



Ministry of Housing,
Communities &
Local Government

English Housing Survey

Owner occupied leasehold properties, 2017

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Introduction and main findings

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 one of the longest running government surveys and was first run in 1967¹.
2. This report provides findings from the 2017-18 survey on leaseholder properties in the owner occupied sector. It is split into two chapters. The first examines owner occupied leasehold dwellings, and their prevalence by property type and region. The second looks at service charges and ground rents.

Main findings

In 2017-18, there were 2.3 million owner occupied leasehold dwellings and a total of 4.3 million leasehold dwellings across all tenures in England². This equates to 18% of the English housing stock.

Owner occupied leasehold houses are concentrated in the North West. London has the highest proportion of owner occupied leasehold flats.

- Two thirds (66%) of owner occupied leasehold houses are in the North West, whereas none of the other regions account for more than 10% of the total. London has the greatest proportion of leasehold flats (35%).
- The predominance of leasehold houses in the North West is likely a consequence of the way land is owned in that region whereas the relatively high proportion of leasehold flats in London is likely due to the higher proportion of flats more generally.

At the time of purchase, the vast majority of owner occupier leaseholders bought leases of 99 years or more.

- 89% of owner occupier leaseholders in houses and 82% of owner occupier leaseholders in flats bought leases of 99 years or more.
- More than half (55%) of owner occupier leaseholders had 99 years or more remaining on their lease. Owner occupier leaseholders in houses were more likely than owner occupier leaseholders in flats to have 99 years or more remaining on their lease (63% compared with 50%).

¹ <https://www.gov.uk/government/collections/english-housing-survey>

² <https://www.gov.uk/government/statistics/estimating-the-number-of-leasehold-dwellings-in-england-2017-to-2018>

Just over half of owner occupier leaseholders reported paying a regular service charge. The annual median service charge was £1,200.

- Owner occupier leaseholders in flats were more likely to report this than owner occupier leaseholders in houses (78% compared with 10%).
- Among those who pay service charges, over half (55%) also contribute to one-off repairs and maintenance costs.
- In 2017, the annual median service charge paid by owner occupier leaseholders was £1,200, ranging from £870 in the West Midlands to £1,500 in London.

Most owner occupier leaseholders report paying a ground rent. The annual median ground rent was £50.

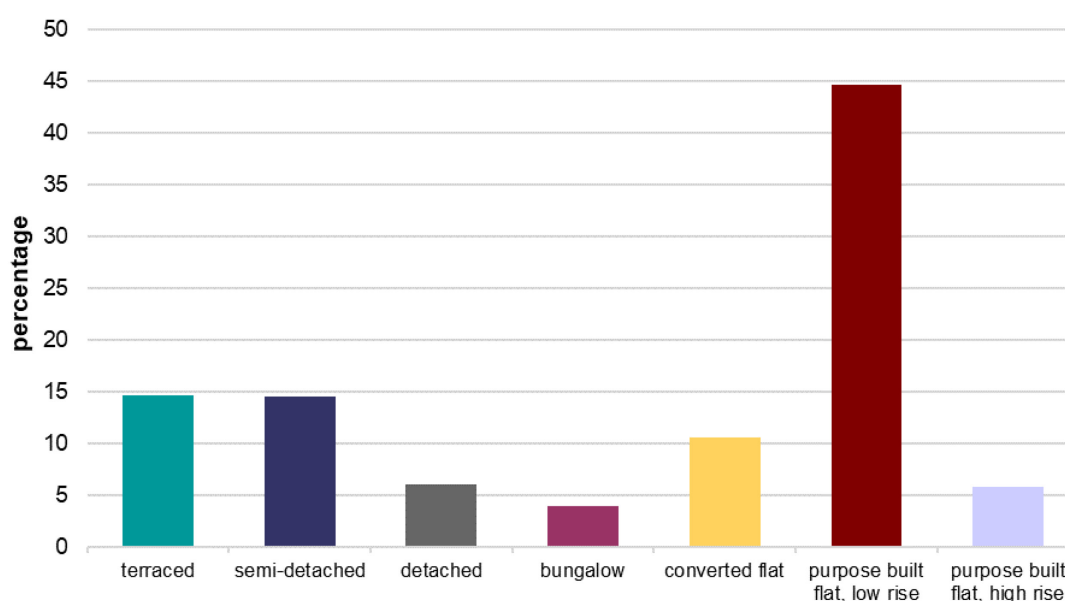
- 80% of owner occupier leaseholders report paying a ground rent. A greater proportion of owner occupier leaseholders in houses reported paying a ground rent than owner occupier leaseholders in flats (88% compared with 75%).
- The annual median ground rent was £50, ranging from £15 in the North West to £150 in London, the East and the East Midlands.

Chapter 1

Characteristics of leasehold properties

1.1 In 2017-18, 92% of all owner occupied properties were houses or bungalows; 8% were flats³. Among owner occupier leasehold properties, 39% were houses and 61% were flats. Nearly half of owner occupied leasehold properties were purpose built, low rise flats (45%). Terraced houses and semi-detached houses each make up 15% of owner occupied leasehold dwellings, Figure 1.1.

Figure 1.1: Owner occupied leasehold dwellings, by dwelling type, 2017



Base: all owner occupied leasehold dwellings

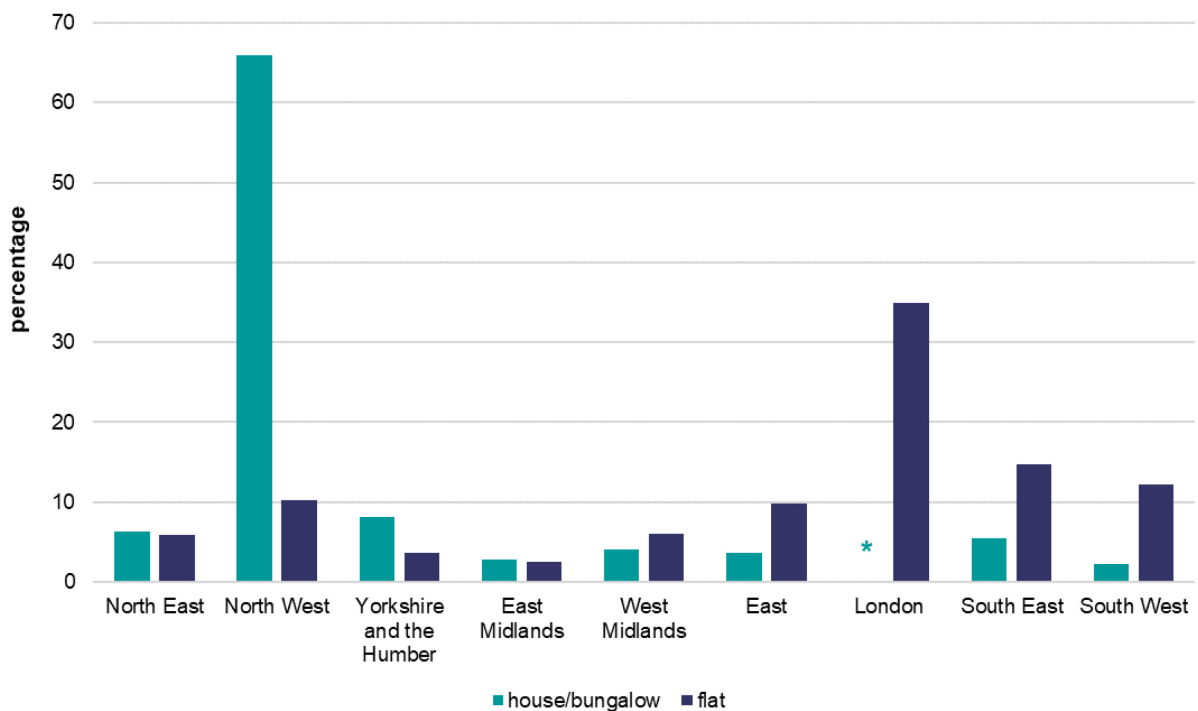
Note: underlying data presented in Annex Table 1.1

Source: English Housing Survey, dwelling sample

- 1.2 Two thirds (66%) of owner occupied leasehold houses are in the North West, whereas none of the other regions account for more than 10% of the total. London has the greatest proportion of leasehold flats (35%), Figure 1.2.
- 1.3 The predominance of leasehold houses in the North West is likely a consequence of the way land is owned in that region whereas the relatively high proportion of leasehold flats in London is likely due to the higher proportion of flats more generally.

³ <https://www.gov.uk/government/statistics/english-housing-survey-2017-to-2018-headline-report>

Figure 1.2: Owner occupied leasehold dwellings, by region, 2017



Base: all owner occupied leasehold dwellings

Notes:

1) * indicates sample size is too small for a reliable estimate

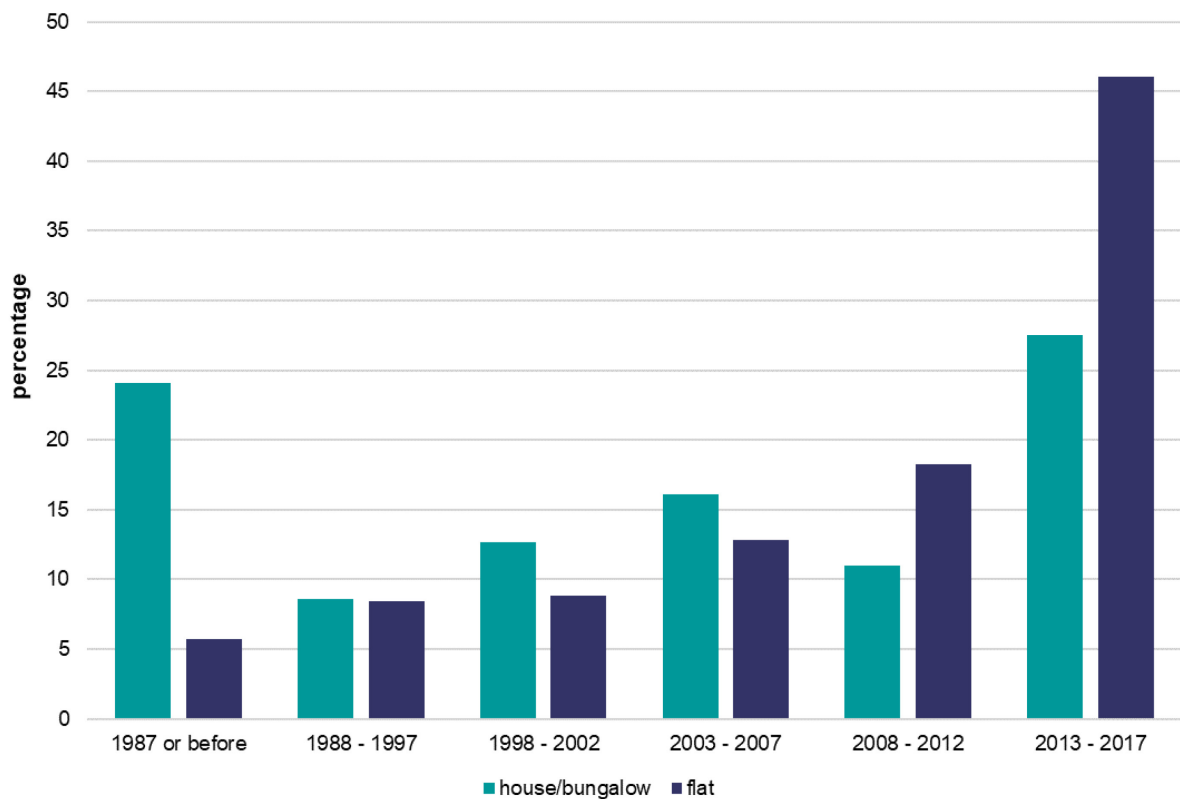
2) underlying data presented in Annex Table 1.2

Source: English Housing Survey, dwelling sample

Year of purchase

- 1.4 Over a third (39%) of all owner occupied leasehold dwellings were purchased relatively recently, between 2013 and 2017. Nearly half (46%) of owner occupied leasehold flats and 28% of owner occupied leasehold houses were acquired between 2013 and 2017. A quarter of owner occupied leasehold houses (24%) were acquired in 1987 or before, Figure 1.3

Figure 1.3: Owner occupied leasehold dwellings, by year of purchase, 2017



Base: all owner occupied leasehold households

Notes:

1) underlying data are presented in Annex Table 1.3

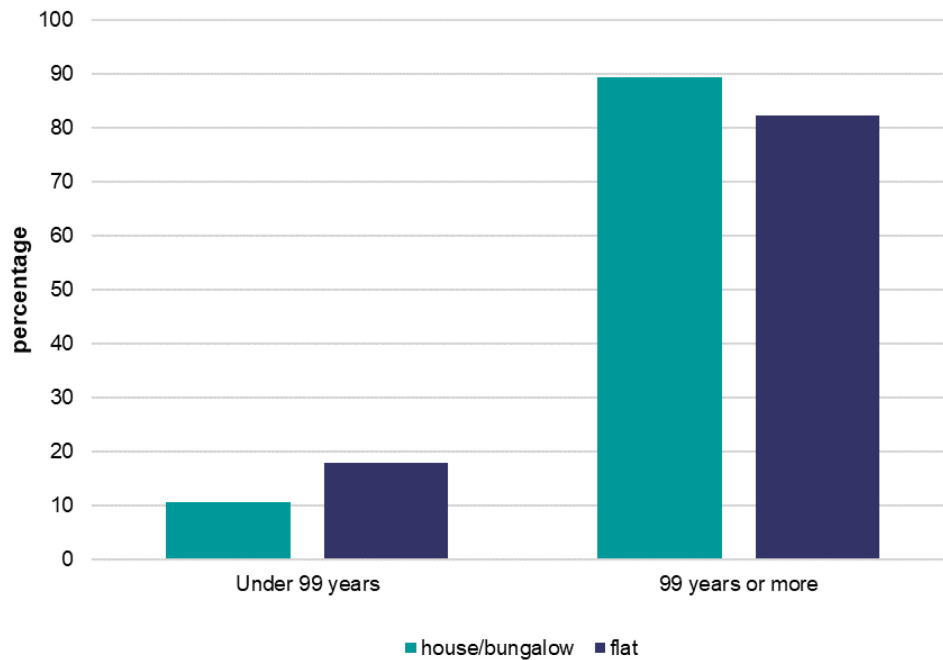
2) one leasehold property that was acquired in 2018 was excluded

Source: English Housing Survey, household sample

Length of lease

- 1.5 At the time of purchase, the vast majority of owner occupier leaseholders (85%) bought leases of 99 years or more. This was the case for both owner occupier leaseholders in houses (89%) and owner occupier leaseholders in flats (82%). Some leaseholders did not know how long their lease was; they have been excluded from this analysis, Figure 1.4.

Figure 1.4: Length of lease at time of purchase, 2017



Base: all owner occupied leasehold households

Notes:

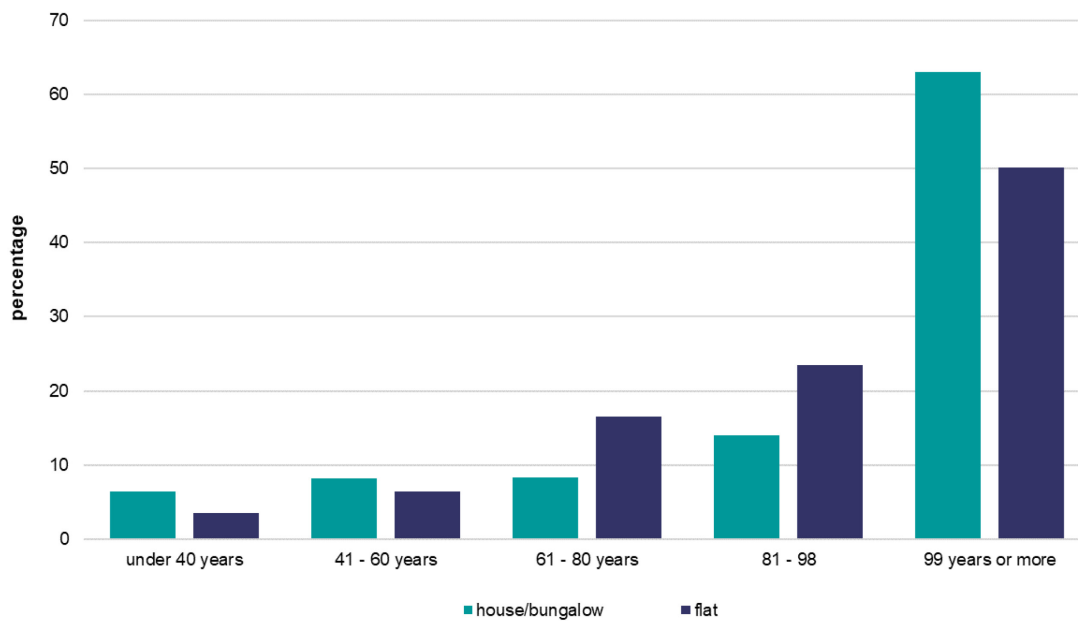
1) underlying data are presented in Annex Table 1.5

2) figures exclude those who did not know how long their lease was at the time of purchase

Source: English Housing Survey, household sample

1.6 More than half (55%) of owner occupier leaseholders had 99 years or more remaining on their lease. Owner occupier leaseholders in houses were more likely than owner occupier leaseholders in flats to have 99 years or more remaining on their lease (63% compared with 50%), Figure 1.5.

Figure 1.5: Length of time remaining on lease, 2017



Base: all owner occupied leasehold households

Notes:

1) underlying data are presented in Annex Table 1.5

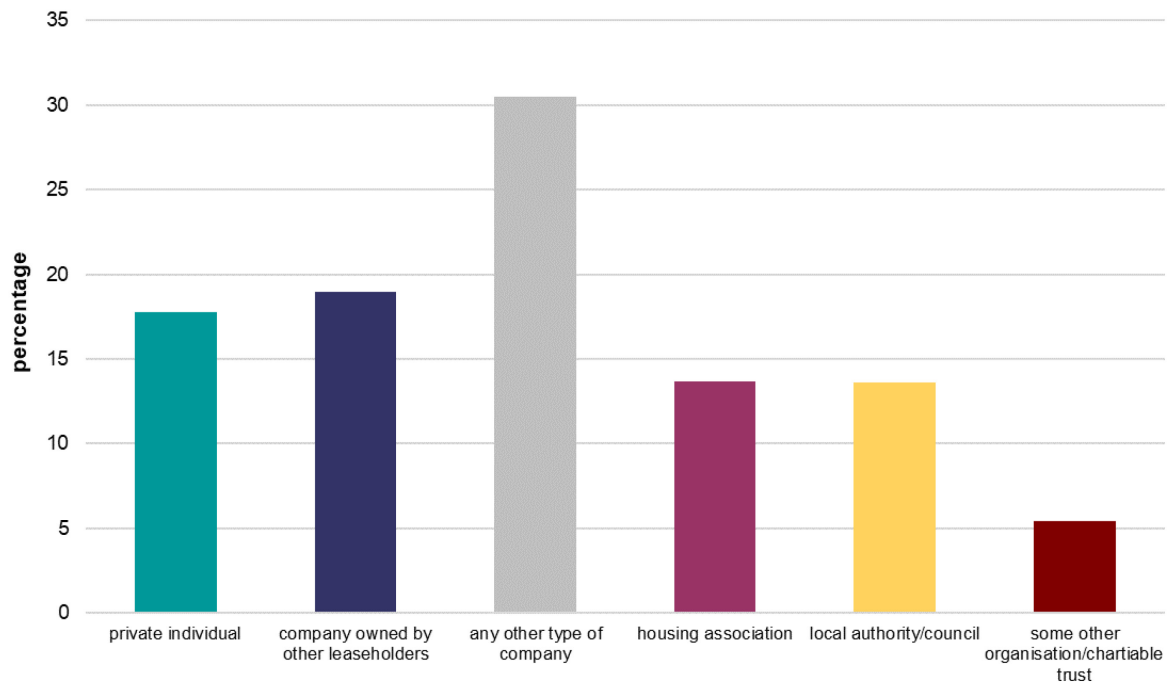
2) figures exclude those who did not know how many years remained on their lease

Source: English Housing Survey, household sample

Freehold ownership of leasehold properties

- 1.7 Owner occupier leaseholders were asked who owned the freehold on their property. Some respondents did not know who their freeholder was; they have been excluded from this analysis. Owner occupied leasehold houses are also excluded as the sample is too small to produce such detailed breakdowns of the data.
- 1.8 The freehold on owner occupied leasehold flats was most commonly owned by “any other type of company” (31%); 19% of leaseholds flats were owned by a company owned by other leaseholders. Private individuals owned 18% of leasehold flats. Housing associations and local authorities were each the freeholders of 14% of owner occupied leasehold flats, Figure 1.6.

Figure 1.6: Freehold ownership of owner occupied leasehold flats, 2017



Base: all owner occupied leasehold flats

Notes:

1) underlying data are presented in Annex Table 1.6

2) figures exclude households in houses/bungalows due to the small sample size

Source: English Housing Survey, household sample

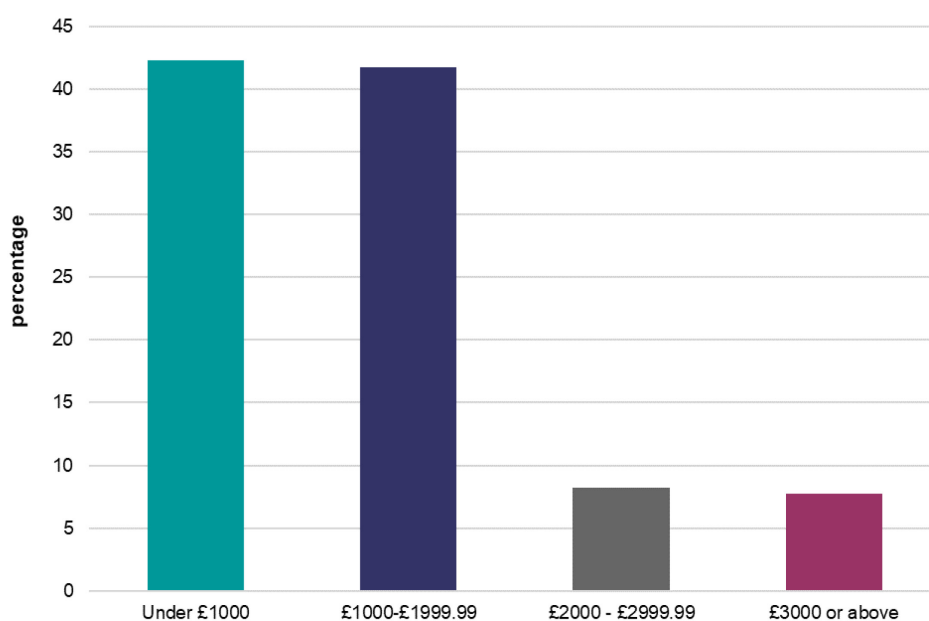
Chapter 2

Service charges and ground rents

Service charges

- 2.1 Just over half (52%) of owner occupier leaseholders reported paying a regular service charge. Owner occupier leaseholders in flats were more likely to report this than owner occupier leaseholders in houses (78% compared with 10%), Annex Table 2.1.
- 2.2 Owner occupier leaseholders typically report an annual service charge of less than £2,000; 42% of owner occupier leaseholders pay less than £1,000 per year and 42% of owner occupier leaseholders pay from £1,000 to £1,999.99 per year. Lower proportions of owner occupier leaseholders pay service charges of more than £2,000 a year (8%) or more than £3,000 a year (8%), Figure 2.1.

Figure 2.1: Annual service charges, 2017



Base: all owner occupied leasehold households

Notes:

1) underlying data are presented in Annex Table 2.2

2) figures exclude those who did not report paying a service charge, or did not know how much they paid

Source: English Housing Survey, household sample

- 2.3 Owner occupier leaseholders in flats tend to pay more than those in houses. For example, 70% of owner occupier leaseholders in houses pay a service charge of

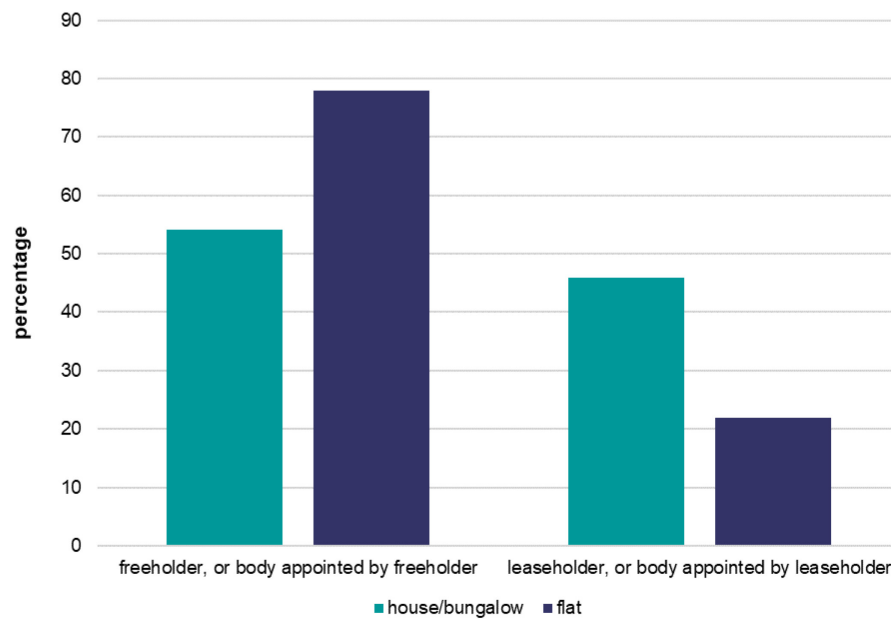
less £1,000 a year compared with 40% of owner occupier leaseholders in flats, Annex Table 2.2.

- 2.4 The annual median service charge paid by owner occupier leaseholders is £1,200. Annual median yearly service charges range from £870 in the West Midlands to £1,500 in London, Annex Table 2.3.
- 2.5 Of owner occupier leaseholders who reported paying a service charge, over half (55%) also contributed towards “one off” repairs or maintenance costs. This was the case for both leaseholders in houses (56%) and flats (55%), Annex Table 2.4.

Management arrangements for leasehold properties

- 2.6 Owner occupier leaseholders who reported paying a service charge, were also asked who had responsibility for the regular service or maintenance of the whole house or building.
- 2.7 The majority of owner occupier leaseholders reported that the regular service or maintenance of the property was the responsibility of the freeholder, or a body appointed by the freeholder, Annex Table 2.5.
- 2.8 Flats were more likely than houses to be managed by the freeholder or a body appointed by the freeholder; 78% of flats were managed in this way, compared with 54% of houses, Figure 2.2.
- 2.9 Conversely, houses were more likely than flats to be managed by the leaseholder or a body appointed by the leaseholder. Nearly half (46%) of houses were managed by the leaseholder or a body appointed by the leaseholder, compared with 22% of flats.

Figure 2.2: Body responsible for the regular service or maintenance of the whole house/building, 2017



Base: all owner occupied leasehold households

Notes:

1) underlying data are presented in Annex Table 2.5

2) figures exclude those who did not report paying a service charge, or did not know who was responsible for service and maintenance

3) those who answered "someone else" excluded as sample size too small for a reliable estimate

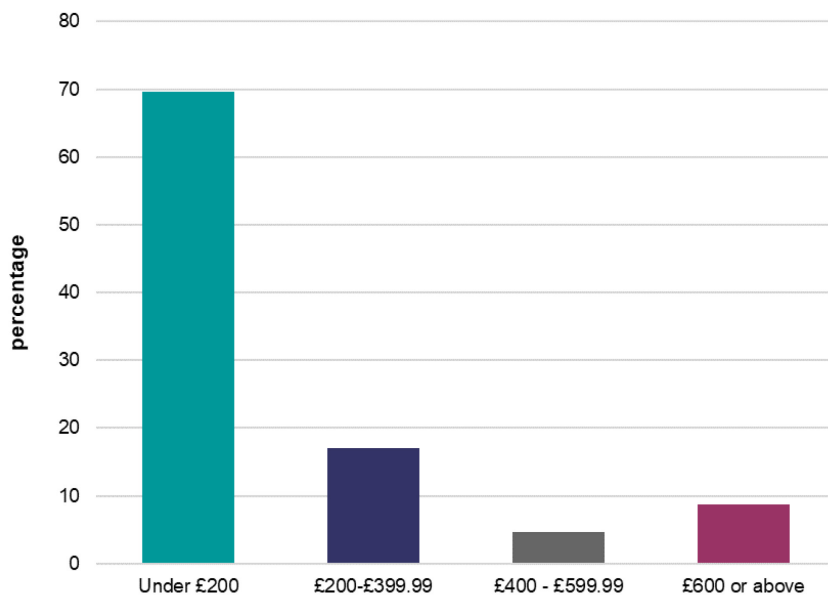
Source: English Housing Survey, household sample

Ground rents

2.10 Most (80%) owner occupier leaseholders report paying a ground rent. A greater proportion of owner occupier leaseholders in houses reported paying a ground rent than owner occupier leaseholders in flats (88% compared with 75%), Annex Table 2.6.

2.11 The majority of owner occupier leaseholders (70%) report that their ground rent is less than £200 per year; 81% of leaseholders in houses and 61% of leaseholders in flats report this, Figure 2.3.

Figure 2.3: Yearly ground rent, 2017



Base: all owner occupied leasehold households

Notes:

1) underlying data are presented in Annex Table 2.7

2) excludes those who did not report paying ground rent, or did not know how much they paid

Source: English Housing Survey, household sample

- 2.12 The annual median ground rent is £50. The annual median ground rent for owner occupied leasehold houses is £20; for owner occupied leasehold flats it is £110, Annex Table 2.7.
- 2.13 Annual median ground rents range from £15 in the North West to £150 in London, the East and the East Midlands, Annex Table 2.8.

Technical notes

1. Results in this report are presented for “2017” and are based on fieldwork carried out between April 2016 and March 2018 (a mid-point of April 2017). While there are 12,970 in the total sample, this report is based on a sub-sample of 513 lease holding owner occupiers who had both a face-to-face interview (in which they self-reported that they were leaseholders) and a physical inspection of their property. Throughout the report, this sample is referred to as “all leaseholders”. Where some have been excluded from the analysis, this is noted in annex tables and figures.
2. Information on leaseholders from the EHS is limited because the survey is only able to capture owner occupiers who are aware that they are leaseholders and are able to provide accurate information relating to their leasehold properties. The EHS is unable to provide information on leasehold properties in the rented sectors because respondents are tenants who will not know if their home is leasehold. This is a problem that is shared with other data sources which are based on self-reported samples of leaseholders.
3. Statistics presented in this report are weighted using either the dwelling or household weight, depending upon the question. Results based on small sample sizes should be treated as indicative only because inference about the national picture cannot be drawn. To alert readers to those results, in the annex tables accompanying this report, percentages based on a row or column total with unweighted total sample size of less than 30 are italicised. To safeguard against data disclosure the contents of cells where the cell count is less than 5 are replaced with a “u”.
4. Where comparative statements have been made in the text, these have been significance tested to a 95% confidence level. Throughout the report, percentages have been rounded to nearest whole number. Unrounded figures are available in the annex tables which are published alongside this report.
5. A full account of data quality procedures followed to collect and analyse English Housing Survey data can be found in the Quality Report⁴. Technical details can be found in the Technical Report⁵

⁴ <https://www.gov.uk/government/publications/english-housing-survey-quality-report>

⁵ <https://www.gov.uk/government/collections/english-housing-survey-technical-advice#technical-reports>

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