



Criteria for designating an area as a protected area for the purpose of enfranchisement under the Leasehold Reform Act 1967

1. Schedule 4A of The Leasehold Reform Act 1967 has been amended by section 302 of the Housing and Regeneration Act 2008 to give power to the Secretary of State to designate any area in England as a “protected area” if the Secretary of State considers it appropriate to do so.
2. The effect of designating an area as “protected” is to prevent a tenant of a house situated within that area from exercising his right to enfranchisement (acquiring the freehold) of his house, if certain statutory conditions are met in respect of the lease.
3. The purpose of the designation is to help to retain affordable housing, for example, shared ownership homes so that they remain available for others unable to afford to buy at full market price.
4. Before designating any areas the Secretary of State must publish the criteria which are to be taken into account in deciding whether to designate an area as a protected area.
5. The criteria to be taken into consideration by the Secretary of State is as follows:

The overriding criterion is that the location is one in which shared ownership homes would be hard to replace. When considering whether housing in an area would be hard to replace the Secretary of State will consider:

- a) whether it has already been designated as “rural” for the purposes of the Right to Acquire scheme
- b) availability of land for housing development in the particular location and the existing available stock
- c) availability of shared ownership housing (and the size and type) in the particular location
- d) level of need for shared ownership housing
- e) affordability of housing, i.e. average income vs. lower quartile house price.