

Written evidence submitted by Anonymous [BSB 012]

I am a majority owner of a shared ownership flat in London. The Freeholder and managing agent is London & Quadrant. The sale of my flat has just failed due to the requirement for an EWS1. L&Q did not agree one was required (and regardless, will not prioritise the development for at least 9 months from now) as the property is low rise and has a low fire risk. No mortgage lender would loan on the flat as they maintained that an EWS1 was required. Both parties pointed at different parts of government and RICS guidance to justify their positions.

So, while I note the specific areas of focus regarding feedback on the draft bill, the impact of the changes are much further reaching and need to be addressed in tandem. This ensures that the actual impact of the bill can be taken into consideration.

In summary, the draft bill does not provide any assurance that tenants will be living in properties confirmed as safe any sooner than current multi-year estimates. This bill does not provide any financial reassurance for tenants regarding remediation costs, inability to remortgage etc. This bill does not make clear what properties are in (and not in) scope. Therefore, the market failure this has created - that lenders will not loan on any such property (any height) with cladding without an EWS1 - and the entrapment (financial and physical) that tenants are then subject to - will not be resolved, or even improved, by this proposed bill.

1. This bill does not sufficiently address how residents will be protected from the costs of remedial work (or, indeed, the inspection themselves) from being passed on to them. It is already clear that the costs of this work far outstrip the fund allocated by government, and it is not clear that (for example) Housing Associations are responsible for making safety improvements without charging tenants. This needs to be explicit.
2. Indeed, further safety checks and processes being proposed also suggest even more costs for tenants to cope with. This bill should address to who these costs will be provided, with full conscious that many people in such properties already face spiralling service charges making the properties both unaffordable and unsellable.
3. This bill does not address the lack of specialists able to complete the safety checks, and the consequent multi-year process for ensuring properties are safe. This bill should be revised to ensure that tenants have confidence that the government is providing the necessary support and intervention so that residents are not living in potentially unsafe properties a moment longer than is necessary. The bill could, for example, reduce the requirements so other fire specialists could make assessments.
4. This bill does not address how residents in such properties will be protected from the consequent inability to remortgage (by lenders who are insisting on EWS1 before loaning), and therefore the financial penalty they will incur for falling onto a variable rate. Residents are hostage to the cost of residing in the property, and to being unable to move.

5. This bill does not make clear that ONLY properties over 18 metres are in scope. In fact, it further compounds market confusion about which properties require an EWS1. This bill (and any associated guidance) should be explicit on what is in scope and leave no ambiguity for RICS, mortgage lenders etc to interpret more broadly. At the moment any property with any cladding is requiring an EWS1 in order for a mortgage to be provided.
6. This bill does not go far enough to provide mortgage lenders confidence to loan. It is unclear what is in scope, who will bear the cost, and whether such properties will be worthless at any time.
7. This bill does not go far enough to provide Housing Associations with assurance that they should commence work without the requirements changing again. (My own HA has advised me that they were glad they didn't start checks immediately as they would only have had to do them again, given all the changed requirements to date)
8. This bill does not appear to have been informed by the number of homeowners, tenants and properties that will be affected, resulting in a proportionate approach to improving building safety. This is estimated at 600,000 - and that, as I understand, is just of properties over 18m, so the true figure will be much greater - meaning that a very significant number of people are trapped for a very long time. This is terrible for these individuals, but also a large blockage in the housing market.

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