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Legal Indemnities
Predictions 2027



Rights to light claims set to increase

The Government's revised National Planning Policy Framework, published in August 2026, will drive an increase in rights to light claims. The Framework gives substantial weight to developments which create additional homes above existing residential and commercial buildings through airspace development, encouraging higher-density schemes in urban areas. As developers look upwards to unlock housing delivery, neighbouring owners are likely to scrutinise projects more closely and pursue rights to light claims where their amenity is affected. We expect developers and local authorities to make greater use of section 203 powers (under the Housing and Planning Act 2016) to override private rights where schemes deliver wider public benefits. This will increase demand for rights to light insurance and specialist legal advice, placing a greater focus on compensation negotiations, valuation evidence and the balance between private property rights and the delivery of much-needed housing.

Housing development fuels mineral rights disputes

The push to increase housing supply will expose a growing number of mines and minerals risks. Many development sites carry historic reservations dating back decades, often with uncertain ownership and limited documentary evidence. As development activity increases, so too will the likelihood of mineral owners asserting rights or seeking compensation. Developers, lenders and insurers will place greater focus on identifying and managing these risks at an early stage. Demand for specialist legal indemnity cover is expected to increase as parties seek to avoid delays to transactions and development programmes.

Chancel repair insurance faces an uncertain future

Chancel repair liability will test the legal indemnity market's ability to adapt to regulatory change. If the Law Commission's proposals are implemented, demand for high-volume, low-premium 'just in case' policies is likely to fall sharply, affecting insurers, brokers and search providers. Cover for known or registered liabilities should remain, but in a smaller, more specialist market requiring greater underwriter input and higher premiums. Insurers and distributors will need to reassess appetite, pricing and product strategy, with consolidation or withdrawal from the market a realistic possibility.

Assets of community value set to become a key transactional risk

The new Assets of Community Value (ACV) regime will create opportunities for legal indemnity insurance products, as the ACV status of commercial and development land becomes a material transactional risk. ACVs are buildings or land which support community life. When the ACV provisions in the English Devolution and Community Empowerment Act 2026 come into force, communities will have the right to buy their ACVs rather than simply bidding to acquire them. A new category of sporting assets will be created that will be wide in scope, encompassing land used for purposes ancillary to sporting use, including parking. Property owners and developers will seek insurance cover for challenges to ACV listing, procedural breaches and financial losses arising from ACV restrictions.

Commonhold reform set to reshape the legal indemnity market

The legal indemnity market will continue to monitor progress on the Commonhold and Leasehold Reform Bill with interest. Once implemented, the legislation will change the landscape for multi-unit residential developments. Ground rent and forfeiture reforms may reduce established product lines, but the transition to commonhold will create new risks and opportunities. Developers, lenders and leaseholders will face complex conversion issues, historic liabilities and title defects, creating demand for bespoke cover where remediation is costly, disruptive or impractical. The legislative transition itself will drive further enquiries as transactions proceed against an evolving legal framework. For insurers, the opportunity will be to anticipate the emerging risks and tailor cover that supports complex property restructuring and legacy title risks.

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