground rent.
- 2.101 Other participants were unsure of the term 'ground rent'. One participant (R2 008) answered 'Don't know' because she was unsure if she pays ground rent. During probing, the participant said she does not make any payments to the freeholder in the year, and as such it seems unlikely that she pays ground rent.

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- 2.102 Another participant (R2 004) thought the word 'total' was unnecessary in the question because the following question (Rygrdper) collects data on the time period the amount covers. The participant suggested removing the word 'total' to avoid confusion.

Recommendations and suggestions

- 2.103 Although a brief definition of the term 'ground rent' was added to this question in round two, it appears that some participants are unsure of the term because they don't know what they pay or they used to pay ground rent but payments stopped and the respondent did not know why. However, this does not appear to be a problem with the question wording and we propose that the definition be retained.
- 2.104 We would recommend removing the word 'total' from Rygrdamt to avoid further confusion.
- 2.105 Consideration should be given to collecting a total figure for payments to the leaseholder for those who struggle to provide individual amounts.

Rygrdper – round one and round two

- 2.106 If participants paid a ground rent fee, they were routed to Rygrdper, which asked what period of time the ground rent covers. This question worked as intended and was retained for the second round of testing.

ASK IF: *Rygrdmt = Yes (1)*

AND: *(Rygrdamt = RESPONSE) AND (Rygrdamt > 0)*

Rygrdper

And what period of time does this ground rent cover?

one week	<input type="checkbox"/>
two weeks	<input type="checkbox"/>
three weeks	<input type="checkbox"/>
four weeks	<input type="checkbox"/>
calendar month	<input type="checkbox"/>
two calendar months	<input type="checkbox"/>
eight times a year	<input type="checkbox"/>
nine times a year	<input type="checkbox"/>
ten times a year	<input type="checkbox"/>
three months/13 weeks	<input type="checkbox"/>
six months/26 weeks	<input type="checkbox"/>
one year/12 months/52 weeks	<input type="checkbox"/>
less than one week	<input type="checkbox"/>
one off/lump sum	<input type="checkbox"/>
None of these	<input type="checkbox"/>
(SPONTANEOUS) Don't know	<input type="checkbox"/>

Key findings – round one

2.107 Participants, who were routed to this question, primarily said that the ground rent they pay covers 'one year/12 months/52 weeks'.

Recommendations and suggestions

2.108 Participants who answered this question found it easy to answer. However, similar to the previous question (Rygrdamt), there were some issues around non-response for participants who were unsure what the term 'ground rent' means and therefore did not answer this follow-up question.

Key findings – round two

2.109 All participants selected ‘one year/ 12 months/ 52 weeks’. There were no issues with this question.

Recommendations and suggestions

2.110 This question worked as intended so it is recommended that the wording is retained.

Rysvcchg – round one

2.111 The testing for question Rysvcchg aimed to explore whether participants are able to answer the question about service and maintenance charges and whether they feel confident in their answers.

ASK IF: (((Lease = LLease (1)) OR (Lease = DONTKNOW)) OR (CHLease = BuildJ (1))) OR (CHLease = flat (3))

Does your household pay a regular service or maintenance charge, including an amount for repairs and maintenance?

Yes	<input type="checkbox"/>	ASK Rysvamt
No	<input type="checkbox"/>	GO TO PROBES
(SPONTANEOUS) Don't know	<input type="checkbox"/>	GO TO PROBES

Key findings – round one

2.112 There was a mix of answers to this question and participants generally found it very easy to answer. Some participants said they found it easy to answer because they are solely responsible for any repairs and maintenance. Others said it was particularly easy for them to understand because they were aware they pay a regular fee:

“We’ve looked at all the figures quite recently; I’ve got the documentation if I needed it.” (R1 001)

“I know how much it is and I am in control of it” (R1 009)

2.113 However, one participant, who said he did not pay a maintenance charge or ground rent fee, said he found this question confusing because he was unsure of the difference between ground rent and maintenance charges: “I don’t know, I don’t know if that falls under ground rent?” (R1 003). The

participant asked if the question was referring to additional insurance policies or whether this was part of ground rent.

2.114 The sorts of things that participants thought of as being covered by this charge were:

- roof repair
- maintenance of external walls
- tending to gardens and boundary fences
- gutter repairs
- annual building insurance
- repainting of entrance areas
- repairing locks
- maintaining walkways to car parks
- the upkeep of communal areas, such as green spaces
- dealing with water leaks
- cleaning in communal areas

Recommendations and suggestions

2.115 There were no issues with the comprehension and understanding of this question. One participant was confused by the difference between maintenance charges and ground rent. The proposed inclusion of a definition of ground rent at the questions Rygrdrnt should address this problem.

Rysvamt – round one

2.116 This question asked participants who paid a service or maintenance charge for their accommodation what the total amount was.

ASK IF: *Rysvcchg = Yes (1)*

What is the total service or maintenance charge for this accommodation?

Interviewer: If don't know or unsure, ask for an estimate

Nothing	<input type="text"/>	GO TO PROBES
ENTER AMOUNT	<input type="text"/>	ASK Rysvper

Key findings – round one

2.117 The answers to this question varied between participants:

£100.00 (annually)

£300.00 (monthly)

£497.39 (annually)

£350.00 (annually)

£4,600 (annually)

£400 (annually)

2.118 In some cases the question was easy to answer. For example the participant (R1 014) who paid £4,600 annually, found the question easy to answer because:

“of the extortionate amount...we pay two lots and... this has not changed since the purchase of the freehold”

He said this charge covered: building insurance, water supply to flat, 24 hour porter, structural repairs, communal areas and the gardens.

2.119 One participant said she found this question difficult because she paid her rent and service charge together and did not have a statement to show the breakdown of these amounts (R1 015). This was reiterated by another participant who estimated the amount to be around £400.00 but was unsure if this was correct because her rent and maintenance charges were combined (R1 016).

Recommendations and suggestions

2.120 Generally participants found this question easy to understand and answer. We therefore recommend no changes to this question.

Rysvamt – round two

- 2.121 In the second round of testing, the routing was changed to include participants who were leaseholders or both leaseholders and owned a share of the freehold.

ASK IF: (*Lease = Leaseholder, or both leaseholder & owns a share of the freehold, or in another way or DK*)

What is the total service or maintenance charge for this accommodation?

Interviewer: If don't know or unsure, ask for an estimate

Nothing	<input type="text"/>	GO TO PROBES
ENTER AMOUNT	<input type="text"/>	ASK Rysvper

Key findings – round two

- 2.122 One participant (R2 008), who answered 'don't know' at Rygrdamt (ground rent), was unsure what would be included in service or maintenance charge:

"What do you mean, the rates? Council tax?"

- 2.123 When probed about what she thought the question meant she said:

"well I would have thought that would have been like if it was a block of new flats, you know they've got a service charge, you know they pay so much for the entrance to be kept clean or the garden to be kept, I would have thought that was more for that than this [flat]" (R2 008)

- 2.124 Similar to the ground rent question, due to the complexity of the participant's situation, this question was not easy for her to answer. The participant has lived in the maisonette flat for over 42 years and said she pays peppercorn rent. She was therefore confused when asked about ground rent or service and maintenance charges.

- 2.125 The remaining participants found Rysvamt easy to answer. Some participants selected 'nothing' at Rysvamt and said they were responsible for the maintenance of the accommodation.

- 2.126 Table 17-1 below illustrates the amount paid for service and maintenance charges, the time period this covers and what types of service or maintenance charges participants were thinking of when answering this question.

Table 17-1 Summary of amount and frequency of service charge, and types of services thought to be provided

Serial Number	Rysvamt	Rysvper	Types of service/maintenance charges participants were thinking of
R2 005	£900	One year	Participant said this fee pays for the upkeep and maintenance of the communal areas, the gardens, hallways, cleaning communal windows and the buildings insurance
R2 012	£800	One year	<i>'ground maintenance, gardening, general fixes to property and cleaning... and also includes any extra requests...covers the legal documents...basically the day to day running of the building'</i>
R2 013	£1,600	One year	<i>'the basic costs that the freeholder is incurring...cyclical maintenance, the building structure, the communal areas and area around the building, gardens... that so of thing'</i>
R2 014	£40	One year	<i>'what it covered was cleaning of the staircase, in front of everyone's flat, cleaning up the bins, outside the property and keeping it tidy'</i>

Recommendations and suggestions

2.127 There was some confusion around what should be included in service or maintenance charges. We would therefore recommend that some examples are listed after the question. An example is illustrated below.

Rysvamt

What is the total service or maintenance charge for this accommodation?

By service or maintenance charge we mean costs for the repair and maintenance of the building or communal areas (for example, the roof, drains, staircase, windows, gardens).

Interviewer: If don't know or unsure, ask for an estimate

Nothing 000

ENTER AMOUNT

Rysvper – round one and round two

2.128 The question Rysvper asked participants what time period the service charge covered. This question worked as intended and was retained in round two.

ASK IF: *Rysvcchg = Yes (1)*

AND: *(Rysvamt = RESPONSE) AND (Rysvamt > 0)*

And what period of time does this service charge cover?

one week	<input type="checkbox"/>
two weeks	<input type="checkbox"/>
three weeks	<input type="checkbox"/>
four weeks	<input type="checkbox"/>
calendar month	<input type="checkbox"/>
two calendar months	<input type="checkbox"/>
eight times a year	<input type="checkbox"/>
nine times a year	<input type="checkbox"/>
ten times a year	<input type="checkbox"/>
three months/13 weeks	<input type="checkbox"/>
six months/26 weeks	<input type="checkbox"/>
one year/12 months/52 weeks	<input type="checkbox"/>
less than one week	<input type="checkbox"/>
one off/lump sum	<input type="checkbox"/>
None of these	<input type="checkbox"/>
(SPONTANEOUS) Don't know	<input type="checkbox"/>

Key findings – round one

2.129 The responses provided by participants who answered this question were calendar month or one year/12 months/52 weeks.

2.130 Participants had no issues understanding this question.

2.131 Some participants were unsure what they paid and how long this service charge covered and provided an estimate.

Recommendations and suggestions

2.132 This question is working as intended and should be retained.

Key findings – round two

2.133 All the participants who answered this question selected 'one year/ 12 months/ 52 weeks'. Participants did not have any difficulty answering this question.

Recommendations and suggestions

2.134 No issues were identified with this question and as such it is recommended the question remains unchanged.

Ryconrpr – round one

2.135 The aim of testing in this section was to explore whether participants were able to answer questions about one off and regular service and maintenance charges and whether they were confident in doing so. The testing aimed to explore what types of maintenance and repairs participants were thinking about when answering these questions.

ASK IF: *Rysvcchg = Yes (1)*

Ryconrpr

And does your household contribute to one-off costs of repairs and maintenance as they occur on this [whole house/building, and not just your flat/maisonette/"house]?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>
Don't know	<input type="checkbox"/>

Key findings – round one

2.136 Some participants who said they did not pay any service charges were incorrectly asked this question during the cognitive interview. Some of these participants said ‘no’ assuming it was asking about paying money to a company and some said ‘yes’ because they are responsible for all of the maintenance and repairs, often when they lived in a house.

2.137 Participants gave a variety of responses:

- Some participants said no because any one-off costs are covered by the regular maintenance fee or the maintenance fee is adjusted to take into account one off costs and repairs
- Another said no because it is the council (who is the freeholder) who pays
- No was given when the property was new and any repairs are covered by insurance for the next 10 years
- One participant said yes as they pay for all of the repairs themselves
- Another said yes when they sometimes pay directly for the repairs and are sometimes billed by the management company

Recommendations and suggestions

2.138 Thought should be given as to whether this question should capture people who pay directly for one off maintenance and repairs or just those who pay someone else to organise for the work to be carried out. Sometimes the ‘one-off’ charges are paid for through the regular maintenance charge so the

response options could be adapted to identify where this might be the case rather than being a simple 'yes'/'no' question.

ASK IF: Rysvcchg = Yes (1)

Does your household and the other leaseholders with the same landlord as you pay into a reserve fund to help meet the costs of one-off repairs and maintenance?

Yes	<input type="checkbox"/>	ASK RightManage
No	<input type="checkbox"/>	
Don't know	<input type="checkbox"/>	

Key findings – round one

2.139 One participant who answered 'yes' to paying into a reserve fund said specific pipe work was itemised as a reserve fund on their service charge bill.

Recommendations and suggestions

2.140 The question asking participants about paying into a reserve fund was not specifically probed about; there is therefore not enough data to draw specific conclusions. We suggest this question is probed independently if included in the second round of testing to produce more specific findings.

Ryconrpr – round two

2.141 In the second round of testing, the line 'that are not covered by the service charge' was added to the question to help clarify the difference between regular maintenance fees and one-off charges.

Ask if: LEASE= LEASEHOLDER, OR BOTH LEASEHOLDER & OWNS A SHARE OF THE FREEHOLD, or IN ANOTHER WAY OR DK

And does your household contribute to one-off costs or repairs and maintenance as they occur on this [whole house/building, and not just your flat/maisonette/'house] **that are not covered by the service charge?**

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

Don't know

Key findings – round two

- 2.142 Some participants found this question easy to answer because they know whether or not they paid anything in addition to their service charge or because they are solely responsible for any costs associated with their house.
- 2.143 "Yes, as things occur, we discuss via email what needs to be paid and how it should be paid. How the cost should be paid depending on the nature of the problem if it is the basement or roof top... So yes, as they occur". (R2 014)
- 2.144 Some participants commented that they found it difficult to imagine circumstances in which on-off payments for repairs and maintenance would arise. They were able to correctly say 'no' to this question as insurance would cover the cost of any repairs. However, other participants answered yes, as they were solely responsible for any costs or their insurance would cover the cost of a new roof.
- 2.145 Some participants in houses felt this question was irrelevant to them and associated this type of payment with flats.

Recommendations and suggestions

- 2.146 The question wording should be amended to make it clearer to participants what types of payments should be included when answering this question. For example, it should clarify that the respondent and other leaseholders would pay, to avoid participants just thinking about the upkeep of their own property when they are living in a house.
- 2.147 Some examples similar to those suggested in the previous question could be added to this question for continuity.

Rysvcchg – round two

- 2.148 This question was added to the second round of testing as an individual question with probes to assess whether it was understood as intended by participants.

Ask if: LEASE= LEASEHOLDER, OR BOTH LEASEHOLDER & OWNS A SHARE OF THE FREEHOLD, or IN ANOTHER WAY OR DK

Does your household and the other leaseholders with the same landlord as you pay into a reserve fund to help meet the costs of one-off repairs and maintenance?

Yes	<input type="checkbox"/>	ASK RightManage
No	<input type="checkbox"/>	
Don't know	<input type="checkbox"/>	

Key findings – round two

- 2.149 Most participants found this question easy to answer and knew they were not paying anything towards a reserve fund.
- 2.150 A few participants were a little unsure of their response, for example when they didn't think they did as there was nothing itemised as a reserve fund on their bill (R1 009) or when they knew the road outside was owned by all of the houses but were unsure if anyone contributes anything to it (R2 009). Both of these participants answered no.

Recommendations and suggestions

- 2.151 Those who were unsure of their answer did not have problems with the question wording; it was a lack of information which led them to question their response. We recommend the current wording is piloted.

RightManage – round one and round two

- 2.152 The question RightManage asked participants who is responsible for the whole house/building. This question was retained for the second round of testing.

ASK IF: Rysvcchg = Yes (1)

Card J7

Who is responsible for the regular service or maintenance of the whole house/building?

INTERVIEWER: If the respondent or HRP happens to be responsible for managing the building, code 3.

Freeholder/landlord		ASK HowManage
Management company working for the freeholder/landlord		
Leaseholders of the house/building		
Management company working for the leaseholders of this house/building		
Somebody else		
(SPONTANEOUS) Don't know		

Key findings – round one

2.153 Participants who were asked this question found it difficult to answer. One believed that he is responsible because his money pays for the work. However, he selected the response ‘freeholder/landlord’ as it is them who organise for the work to be carried out.

2.154 Another participant initially selected the option ‘somebody else’ because the participant, who is a freeholder, organises for the work to be carried out. He changed his response to ‘freeholder/landlord’ as he is the freeholder.

Recommendations and suggestions

2.155 Sometimes the participant owns part of the freehold; however the question does not seem to cater for this possibility. The response options should be adapted so that participants can report that they are responsible for the service or maintenance along with other freeholders.

2.156 It could also be made clear to participants that this question is not asking who pays for the work but who organises for the work to be carried out.

Key findings – round two

2.157 One participant was asked this question. He was easily able to select ‘management company working for the freeholder/ landlord’. The participant said he deals directly with the management company who manage the building for the investment company who owns it.

Recommendations and suggestions

2.158 As this question was only tested with one participant, it could benefit from further testing during a pilot phase. This could include asking a respondent debriefing question to check on respondents' understanding of the question.

HowManage – round one

2.159 The question HowManage asked how the leaseholders or the management company working for the leaseholders took over the regular service and maintenance.

ASK IF: (*RightManage* = 3, 4 or 5)

HowManage

You said earlier that [the leaseholders / management company working for the leaseholders] of this building is responsible for the regular service and maintenance of the building. How did [the leaseholders / management company working for the leaseholders] take over the regular service and maintenance?

Leaseholders claimed the right to manage the building by sending the freeholder a notice of claim

Another method

(SPONTANEOUS) Don't know

ASK HowManageOthr

Key findings – round one

2.160 Due to routing, this question was not asked during the cognitive testing.

HowManage – round two

2.161 The question HowManage and the response options were changed in the second round of testing in order to simplify the question.

ASK IF: (*RightManage* = 3, 4 or 5)

Did the leaseholders claim the right to manage the building by sending the freeholder a notice of claim?

Yes

No

(SPONTANEOUS) Don't know

Key findings – round two

2.162 This question was not asked during the second round of testing.

Recommendations and suggestions

2.163 The question could be evaluated as part of a pilot, using a respondent debriefing question to check respondents' understanding of it.

HowManageOthr – round one

2.164 The testing aimed to assess how participants worked out their answer to HowManageOthr. This question was removed for the second round of testing.

ASK IF: HowManage = 2 Another method

Please specify how [the leaseholders / management company working for the leaseholders] took over the regular service and maintenance

Key findings – round one

- 2.165 This question was not asked of anyone who took part in the cognitive testing.
- 2.166 The question was not included in Round two.

Findings from qualitative exploration

2.167 In both round one and two, a qualitative exploration was added after the survey questions had been tested. This section aimed to explore what participants know about the differences between freehold and leasehold properties, what they know about the status of their own property and where their knowledge comes from.

Key findings – round one

Difference between freehold and leasehold properties

2.168 Participants had some basic idea of the differences between freehold and leasehold properties. These ideas were based on their experiences of owner occupation. However, they did not feel that they were necessarily aware of the specific details associated with a freehold or leasehold property.

2.169 When participants were asked if they felt they have a good knowledge of the difference between freehold and leasehold, there were a variety of responses. Some participants thought they had an adequate knowledge of the differences:

“probably as good as I need too...I realize that I don't own the ground that this place sits on therefore if I wanted to do certain things I would have to seek permission” (R1 002)

“I have a working knowledge... as far the legal aspects of it I probably don't have a good knowledge but I have working knowledge that allows me the understanding of buying and selling property” (R1 009)

“I was involved in quite a big way with initial attempts to purchase freehold... so I did a lot of research on the internet” (R1 014)

“After I bought my flat ... I wished I had got the freehold because I think it is nice to not to worry about ... having to extend the lease and the cost... I think I do know the difference and I think it is preferable to have a freehold” (R1 015)

2.170 Some participants said they understood what the differences between freehold and leasehold is, however, they thought the terms were becoming interchangeable:

“Yes but the area is getting very muddy in-between...the next houses being sold here are being sold as freehold and the estate agent is being very keen to describe them as freehold because there will be no ground rent to pay... but through word of mouth if you wanted to extend or put a conservatory

on...you'd have to pay the leaseholders if you want to do this and pay them when you are changing your mortgage" (R1 001)

2.171 Whereas other participants were unsure of the difference between freehold and leasehold:

"No, you know what I'm totally embarrassed because I used to do mortgage processing, like we always used to favour freehold properties" (R1 003)

"Not really... um, we happily pay our mortgage and keep going" (R1 005)

2.172 One participant said he was unsure how to answer the first question (Lease: May I just check, do you (and your partner) own this house/flat freehold, leasehold or in another way?):

"I was confused by my understanding of whether I am a 'freeholder' or a 'leaseholder' ...I share a freehold and I also have a lease and I am also in charge and have signatory and a director of the management company...so I am all three of those things" (R1 009)

Types of information

2.173 When answering the survey questions, participants said they were thinking of different types of information:

- their lease / documents
- when they bought the property
- what they had to provide to the mortgage lender
- process of purchasing the freehold property
- current management structure
- advice received from solicitors
- word of mouth from neighbours
- differences between previous properties participants had owned or rented
- payments/invoices

Where information comes from

2.174 Many participants said they would consult their lease documents if they were unsure of any information regarding their property. One participant said he would have preferred to complete the cognitive interview with the documents beside him.

-
- 2.175 However, some participants commented on the difficulty finding specific information within their lease documents. This may be due to the volume of information.
- 2.176 One participant said he would consult the internet for any information he was unsure of. Additionally, he said he would consult one of the other freeholders in the converted house who is a lawyer.
- 2.177 Other participants said they would consult the following people or organisations if they had any questions regarding their lease:
- the Council
 - other leaseholders within the building
 - the accountant who deals with the management of the house
 - internet
 - family members
 - the Leasehold Advisory Services
 - Housing Association

Key findings – round two

Difference between freehold and leasehold properties

- 2.178 There was a mixed response when participants were asked if they felt they had a good knowledge of the difference between freehold and leasehold properties.
- 2.179 Some participants thought the differences were not clear:
- 2.180 ‘No. I feel there is something that I must be thinking about and getting a better knowledge and understanding about my status within this property’ (R2 007)
- 2.181 ‘No, but I feel I have a better insight now, because of what we've spoken about...the conversation we're having about leasehold and freehold, how the two cross each other and back again’ (R2 004)
- 2.182 Others said they had a clear knowledge of the differences:
- ‘Freehold means 'free,' one's own...the house, the gardens, free to do what you want with it’. Whereas leasehold has ‘...restrictions with what you can do with it...alterations of buildings or adding of buildings, without asking permission from the landowner’ (R2 006)
- ‘Freehold is where you own the building and the land. Leasehold is when you don't own the land; you own the building’ (R2 005)

'It is something that is discussed and it is an issue that is important to anybody that owns a flat... it's an anomaly, it is strange and historic' (R2 013)

'It is such a peculiar system...how Great Britain can still have Landlord feudal system where you never actually own and technically after 100 years it goes back to the landlord... I have found this extra-ordinary that we still live in this feudal society' (R2 014)

'there's been a lot of talk about it recently in this area because with the new houses their building... that some of the houses were going to be leasehold they were selling the houses but people believed that they were freehold houses but they were actually leasehold houses' (R2 011)

Where information comes from

2.183 Participants said they would consult their lease documents if they were unsure of any information. Others added that they would consult or find information through:

- a solicitor
- the internet
- their landlord
- the Land Registry
- management company / estate agent

Findings from reflections on questions

2.184 Following the qualitative exploration, participants were asked to reflect on the wording of the survey questions and to consider ways in which these could be improved.

Key findings – round one

Lease

There are different ways that households can own their house or flat. Freeholders own the freehold of the building for an unlimited period and are usually responsible for the repair and maintenance of the exterior and any common parts of a building. Leaseholders own the leasehold interest in a property for the length of the lease and are often liable to pay a service charge and ground rent under the terms of the lease.

May I just check, do you (and your partner) own this house/flat with freehold or leasehold?

- (1) Freehold
- (2) Leasehold
- (3) (spontaneous) another way

General comments

- 2.185 Some participants commented that generally the questions were easy to understand. Some said this was because they were involved in the management of their building or because they had previously experienced issues with their property. However, it was their circumstances that made some of the questions difficult to answer:
- the details can be complicated where different individuals are responsible for the virtual freehold, ground rent and service charges (R1 001).
 - participants can misclassify themselves at the first question (Lease) if they are both a leaseholder and own a share of the freehold:
“I found the question about leasehold and freehold a bit grey...I initially answered 'freehold' but I don't think that is correct... we still have a lease...so I think we are still leaseholders with a share of the freehold” (R1 014)
 - Or if they have been in a shared ownership arrangement
“some were easy... for me if I had bought the whole property from the beginning it would have been easier ... when you do like share ownership you go through so many different stages...you have to keep thinking back on stuff... it is not something straightforward” (R1 016)
- 2.186 The question is difficult when participants did not have the information being sought. One participant said he struggled to answer the questions because he was not sure of the answers (R1 006). Another participant said he did not know the exact figures, but said that he could have answered more specifically if he had time to prepare for the interview (R1 002).
- 2.187 Specific questions posed difficulties:
- The term ‘ground rent’ was not always understood
 - ‘How long was the full lease term on this property?’ (LgthLF) could be clarified further to explain what period the question was referring to
 - Another participant thought the Lease question and the response options on showcard J7 could be reviewed because he was unsure what option was relevant to him (R1 014)
- 2.188 It was suggested that it would be helpful to advise participants about the kinds of questions that will be asked so they can gather together documentation or find out information ahead of the interview.
- 2.189 One participant thought it would be useful to provide examples. She suggested having examples of what a leasehold or freehold property entails or descriptions on specific terms such as ground rent or service charges

Alternative lease question

- 2.190 Participants were presented with an alternative wording of the Lease question and asked whether they thought it was easier or more difficult to understand than the original Lease question.
- 2.191 Views on the two versions of Lease were mixed. Some participants preferred the alternative version of this question because they thought it was useful to have an explanation of freehold and leasehold. For example, one participant, who said she initially did not understand the term ‘freehold’, found the alternative question more useful because it made the difference clearer between freehold and leasehold. Others felt that the alternative question captured the key differences:

“that definitely sums it up” (R1 002)

“that one explains it a lot easier” (R1 007)

- 2.192 However other participants did not have a preference for either the original Lease question or the alternative question: they were both easy to understand and they would provide the same answer to both questions.
- 2.193 One participant did not have a preference, but thought the alternative question was ‘longwinded’. This sentiment was reiterated by other participants who thought the explanation used by the alternative question was too long and complicated and preferred the original version because it was more concise

Recommendations and suggestions

- 2.194 The explanation was found to be useful for some participants who were unsure of the difference between freehold and leasehold properties. We therefore suggest that the alternative Lease question or a question similar to this is used.

Key findings – round two

General comments

- 2.195 Generally participants said they found the survey questions easy to understand.
- 2.196 Some participants thought the questions were easy to understand, but commented on the difficulties answering some of the questions due to their own lack of knowledge:
- “the questions were very easy to understand, the information, the knowledge was not at hand. All the questions I understand completely” (R2 014)

“it wasn't difficult, but it's an eye-opener...need to read things correctly and make sure you do fully understand” (R2 001)

2.197 One participant (R2 009) suggested improvements to the questions to make them easier to understand. She thought a general question could be added to ask if participants pay any charges to the freeholder (yes / no response) and this would route them to the following questions regarding ground rent and service charges.

Concluding remarks

2.198 After round 2 cognitive testing, NatCen and MHCLG researchers met to discuss findings and recommendations arising from round two of cognitive testing and to agree question wording to be included in the 2018 EHS. The final set of questions that were agreed with MHCLG are outlined in Annex A. Due to EHS survey timetable constraints piloting was not possible ahead of finalising the new 2018 survey questions on leasehold. However an assessment of the quality of data produced from the new questions will be made and question wording kept under review.

Annex A – final questions

ASK ALL

Lease

Showcard A

Interviewer read out:

There are different ways that households can own their house or flat. Freeholders own the property and the land it stands on, either with or without a mortgage. Leaseholders do not own the land and are often liable to pay a service charge and ground rent.

How do you (and your partner) own this house/flat?

INTERVIEWER NOTE: Commonhold is a relatively new type of freehold. It combines freehold ownership of a unit in an accommodation block with membership of a commonhold association. The association owns and is responsible for the management and upkeep of the common parts of the development.

Freehold	<input type="checkbox"/>	ASK CHLease
Leasehold	<input type="checkbox"/>	ASK FreeHld1
Both Leasehold and share of freehold	<input type="checkbox"/>	ASK CHLease
Another way	<input type="checkbox"/>	GO TO Rygrdamt
Don't know	<input type="checkbox"/>	GO TO Rygrdamt

ASK IF: (Lease = Freehold OR Both leasehold and share of freehold) AND (FLAT=yes)

CHLease

Can I just check, do you/your household own the freehold of ...

READ OUT

...just your flat or maisonette,	<input type="checkbox"/>	ASK FreeHld12
the whole building in which your flat is situated jointly with other leaseholder(s),	<input type="checkbox"/>	
or the whole building yourself?	<input type="checkbox"/>	
(SPONTANEOUS) Don't know	<input type="checkbox"/>	

Ask if: (Lease = leasehold AND (FLAT=yes))

FreeHld1

Do you/your household also own the freehold of the building in which your flat is situated, either as an individual or along with other lease holders?

Yes, own freehold of the building solely	<input type="checkbox"/>	ASK FreeHld12
Yes, own freehold of the building with others	<input type="checkbox"/>	
No, don't own freehold of the building	<input type="checkbox"/>	ASK FrHlder
(SPONTANEOUS) Don't know	<input type="checkbox"/>	

Ask If: (CHLEASE OR FreeHld1 = owns freehold of whole building collectively with other leaseholders)

FreeHld12

You said that you/your household own a share of the freehold of the building in which your flat/maisonette is situated with other leaseholders. Is your share held in your name or the name of a company?

My name (include joint names with other hhld/family member)	<input type="checkbox"/>
Name of company	<input type="checkbox"/>
(SPONTANEOUS) Don't know	<input type="checkbox"/>

Ask if: *FreeHld1 = NOwn (Does not own freehold)*

FrHlder

Is the freehold owned by ... READ OUT

...a private individual,	
a company owned by other leaseholders (respondent not a member of company),	
any other type of company,	
a housing association,	
a charity or charitable trust (not housing association),	
a local authority or council,	
the church commissioners,	
or some other organisation?	
(SPONTANEOUS) Don't know	

Ask If: ANYONE WHO IS A LEASEHOLDER, OR BOTH LEASEHOLDER & OWNS A SHARE OF THE FREEHOLD

LgthLF

How long was left on the lease when you/ your household bought this property?

Enter number of years

DK

Ask If: LgthLF= Don't know

LgthLFe

Can I check, do you think the lease was...READ OUT....

Less than 21 years,	
More than 21 years but less than 80 years, or	
More than 80 years when you/your household bought it?	
SPONTANEOUS (Don't know)	

Ask If: ANYONE WHO IS A LEASEHOLDER, OR BOTH LEASEHOLDER & OWNS A SHARE OF THE FREEHOLD

LgthLN

And how long does the lease have left to run, taking into account any extensions to the lease that have been made since you/your household bought the property?

Enter number of years below

DK

Ask If: LgthLN= Don't know

LgthLNe

Can I check, do you think the lease currently has...READ OUT....

Less than 21 years,	
More than 21 years but less than 80 years, or	
More than 80 years to run?	
SPONTANEOUS (Don't know)	

ASK IF: LEASE= LEASEHOLDER, OR BOTH LEASEHOLDER & OWNS A SHARE OF THE FREEHOLD, OR IN ANOTHER WAY OR DK

Rygrdamt

Ground rent is a fee you pay to the freeholder as a condition of your lease. Sometimes this is paid as part of your service charge.

What is the ground rent for this accommodation?

INTERVIEWER: IF R UNSURE OR SAYS DK, ASK FOR AN ESTIMATE

Nothing 00

£ ASK Rygrdper

Don't know

ASK IF: Rygrdamt NOT 00 OR DK

Rygrdper

And what period of time does this ground rent cover?

one year/12 months/52 weeks	<input type="checkbox"/>
six months/26 weeks	<input type="checkbox"/>
three months/13 weeks	<input type="checkbox"/>
ten times a year	<input type="checkbox"/>
nine times a year	<input type="checkbox"/>
eight times a year	<input type="checkbox"/>
two calendar months	<input type="checkbox"/>
calendar month	<input type="checkbox"/>
four weeks	<input type="checkbox"/>
three weeks	<input type="checkbox"/>
two weeks	<input type="checkbox"/>
one week	<input type="checkbox"/>
less than one week	<input type="checkbox"/>
one off/lump sum	<input type="checkbox"/>
None of these	<input type="checkbox"/>

(SPONTANEOUS) Don't know

Ask if: LEASE= LEASEHOLDER, OR BOTH LEASEHOLDER & OWNS A SHARE OF THE FREEHOLD, or IN ANOTHER WAY OR dk

Rysvamt

What is the service or maintenance charge for this accommodation?

By service or maintenance charge we mean costs for the maintenance of the building or communal areas, such as shared gardens, stairways, hallways or parking areas.

INTERVIEWER: IF R UNSURE OR SAYS DK, ASK FOR AN ESTIMATE

Nothing
ENTER AMOUNT ASK Rysvper

Ask if: (Rysvamt = RESPONSE) AND (Rysvamt > 0)

Rysvper

And what period of time does this service charge cover?

- one year/12 months/52 weeks
- six months/26 weeks
- three months/13 weeks
- ten times a year
- nine times a year
- eight times a year
- two calendar months
- calendar month
- four weeks
- three weeks
- two weeks

one week	<input type="checkbox"/>
less than one week	<input type="checkbox"/>
one off/lump sum	<input type="checkbox"/>
None of these	<input type="checkbox"/>
(SPONTANEOUS) Don't know	<input type="checkbox"/>

ASK IF: LEASE= LEASEHOLDER, OR BOTH LEASEHOLDER & OWNS A SHARE OF THE FREEHOLD, OR IN ANOTHER WAY OR DK

Ryconrpr

And does your household and the other leaseholders contribute to one-off costs for repairs and maintenance, for example as they occur on this [whole house/building or housing estate and not just your flat/maisonette/house] that are not covered by the service charge?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>
Don't know	<input type="checkbox"/>

ASK IF: LEASE= LEASEHOLDER, OR BOTH LEASEHOLDER & OWNS A SHARE OF THE FREEHOLD, OR IN ANOTHER WAY OR DK

RYSVCCHG

Does your household and the other leaseholders with the same landlord as you pay into a reserve fund to help meet the costs of one-off repairs and maintenance?

Yes	<input type="checkbox"/>	ASK RightManage
No	<input type="checkbox"/>	
Don't know	<input type="checkbox"/>	

ASK IF: RYSVCCHG=YES

RightManage

Card J7

Who is responsible for the regular service or maintenance of the whole house/building?

INTERVIEWER: If the respondent or HRP happens to be responsible for managing the building, code leaseholders of the house/building.

Freeholder/landlord	<input type="checkbox"/>	} ASK HowManage
Management company working for the freeholder/landlord	<input type="checkbox"/>	
Leaseholders of the house/building	<input type="checkbox"/>	
Management company working for the leaseholders of this house/building	<input type="checkbox"/>	
Somebody else	<input type="checkbox"/>	
(SPONTANEOUS) Don't know	<input type="checkbox"/>	

ASK IF: (RightManage = 3, 4 or 5)

HowManage

Did the leaseholders claim the right to manage the building by sending the freeholder a notice of claim?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>
(SPONTANEOUS) Don't know	<input type="checkbox"/>

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