

# Key legislative changes for the housing sector 2022

## KEY PROVISIONS FOR THE HOUSING SECTOR

We set out the key provisions for the housing sector, a summary of the key provisions and what to expect for the year ahead.

### BUILDING SAFETY

#### Fire Safety Act 2021 ("FSA");

Extends provisions of Fire Safety Order 2005 in respect of multi-occupied residential buildings to: structure, external wall (including windows, balconies, cladding) and any common parts. Responsible Person: (1) risk assessment duties extended accordingly; (2) easier to identify for purposes of enforcement.

#### Building Safety Act 2022 ("BSA")

Summarised in presentation to Livewest leadership team on 22 July 22  
Not all parts yet in force. Introduces:

- new Building Safety Regulator (within HSE)
- new Building Control Regime
- new regime for managing safety in Higher Risk Buildings including gateway stages; "golden thread" of documents for lifecycle of building
- changes limitation in relation to claims for certain building defects, under Defective Premises Act 1972 and Building Act 1984
- qualifying leaseholders (occupying buildings at least 11m high/5 storeys will be protected from cladding remediation service charges
- new construction products regime and extended limitation periods for related claims.
- mandatory obligation upon developers to offer new home warranties for a minimum guarantee period of 15 years (due to come into force late 2023/early 2024)

### LEASEHOLD REFORM

#### Leasehold Reform (Ground Rents) Act 2022

Ground rent can no longer be charged on long leases (over 21 years) of a single dwelling granted for a premium on/after 30th June 2022. This includes voluntary lease extensions. For retirement homes, the changes don't come into effect until 2023

### SDLT

#### September 2022 Mini Budget

- The threshold at which SDLT becomes payable at residential rates increased from £125,000 to £250,000
- First time buyers relief increased from £300,000 to £425,000 and the maximum amount an individual can pay while remaining eligible for First Time Buyer's Relief is increased to £625,000

### ECONOMIC CRIME

#### Economic Crime (Transparency and Enforcement) Act 2022 ("ECTEA 2022")

- ECTEA 2022 requires Overseas Entities that own UK property or intend to acquire UK property to register with Companies House providing details of their beneficial ownership and management structure unless a specific exemption applies.
- Once registered Companies House will allocate a unique Overseas Entity ID (OEID) for each Overseas Entity.
- In England and Wales ECTEA 2022 only applies to Overseas Entities that were registered as proprietor of a qualifying estate at HMLR on or after 1 January 1999.
- ECTEA amended the Land Registration Act 2002 (LRA 2002) by inserting a new Schedule 4A which came into force on 5 September 2022.
- Schedule 4A prevents HMLR from registering an Overseas Entity as proprietor of a qualifying estate unless it has first obtained an OEID or a specific exemption applies.
- For the purposes of ECTEA 2022 and Schedule 4A of the LRA 2002 a qualifying estate includes a freehold estate or leasehold estate granted for a term of more than 7 years.
- ECTEA contains a transitional period whereby from 1 August 2022 until 31 January 2023 an Overseas Entity may dispose of a registered qualifying estate without having to first register at Companies House although the Overseas Entity is still required to provide details of the disposal to Companies House
- All Overseas Entities who are currently registered as proprietors of a qualifying estate at HMLR will be subject to a restriction on title on their qualifying estate which takes effect from 1 February 2023.
- This means that as from 1 February 2023 no disposal of a qualifying estate by an Overseas Entity may be registered without the disposing Overseas Entity obtaining an OEID or relying on a specified exemption.

- As from 5 September 2022 an Overseas Entity will need a valid OEID or evidence that a specific exemption applies to become registered as proprietor at HMLR of a qualifying estate.

## PLANNING AND CONSTRUCTION

### Environment Act 2021 (EA 2021)

EA 2021 introduces a raft of environmental improvements that will be introduced over the next few years;

EA 2021 introduces a mandatory minimum 10% Biodiversity Net Gain as a requirement for all planning applications from Autumn 2023 however some local authorities are revising their policies in advance of this date.

## COMING SOON

## LEASEHOLD REFORM

### TBC

Leaseholder entitlement to longer lease extensions (990 years instead of 90) at zero ground rent and more certainty around the capital costs, which are likely to be lower.

## PROCUREMENT

### Procurement Bill

New legislation proposed to completely replace Public Contracts Regulations 2015. The Bill is going through the parliamentary process and once approved will have a six month roll-out process. It is now expected towards the end of 2023.

## SOCIAL HOUSING REGULATION

### Social Housing Regulation Bill

- Stronger powers for the Regulator and easier to take action (serious detriment test removed)
- Drive up standards (on safety/quality post-Grenfell and on how tenants are treated by landlords)
- Residents right to demand information
- Regulator inspections
- Named person responsible for health and safety

## RENTERS REFORM BILL

### Renters Reform Bill

- Single form periodic tenancies (fixed terms abolished)
- Tenants can give two months notice to terminate (at any time)
- Section 21 abolished
- New mandatory grounds for possession
- Contractual rent increases abolished (Section 13 procedure will apply)
- Decent Homes Standard
- Pet consent not unreasonably withheld
- Unlawful to have blanket prohibitions on tenants in receipt of benefits

## LEVELLING UP

### Levelling Up and Regeneration Bill

Changes to reduce inequality and close the gap (in terms of productivity, health, incomes and opportunity) between the south east and the rest of the country. This is expected to include devolution of power, changes to the planning process and tools to deliver regeneration.

## HOW CAPSTICKS CAN HELP

Capsticks aims to be the firm of choice to registered providers, offering a full service across development and planning law, corporate and securitisation, housing leasehold and asset management. Our experts can answer all your questions around stock transfers/void disposal programmes; green/sustainable financing and joint venture models that really work.

If you have any queries around what's discussed in this article, and the impact on your sector or organisation, please speak to Susie Rogers or Mike Owen to find out more about how Capsticks can help.



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