



We are aware that a number of resident shared owners / leaseholders, have been prevented from progressing with a purchase, staircasing, resale or re-mortgage, as a result of lenders' concern about the safety of buildings, and their requirement for an EWS1 in buildings across a range of different heights. You will no doubt be aware of how widescale this problem is for home owners across the UK.

We recognise this is extremely disappointing for our residents who find themselves in this situation, some of whom will be in difficult circumstances. We are very sorry for any stress this situation is causing.

In line with recent Government advice to the lending industry

<https://www.gov.uk/government/news/major-intervention-from-government-and-lenders-to-support-leaseholders>

and consistent with previous guidance issued by RICS <https://www.rics.org/uk/upholding-professional-standards/sector-standards/valuation/valuation-of-properties-in-multi-storey-multi-occupancy-residential-buildings-with-cladding/>

Hexagon will not be providing EWS1 forms for any buildings below 18m as these are not necessary.

While the decision we have taken is consistent with Government and RICS advice, we nevertheless set out below Hexagon's approach to EWS1 Form requests from lenders. We hope this provides clarity and assists you with your decision making.

The EWS1 form was put in place by the RICS (Royal Institute of Chartered Surveyors) and was originally intended to identify the presence of combustible material and whether any remedial works were required to the external wall system of 'high-rise' buildings (i.e. those with a habitable floor above 18m high). Over the past 24 months, there has been a steady increase in the number of lenders requesting EWS1 forms for all residential buildings regardless of height. This has had a significant impact on the property market.

On 8th March 2021 RICS issued guidance to lenders and confirmed that EWS1 forms should not generally be requested for buildings under 18m in height.

More recently, on 21st July 2021 the Government expert panel provided further advice and reiterated that lenders should not request EWS1 forms for buildings below 18 metres. This is because the Government believes the risk in such buildings is extremely low, and any remedial work required is better addressed through risk management and mitigation as opposed to costly remedial works.

To provide some further context, Hexagon owns just two 'high rise' buildings which are 18m+ in height with cladding material on the external wall, and intrusive investigations have been carried out on both (affected residents have been notified). One of these buildings has been found to have combustible cladding which needs to be removed and works are about to begin. We have provided an EWS1 form for this building with a B2 certification reflecting the need for remedial works. Many lenders have refused to grant mortgages to residents / purchasers in flats in this building, despite the fact that remedial works have been instructed and about to commence. However, we have had a sale complete recently at the same block despite the B2 certification



We have also had experiences with some lenders requesting EWS1 forms on newly built and existing blocks below 18m in height. This has prevented some sales from progressing. Other lenders have not requested an EWS1 form at the same blocks, allowing sales to complete. The Government advice aims to end the uncertainty over the use of EWS1 forms in buildings below 18m in height.

We hope that the latest Government announcement will ensure lender's requests for EWS1 forms on low risk sub-18m buildings comes to an end.

We are taking a planned and managed approach to assessing the fire safety compliance of all our relevant buildings i.e. those with external wall systems / cladding. We will then prioritise any remedial work required on those blocks found to be of highest risk.

We have started this work and we will be updating residents when we review each building, and of course residents will be kept informed about any subsequent remedial works which may be required.

Hexagon's position remains that we are happy to provide information about our buildings to assist with lenders' specific queries, (e.g. latest Fire Risk Assessments) but we will not be instructing EWS1 surveys to answer such queries.

We are unable to reimburse any costs incurred if your transaction does not proceed due to this matter.

We are sorry we cannot do more to assist you at the current time, but hope this explanation provides context and clarity to our position.