

17th May 2023



Dear Resident,

Re: Building Safety Act - leaseholder protection measures

This letter provides information for our leaseholders living in buildings over 11 metres in height, or with at least five storeys, following the passing of the Building Safety Act 2022 (BSA) and associated legislation. In addition to aiming to better ensure the safety of people in their homes, qualifying leaseholders in relevant buildings have now also been provided with legal protection from the cost of remediating historic cladding and non-cladding safety defects. This part has been called 'the leaseholder protections'.

The provisions of the legislation are complex and you can find further detailed information in the links to the Government's own information provided at the end of this letter. Newlon has needed to seek two sets of legal advice to ensure that the information we provide to you is correct.

In practical terms the leaseholder protections mean that no costs for remediating historic cladding or non-cladding defects, as covered by the definitions set out in the legislation can be recharged to our qualifying leaseholders in buildings over 11 metres in height, or with at least five storeys.

Our current understanding is that only in certain exceptional circumstances, where someone would be considered a non-qualifying leaseholder, could leaseholders be required to contribute towards any costs to remedy historic safety defects.

Detailed information on qualifying and non-qualifying leaseholders can be found in the Government's information linked at the end of this letter.

Qualifying leaseholders living in buildings above 11 metres tall or with at least five storeys will be legally protected from building safety costs associated with historic defect remediation. The key measures include:

- Qualifying leaseholders will be protected, in full, from the costs associated with the remediation of unsafe cladding.
- Qualifying leaseholders will also have protection from costs associated with non-cladding safety defects, including interim measures (e.g. waking watches).
- Newlon will not be passing on the cost of remediating historic safety defects or the removal of cladding to any of our leaseholders where the defects were linked to construction of the building. This also extends to non-qualifying leaseholders.
- Newlon has exceeded the "wealth test" as is set out in law, so historical building safety costs will not be passed on to qualifying leaseholders. To explain this point a little further, the overall value of our assets mean that we exceed a wealth test set out in the legislation and therefore we could only potentially pass on costs in certain limited circumstances to non-qualifying leaseholders.

Historically, Newlon has already protected our leaseholders from both remediation and associated costs, such as for waking watch patrols where required. We remain required by Government funding requirements to hold liable parties responsible for defect rectification, or recovering the costs



Newlon Housing Trust is a charitable housing association and part of the Newlon Group
Registered Office: Newlon House, 4 Daneland Walk, Hale Village, London, N17 9FE
Residents' enquiries: 020 7613 8080 - all other enquiries: 020 7613 8000 - www.newlon.org.uk

Group Chief Executive: Mike Hinch, Chair: Aman Dalvi OBE
Community Benefit Society 18449R, registered with the Regulator of Social Housing no. L0006
HMRC charity reference no. EW91301, VAT registration no. GB778532683

associated with carrying out these projects ourselves. This may be through legal discussions with the original contractors, claims against building warranties or by application for available Government money such as the Building Safety Fund. For a number of our affected buildings we have been successful in applying for Building Safety Fund financing and for some other schemes we are progressing legal claims. Nevertheless, in order to fund and carry out all required remedial works it is likely that projects will need to extend over several years and that in some instances we may not be able to start onsite remediation projects until any legal claims have been resolved.

While we are happy to respond to enquiries and are committed to updating residents, we cannot provide legal advice to you. If you feel you require legal advice, this will need to be sought through advice agencies such as the CAB (Citizens Advice Bureau) or your own solicitor.

You can find a link to the official Government guidance on the leasehold protection measures below which we encourage you to refer to:

<https://www.gov.uk/guidance/the-building-safety-act#protecting-leaseholders>

Guidance on the qualifying date and qualifying leases can be found here:

<https://www.gov.uk/guidance/qualifying-date-qualifying-lease-and-extent>

Information on contribution caps can be found here: <https://www.gov.uk/guidance/leaseholder-contribution-caps>

Further information, including frequently asked questions on leaseholder protections appears on the Government website at;

<https://www.gov.uk/guidance/leaseholder-protections-on-building-safety-costs-in-england-frequently-asked-questions>

If you have any questions about fire safety or relating to this letter please contact us by emailing firesafety@newlon.org.uk.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Symon Sentain', written over a light blue horizontal line.

Symon Sentain
Property Services Director