

Carl Sargeant AC / AM
Y Gweinidog Tai ac Adfywio
Minister for Housing and Regeneration



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref P-04-573
Ein cyf/Our ref CS/01114/14

William Powell AM
Assembly Member for Mid & West Wales
Chair Petitions Committee

committeebusiness@Wales.gsi.gov.uk

3rd September 2014

Dear William

Thank you for your letter of the 14 August on behalf of the Petitions Committee regarding the petition from the residents of Elba Estate, which calls for the Welsh Government to investigate the Residential Leasehold System in Wales. The concerns of the petitioner particularly relates to:

- Possible increases of up to 5000% in annual ground rent at Elba Estate in Gowerton. And that the petitioner would like the Welsh Government to investigate an investigation into the way in which the residential leasehold system is operating in Wales despite the changes made by Leasehold Reform Act and to consider whether there should be a cap on increases to leasehold agreements in Wales.

In terms of the situation in Gowerton, it is my understanding that nothing has yet been finalised, no decision has yet been taken by Swansea Council, and that talks are ongoing between the Council and representatives of the leaseholders. I remain hopeful of a positive outcome for the residents.

Whilst the issues in the Gowerton area appear to be of concern, it would be premature to look at preventative measures. The Leasehold Advisory Service (LEASE) has also advised Welsh Government officials that they have found absolutely no evidence that this issue exists outside of this estate. Also, despite my requests to other Assembly members who have made representations on behalf of residents, to provide any evidence of this issue existing outside of the Elba estate, I am yet to hear of any other instances.

LEASE is currently gathering evidence across Wales with a view to providing a report with recommendations early next year. This report will form the basis of any possible leasehold reform, if that is indeed the correct thing to do. I will, of course, take the concerns of the residents of the Elba estate into consideration, as will LEASE in producing their report and subsequent recommendations.

I am sure that you will agree that very careful consideration must be made before deciding to make wholesale changes to legislation simply based on what appears to be an isolated case, indeed a case in which all involved are yet to receive a final decision, at this moment in time.

Yours sincerely

A handwritten signature in black ink, consisting of a stylized 'C' followed by a vertical line and a small flourish.

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