

REAL ESTATE UK HORIZON SCANNER

AUTUMN 2023

CONSULTATIONS

The following consultations are currently in progress, or have recently closed awaiting outcome

Consultation	Detail	Closing Date	HL articles
Law Commission consultation on Landlord and Tenant Act 1954	The Government has commissioned a Law Commission review of the Landlord and Tenant Act 1954, and security of tenure provisions for business leases.	Consultation Paper to be published in December 2023	UK Landlord and Tenant Act 1954: what might reform look like? - Hogan Lovells Engage
ESG: New UK Sustainability Disclosure Requirements	The consultation sets out proposed rules for the UK's equivalent of the EU's Sustainable Finance Disclosure Regulation. The timing for introduction of the proposed new SDR has now been delayed until Q4 of 2023. We are monitoring this closely.	This consultation has now closed, outcome awaited.	UK: FCA delays SDR policy statement until Q4 2023 - Hogan Lovells Engage The FCA released Consultation Paper CP22/20 on the UK Sustainable Disclosure Requirements - Hogan Lovells Engage Sustainability disclosure requirements for the UK: where are we now? - Hogan Lovells Engage
Consultation on high street rental auctions	The consultation considers practical questions such as the form of lease between the Local Authority and the tenant under the controversial proposals for high street rental auctions.	This consultation has now closed, outcome awaited.	UK government's rental auction plans will bulldoze normal letting processes - Hogan Lovells Engage
ESG: Consultation on the Community Infrastructure Levy	The consultation considers how to reform the Community Infrastructure Levy, the existing system of developer contributions.	This consultation has now closed, outcome awaited.	

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ESG: Consultation on Environmental Outcomes Reports	The consultation contemplates how the European-based system of environmental impact assessments is to be replaced.	This consultation has now closed, outcome awaited.	UK Environmental outcomes reports: evolution or revolution? - Hogan Lovells Engage UK: Earth Day: Investing in our Planet – real estate and planning
Consultation on the introduction of a use class for short term lets	The consultation sets out proposed changes to the Town and Country Planning (Use Classes) Order 1987 (as amended) including the introduction of a new use class for short term lets and associated permitted development rights.	This consultation has now closed, outcome awaited.	
Consultation on reform of the Construction Industry Scheme	The consultation considers how the CIS regime could be simplified. In particular, the consultation seeks views on two areas that are of relevance: landlord/tenant contributions and group reporting requirements.	The consultation has now closed, outcome awaited.	
FCA consultation on multi- occupancy buildings insurance	The consultation focuses on the levels of insurance commissions and the practice of brokers sharing commissions with landlords and/or property managers when arranging buildings insurance, primarily in relation to buildings including a residential element.	This consultation has now closed and the FCA has confirmed in a press release that it will be making reforms in this area from 2024. Insurers will be required to ensure policies provide fair value to leaseholders and must not recommend a policy based on commission.	UK FCA consultation on multi-occupancy buildings insurance: the end of the line for commission-sharing? - Hogan Lovells Engage

NEW AND PENDING LEGISLATION

This covers future legislation where: a Bill has been drafted and is passing through parliament; a change in law which has been passed but which has yet to come into effect; and recent changes that have come into effect.

Legislation	Detail	Date	HL articles
ESG: MEES- forthcoming changes	 MEES – what to be aware of in 2023 and beyond: 01.04.2023 – prohibition on <u>continuing</u> to let commercial property with a substandard EPC rating of F or G is now in force Changes on the horizon 01.04.2030 – minimum EPC rating of B New "Compliance windows" requiring presentation of valid EPCs for commercial property within the scope of MEES Note that in relation to MEES for non-commercial properties the government has scrapped its plans to tighten rules. 	01.04.2023 and 01.04.2030	What does ESG mean for UK Real Estate? - Hogan Lovells EngageESG, everywhere, all at once - Hogan Lovells EngageUK MEES: Reviewing a greener future - Hogan Lovells EngageUK: Why MEES are not enforced -
Economic Crime and Corporate Transparency Bill	Includes sweeping reform to Companies House, granting Registrar broad investigative and enforcement powers. Also more tools to fight financial crime and prevent misuse of limited partnerships.	Introduced to Parliament on 22.09.2022. This Bill is currently being debated in the House of Lords.	Hogan Lovells Engage Economic crime and corporate transparency bill: Important changes for UK limited partnerships - Hogan Lovells Engage
The Building Safety (Registration of Higher- Risk Buildings and Review of Decisions)(England) Regulations 2023	The registration process for higher-risk buildings (high-rise buildings 18 metres tall or at least 7 storeys tall with at least 2 residential units) opened on 12 April 2023. The "Accountable Person" or "Principal Accountable Person" for each higher-risk building must register that building and provide certain information through the online portal by 1 October 2023, or face a fine or imprisonment.	Came into force on 6 April 2023. Minor amendments in The Higher-Risk Buildings (Management of Safety Risks etc) (England) Regulations 2023	UK Building Safety Act: Do I need to register my high-rise building? - Hogan Lovells Engage UK Building Safety Act: The registration deadline for higher-risk buildings is fast approaching - Hogan Lovells Engage

Legislation	Detail	Date	HL articles
		Registration process opened on 12 April 2023, with a deadline of 30 September 2023	
Building Safety (Leaseholder Protections etc.) (England) (Amendment Regulations 2023	 Schedule 8 of the Building Safety Act 2022 and The Building Safety (Leaseholder Protections) (England) Regulations 2022 introduced landlord certificates. Landlords are required to provide various information about any relevant defects (anything which causes a risk of the spread of fire or building collapse) in relevant buildings (over 5 storeys or 11 metres tall with at least 2 residential dwellings), and their responsibility for those defects and net worth to enable leaseholders to understand whether they qualify for protection from recovery of service charge to pay for works to remedy those defects. The Building Safety (Leaseholder Protections etc.) (England) (Amendment) Regulations 2023 introduced a new format for landlord certificates and the information that must be provided with them. 	Came into force on 5 August 2023	Firesafety:LandlordandLeaseholderCertificatesforresidentialblocks- HoganLovellsEngageBuildingSafetyAct- WhatBuildingCertificatesandwhenIneedtoprovideone?-HoganLovellsEngageUKBuildingSafetyActLovellsEngageUKUKBuildingSafetyActLandlordCertificates:Whatsupportinginformationmustalandlordprovide?-HoganLovellsEngageSafetySafetyActSafetySafetySafetyActLovellsEngageSafetyActSafetySafetySafetySafetySafetySafetySafetyActLovellsEngageSafetyHoganLovellsEngageSafetyHoganLovellsEngageSafetyHoganLovellsEngageSafetyHoganLovellsEngageSafetyHoganLovellsEngageSafetyHoganLovellsEngageSafetyHoganSafetyHoganSafetyHoganSafetyHoganSafetyHoganSafetyHoganSafety<
The Higher-Risk Buildings (Managemen of Safety Risks etc) (England) Regulations 2023	 Introduces further duties on principal accountable persons, including: Building Safety Case Reports (which summarise the safety case for higher-risk buildings (over 18 metres/7 storeys with 2 residential dwellings) to manage the risk of spread of fire or structural collapse; Building assessment certificates (confirming compliance i.e. the accountable person has complied with their building safety obligations); Mandatory reporting; and 	In force from 1 October 2023	

Legislation	Detail	Date	HL articles
	- Provision of information to regular/residents etc.		
Residential Reform	The Renters (Reform) Bill is currently being debated in the House of Commons.	Currently in the House of Commons	UK private rented sector: white paper published – Hogan Lovells Engage UK landmark reforms in the private rented sector – Hogan Lovells Engage Leasehold reform in the UK: The end of residential ground rent is now imminent – Hogan Lovells Engage UK Renters Reform Bill – big changes afoot in the private rented sector - Hogan Lovells Engage UK-renters-reform-bill-update
Levelling-Up and Regeneration Bill	Please see attached links for concise detail on key aspects of the Levelling-Up and Regeneration Bill (LURB).	Currently at the Report stage in the House of Lords	UK Levelling-up and RegenerationBill – compulsory purchase powerand the best of the rest – HoganLovells EngageUK Levelling-up and RegenerationBill – environmental outcomereports and heritage reforms –Hogan Lovells EngageUK Levelling-up and RegenerationBill – when things don't quite go toplan – Hogan Lovells Engage

Legislation Detail Date **HL** articles UK Levelling-up and Regeneration Bill: IL. CIL and our old friend Section 106 - Hogan Lovells Engage Levelling-up and regenerating the English planning system – planning policy and "material" considerations - Hogan Lovells Engage UK Environmental outcomes reports: evolution or revolution? -Hogan Lovells Engage Received Royal Assent on What does ESG mean for UK Real **ESG: Environmental Act** Introduces a new mandatory 10% Biodiversity Net • 2021 09.09.2021- provisions are Estate? - Hogan Lovells Engage Gain requirement for new developments. New precoming in piecemeal as commencement planning condition – now expected to come into effect in January 2024. regulations and further details Biodiversity net gain: future of sales and investment trends - Hogan are published Conservation covenants came into force on 30 Lovells Engage • September 2022. Responsible bodies are expected to be able to apply for designation as such imminently. UK: What does nutrient neutrality mean for developers? - Hogan , The government has launched its Nutrient Mitigation Lovells Engage • Scheme and has committed to setting up a local nutrient mitigation fund to provide direct grant funding UK: Earth Day: Investing in our to LPAs to deliver locally led nutrient mitigation Planet – real estate and planning schemes. Changes to nutrient neutrality rules are UK-esg-conservation-covenantsanticipated but it is unclear how this will be achieved. what-are-they-and-how-will-theybe-used Nutrient neutrality in a nutshell -Hogan Lovells Engage

Legislation	Detail	Date	HL articles
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ESG: The Environment (Local Nature Recovery Strategies) (Procedure) Regulations 2023	These regulations set out how the new system of Local Nature Recovery Network Strategies ("LNRSs") is going to work. LNRSs cover the whole of England and consist of a biodiversity priorities statement and local habitat map. They will identify opportunities, priorities, areas and measures for recovering and enhancing biodiversity in a local planning authority's area. The intention is that these strategies will create a more coordinated and focused approach to protecting our environment on a local and national level.	Came into force on 13 April 2023 in England.	<u>UK: Earth Day: Investing in our</u> <u>Planet – real estate and planning</u>
Amendments to the National Planning Policy Framework ("NPPF")	A consultation was held at the start of 2023 which considered changes to the NPPF including removing the mandatory requirements for the 300,000-new-homes-a-year target. Also considered proposals relating to development on Green Belts, housing need, Local Plans and beauty.	The NPPF was updated on 5 September 2023. However, it only included an update on onshore wind development in England. A further response is expected "this autumn". A further review of the NPPF will be undertaken in due course, once the LURB becomes law. This will look at climate change, infrastructure, slow build-out rates and the proposed national development management policies.	
New Protect Duty	Owners and operators of commercial properties could be required by law to consider the adequacy of security measures, systems and processes adopted at their sites and take steps to mitigate any perceived risks. The proposals have been championed by victims' groups, including the Martyn's Law campaign which was established by Figen Murray, who	TBD. The government has published its <u>Consultation</u> <u>Response Document</u> on 2 May 2023.	Protect-duty-what-does-this-new- duty-mean-for-owners-and- operators

Legislation	Detail	Date	HL articles
	tragically lost her son, Martyn, in the Manchester Arena attack in 2017. By the proposed introduction of this new Duty, the government intends to set out a legal framework for "publicly accessible locations" to ensure preparedness for, and protection from, terrorist attacks.		

KEY CASES

Case	Detail	Dates	HL articles
M&S, Oxford Street	The redevelopment by M&S of its flagship store in London was refused by the Secretary of State (against the recommendation of his appointed Inspector). M&S wanted to demolish the existing building and build a new ten floor retail and office space. The decision relates to heritage harm and the importance of assessing embodied carbon when considering proposals for full demolition rather than retrofitting existing buildings.	M&S have now launched a s288 challenge over the decision.	
Manchester Ship Canal v United Utilities	Whether Manchester Ship Canal can bring a private nuisance claim for trespass/nuisance against United Utilities for unauthorised discharges of sewage into the canal.	Hearing took place in the Supreme Court in March 2023. Awaiting judgment.	