


LEASE Buildings Insurance Survey: Key insights and next steps

03 March 2025  Alex Morrissey

The Leasehold Advisory Service (LEASE), which was established to address the challenges faced by leaseholders, has released the findings of its Buildings Insurance Survey, which sought to help understand the causes of rising costs of buildings insurance for multi-occupancy properties.

While the survey provided valuable insights, LEASE did acknowledge that some areas remain unclear due to the survey's complexity and it being LEASE's first detailed attempt to consider the topic.

Key findings

The survey shows identified increases in insurance premiums since 2017, with many respondents reporting increases of 40% or more, with some premiums increasing by 100%.

Interestingly, and perhaps surprisingly, the largest premium increases were found in low-rise buildings (2 to 5 floors), although the small sample of high-rise buildings did mean that only a limited comparison was available.

Another common theme among respondents was a difficulty in accessing crucial insurance details. This is a specific issue that the FCA has sought to rectify following its review into multi-occupancy buildings and the introduction of the obligations to 'policy stakeholders' (which includes leaseholders who contribute to the cost of insurance but who are not involved in the buying decision).

On the subject of fire safety, LEASE expected to receive clarity on the impact of the Fire Safety Reinsurance Facility on premiums but an insufficiency of detailed responses limited the ability for any firm conclusions to be drawn. However, this is an area that insurers will want to keep a very close eye on.

What does this mean for insurers?

The survey is another example of the focus that is currently being placed in multi-occupancy property insurance, with leaseholder advocate groups joining the discussion. Whilst the recent MOBI rules are likely to have an impact on premiums, value and information for leaseholders, this is clearly an area that remains under the spotlight. Insurers in this space will want to ensure they are regularly reviewing their documentation, prices and distribution strategies.

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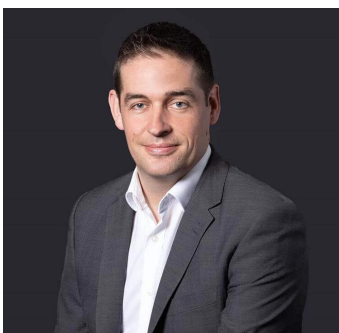


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