Consultation on Enhanced protections for homeowners on freehold estates

To: All Chief Executives, Main Contacts and APSE Contacts in England and Wales. For information only Northern Ireland and Scotland

1. Executive Summary

On the 18 December 2025, the Ministry of Housing, Communities and Local Government published a consultation that sets out wide-ranging proposals to give better rights and protection for homeowners living on privately managed estates and to address the considerable injustices they face. This includes the introduction of new measures in legislation that will mean homeowners on privately managed estates will no longer have to worry about losing their homes when they fall into arrears on their estate management charge.

The consultation takes forward key measures in the Leasehold and Freehold Reform Act 2024 ("the 2024 Act"), which creates a new regulatory framework to give homeowners on privately managed estates new rights, protections and powers to hold their estate manager to account for the money they spend. This enhanced framework aims to ensure transparency of estate management charges, gives homeowners the right to challenge the reasonableness of their charges, and allows homeowners the right to apply to a tribunal to appoint a manager in the event of serious management failure.

This consultation seeks views on how to implement these new requirements.

This briefing provides a summary of the consultation.

Responses are due by **Thursday 12 March 2026**.
Click here for further information and to submit your response.

2. Introduction

The consultation document states that residential developments require common shared amenities like roads, sewers, drainage, play areas and open spaces. Historically, relevant adopting authorities, such as highways authorities and water companies, adopted amenities on new developments as a matter of course, on

payment of a financial contribution from the developer, so that they would be maintained at public expense.

Over recent years, and especially over the last 15 years, it is commented that the growth of private management on housing estates where some or all of the shared infrastructure is not maintained by the local authority or water companies, means that the costs of their ongoing maintenance falls upon the homeowners of the estate through an estate management charge.

The payment, of an estate management charge, is in addition to the council tax that homeowners have to pay and is specified in the property deeds. It is recognised that many estate managers do seek to provide a good service. However, some homeowners living on privately managed estates often face significant challenges, including unclear obligations, high and unpredictable costs, and limited rights to challenge poor service.

This consultation concentrates on measures to enhance homeowner protections. The main focus is on implementing measures in the Leasehold and Freehold Reform Act 2024, which creates a new regulatory framework to hold estate managers to account for the money they spend and to seek redress when they consider charges to be unreasonable. However, it also seeks views on other recommendations set out by the Competition and Markets Authority (CMA).

The document is set out into four parts:

- **Part one** - Removing disproportionate enforcement remedies
- **Part two** - Implementing the Leasehold and Freehold Reform Act 2024
- **Part three** - Further government action to tackle injustices facing existing homeowners
- **Part four** - Other issues: the consultation also covers:
    - Limits on administrative costs for recovering income-supporting rentcharge arrears.
    - Considerations of environmental impacts, equality implications, and potential effects on the justice system.

3. Part one: Removing disproportionate enforcement remedies

The consultation document states that one of the most shocking injustices facing many homeowners on privately managed estates occurs when they fail to pay an estate management charge and fall into rentcharge arrears. Under the current law, rentcharge owners – typically estate managers – may rely on enforcement remedies

in sections 121 and 122 of the Law of Property Act 1925 ("the 1925 Act") in addition to alternative and more appropriate enforcement remedies for non-payment. These provisions allow the rentcharge owner to take possession of the property until arrears are cleared, grant a lease over the property to trustees, or appoint a receiver with mortgagee-like powers.

These remedies can be exercised without any notice being given and without a financial threshold, meaning that homeowners may not be aware that they have a debt.

Although in most cases, the rentcharge owner will pursue any arrears through the small claims court, the existence of these statutory remedies is hampering the home buying and selling market.

Furthermore, the estate manager (or other rentcharge owner) may sometimes rely on the availability of these disproportionate remedies to threaten homeowners with the loss of access to their home for non-payment.

It is commented that these statutory remedies are draconian and disproportionate and are no longer suitable for our housing market.

Therefore, the government is seeking to repeal sections 121 and 122 of the Law of Property Act 1925 as soon as parliamentary time allows, and looks to set out that homeowners must be notified of the level of estate rentcharge arrears and how those arrears have been calculated before enforcement action can commence.

Once these measures come into effect, rentcharge owners may still rely on alternative remedies to pursue arrears, provided they have satisfied notice requirements. Those remedies include:

- An action in the small claims court.
- A specific cost recovery clause in the deeds of transfer.
- A claim for breach of covenant.
- A statutory demand in bankruptcy.

4. Consultation on other circumstances which use the remedies under section 121 and 122 of the Law of Property Act 1925

This government has a firm intent to repeal sections for homeowners on privately managed housing estates and subject to estate rentcharges. It is stated that they are aware that the remedies in sections 121 and 122 of the 1925 Act are also available in relation to the following types of rentcharge:

- where paragraph 3 of Schedule 1 to the Trusts of Land and Appointment of Trustees Act 1996 (trust in case of family charges) applies to the land on which the rent is charged or would apply if the land was not settled land or subject to a trust of land;
- where an Act of Parliament provides for the creation of rentcharges in connection with the execution of works on land or commutation of any obligation to do such work; and
- where a court requires the creation of the rentcharge.

It is stated that the government do not have information about how many of these types of rentcharges are created, how they are used or whether the remedies in sections 121 and 122 of the 1925 Act are used to enforce them. It considers that the use of these remedies are also likely to be excessive in those situations and is so minded to repeal these sections completely. Which will remove these remedies for all rentcharges. However, the government appreciate that it is possible that removing these remedies for the rentcharges listed above could lead to unintended consequences and is seeking to gather further information to try and understand if there are any grounds for retaining sections 121 and 122 in any circumstances. The information is being sought in questions 13 and 14 of the consultation.

5. Part 2: Implementing the Leasehold and Freehold Reform Act 2024

a. Driving up accountability of estate managers

Under the terms of existing property deeds, homeowners will typically receive a bill for the provision of services for the maintenance and upkeep of communal areas on estates. The frequency of bills and the information provided alongside them depends on the terms of the deeds and, following that, rests with the estate manager.

The 2024 Act empowers homeowners to hold estate managers to account for the money they spend. At its heart is a new obligation that estate management charges must be reasonably incurred and, where costs relate to works or services, the work or services must be of a reasonable standard. Furthermore, homeowners have the right to challenge the reasonableness of their estate management charge, whether it is a fixed or variable charge, at the appropriate tribunal.

It is commented that enabling homeowners living on privately managed estates to benefit from these changes relies on them having access to the right level of information at the right time. It is aimed that implementing measures in the 2024 Act

will give homeowners on privately managed estates more and timely information, that is accessible and standardised,

It is proposed under the reforms that homeowners will get an annualised report that includes a standardised demand form to provide clarity about what they have to pay for the year ahead; and the right to request information.

It is recognised by the government that while it is essential to provide homeowners with the information that is needed, it is important to ensure estate managers, or managing agents, are not unduly burdened, and that any added costs for provision of this information is proportionate, reasonable and beneficial.

b. A new annual report

It is proposed that the annual report must be provided within one month of the end of the accounting period's start, but it can be provided earlier as long as it includes the required information. This means that estate managers could combine the report with the estate management charge demand form if they wished, for example, to reduce costs.

Under the proposals the annual report would include the following minimum information:

- Key contact details such as the owner of the communal areas of the estate, estate manager and managing agent
- Key information about the estate
- Surveys
- Administration charges
- Major works
- Handling disputes
- Insurance
- Adoption status and other relevant planning details
- Estate management scheme

A copy of a mock annual report is contained in the Annex A of the consultation and Questions 15 and 16 views of the proposals.

Question 17 asks what manner the annual report should be received e.g. electronically and question 18 seeks to establish if there should be any exemptions from providing the annual report.

c. A new standardised estate management charge demand form

It is stated that the government consider that homeowners should have sufficient financial and non-financial information to enable them to make an informed opinion on whether the costs incurred by the estate manager are reasonable and services provided are of a reasonable standard.

Currently, estate managers have total discretion (subject to the terms of the deeds) to decide how estate management charge demands are presented to homeowners and the information the demand contains

Therefore, it is proposed that there is a standardised estate management charge demand form and as a minimum the contents under the proposal will include:

- Name and address of homeowner, estate manager and property for which the estate management charge is payable. In cases where the party serving the demand is not the estate manager (because for example it is being handled by a managing agent), the estate management company's details ought also to be given;
- Overall amount payable;
- The period which the payment covers;
- Payment details and deadline;
- Consequences of non-payment; and
- The annual budget, setting out details of planned expenditure on management costs, maintenance of the estate, and any insurance costs covering the communal areas.

It is stated that the form can contain more than the specified information if estate managers choose to do so. However, the government are keen to balance the right to information with the cost to estate managers to adjust systems and put new arrangements in place which could be passed on to homeowners through the estate management charge.

A mock-up of what the form might look like is at Annex B of the consultation.

The consultation document advises that unlike with leasehold properties it is understood that estate management charges are generally issued annually, and there is not a second demand during the accounting year. However, confirmation is being sought that this is the case.

Should there be circumstances where a homeowner receives more than one demand for payment in the year, either because the title deeds require it or because of some other valid reason (such as an unexpected cost), the 2024 Act gives the Secretary of State powers to prescribe a specific format for second and any subsequent demands. It is proposed that any new demand issued during the accounting year as required under any title deeds or some other arrangement is in the same format as the initial demand but only covers the provisions set out above and views are welcomed on this approach.

Details of the annual budget

The annual budget is a key component of any information provided to homeowners on privately managed estates. The government states that it is intended to clearly show an estimate of what the estate manager intends to spend money on and recover through the estate management charge.

The preferred approach is to require the budget to be provided as part of the initial estate management demand form and, as part of the demand form it should cover the budget for both the previous and existing accounting period. It is recognised that there is a risk that the budget for the accounting period might be an estimate, but it is considered that even an estimate will give homeowners a clear idea of where there are likely to be changes in expenditure. In addition, it is recognised that there are grounds to have the budget form part of the annual report, which would mean that estate managers would have to submit a budget within a month from the end of the accounting period. Views are being sought on when the budget should be provided.

The government are also seeking your views on two options for the level of detail which the annual budget should contain.

Annual budget Option one:

A simple breakdown under a limited number of standardised high-level headings for heads of costs as follows:

- Management fees and overheads;
- Road repairs and maintenance (including pavements and street lighting if applicable);
- Security costs (such as CCTV);

- Open space maintenance and repairs (including green spaces, trees, playground and off street paths);
- Drainage and sewerage maintenance and repairs;
- Other shared services (including communal heat networks, other communal heating, electric vehicle charge points, or other services such as electricity or telecommunications);
- Health and Safety Obligations (e.g. surveys);
- Insurance costs for shared areas; and
- Other Professional fees.

This seeks to give a high level of detail, but without seeking to overload homeowners with potentially too much information, nor increasing estate manager costs too much. Annex B contains an illustrative example of Option one.

Annual budget Option two:

Proposes a more detailed breakdown of Option 1 with subcategories under each heading. For example:

- Management fees: further broken down into, for example office costs, directors and officers insurance, managing agent fee, cost of preparing accounts.
- Grounds maintenance: further broken down into green spaces, playground, trees etc.

While this approach further increases transparency, it is recognised that this could raise costs for estate managers which would likely be passed on to homeowners, who may also find this level of detail overwhelming. Annex B2 contains an illustrative example of Option two.

Question 19 to question 23 in the consultation seek views on the proposal for the annual budget options.

iii) Exemptions for new estate management demand forms

Section 78(3) of the 2024 Act allows the Secretary of State to provide for exemptions to the general provision by reference to the description of the person making the demand, type of estate management charge or other matter.

The government starting point is that there should be no exemptions to providing the new estate management charge demand forms to homeowners. However, it is

recognised that many estates are managed by the residents. Even in those cases, it is not considered that there should be an exemption on the basis that even with a resident management company, not all homeowners are directly involved in the day-to-day management of the estate nor have access rights to key information. It is therefore commented that it is just as important for homeowners on resident-managed estates to receive the same information, without an exemption. However, views are welcomed on whether there are any circumstances or justifications for any exemptions. It is stated that matters will be keep under review over time, should future grounds for any exemptions arise.

Questions 24 of the consultation seeks views on the exemptions.

Manner of provision of estate management charge demand forms

Measures in the 2024 Act allow the Secretary of State to prescribe how estate management charge demands are provided to homeowners. Currently, demands are sent either by post or electronically (such as email or via a portal on the estate manager's website) and it is therefore proposed to specify that demands must be served by one of these means.

Question 25 of the consultation seeks views on the manner of provision.

5.4 Transition arrangements and costs for estate management charge demand forms and annual report

There is recognition that the cost of these new measures will affect estate managers and managing agents differently, depending on the systems they have in place currently and the extent to which this information is already provided. However, much of the information required for the annual report is likely to be already available. The government are keen to obtain further information to better understand the overall impact of the proposals.

It is stated that the government want to understand how these costs will affect businesses and whether and if so, to what extent they will be passed onto homeowners through the estate management charge. In addition, there is recognition that to prepare for the new arrangements, a sufficient transition period is likely to be needed. It is stated that it is intended that the transition period should be as short as feasible. Therefore, it is proposed that 12 months would be appropriate. However, views are welcome on a suitable transition period that would be appropriate to prepare for the new requirements for demand forms and annual report.

Questions 26 to 32 in the consultation seeks view on the transitional arrangements.

5.5 A new notice of future estate management charge demands

Section 76 of the 2024 Act requires all charges that homeowners are required to pay are demanded within 18 months of when the costs were incurred.

If estate managers miss this 18-month deadline, homeowners will not be liable to pay these costs unless the estate manager sends a "future demand notice" within 18 months of the costs being incurred and confirms their future responsibility to contribute. It is commented that this approach will provide certainty to homeowners and require estate managers to be clearer on the costs they have incurred and when they are likely to be charging homeowners for these costs.

Form and manner of notice to homeowners

The Secretary of State has powers to specify the form of the notice, the information to be included in it, and the manner in which it must be given to the homeowner. The consultation document proposes that this includes: the estimated amount of costs incurred; the amount the individual homeowner is expected to be required to contribute to those costs; and a date on or before which it is expected that the estate management charge will be demanded It is deemed important that estate managers provide homeowners with clear, timely and accessible information about future costs. Annex C sets out the detail of the proposed standard future demand notice. The form should be sent out to all homeowners who pay an estate management charge and where the estate manager seeks to rely on section 76 of the Act to delay the demand for any works.

The Secretary of State also has powers to determine the manner in which these forms should be set out. Unlike leases, freehold property deeds tend not to be prescriptive on how communication between the homeowner and estate manager must be carried out. For this reason, the government are minded to allow homeowners to be informed by post or electronically and welcome views on this approach.

Question 33 and 34 of the consultation seek views on a new notice of future estate management charge demands.

Grounds (reasons) for extending the estimated demand date

Once a future demand notice is issued, the Secretary of State has powers to limit the amount that estate managers may charge as well as the time limit by when a

demand for payment must be made. Estate Managers may extend the expected demand date under specified circumstances.

For multi-year programmes of works, it is expected that estate managers issue a future demand notice for each new set of works. For existing works, where there is a further increase in costs incurred after the initial future demand notice, it is also expected that estate managers issue a further future demand notice to cover these additional costs incurred before the expiry of the existing demand notice and within 18 months of those costs being incurred. This is subject to any limitations imposed by the Secretary of State.

The government are minded to impose a limitation so that costs should not be recovered if the time limit has lapsed on the initial future demand form or capped if the estimate on the initial form has been exceeded. It is stated that this will encourage estate managers to provide as accurate an update as is possible and manage the works effectively and views are welcomed on this approach.

It is commented that there may be justifiable reasons why estate managers might sometimes need to delay asking homeowners for payment beyond the expected demand date, even if the total costs stay the same. The Secretary of State has the power to substitute the expected demand date with a later date. It is proposed that the only reason for extending the estimated demand date should be where there are delays to major works which have commenced but either not yet concluded or where the final account has not been finalised.

Views on the appropriateness of these grounds and if other grounds should be considered are sought in questions 35 to 37 of the consultation.

5.6 Enhanced rights to obtain information on request

Homeowners currently have limited access to information about how their estate is managed. Those who are members of resident management companies may have some rights under company law and the Articles of Association to see some documents, but not all homeowners have access to these rights. However, in many cases the right to see information rests on the voluntary policy and/or approach of each individual estate manager.

While estate managers will be required to provide more information to homeowners through the annual report, homeowners may still have further questions and want to

have access to various additional documents to understand matters in more detail. The government believe homeowners should have access to key documents to enable them to better understand how the communal areas are being managed and how their money is spent. It is believed that this may also help avoid disputes from escalating if homeowners can find assurance on a particular matter with the provision of additional information.

Information available on request should include access to documents that relate to items of expenditure in the estate management charge as well as those which deal with the management and maintenance of shared areas.

The Secretary of State has a range of powers to create a robust yet proportionate framework to ensure homeowners receive information they are entitled to therefore views are being sought on how to implement this new regime.

Information that can be requested from estate managers

Under section 80 of the 2024 Act the Secretary of State can specify the information that estate managers must provide to homeowners on request. That information must relate to estate management and must be in possession of the estate manager (or a third party). The government think there is a variety of information which estate managers and third parties hold, and which homeowners should be able to access. It is proposed that specifying in regulations what information should be provided by estate managers to homeowners; the proposed list of information is set out in table one of the consultation document. The information has been separated into financial and non-financial information. For the avoidance of doubt, the government intention is to ensure that the information that may be provided is information that we would normally expect the estate manager to hold. It would not therefore cover information that might be held by other public bodies, for example, His Majesty's Land Registry or local authorities, from whom information is obtainable using other formal mechanisms.

To ensure proportionality, it is also considered that the information made available must be relevant to the homeowner making the request.

The government welcome views on the appropriateness of disclosing the information listed in Table 1 and whether there is any further information that homeowners should be able to access. In addition, views are sought on the proposals to limit information solely to those documents which relate to services that the homeowner pays for.

Question 38 and 39 of the consultation seek views on the information that can be requested from estate managers.

How documents should be provided and time periods covered

It is stated that the government consider that requests for information made by a homeowner to an estate manager should be made in as easy a format as possible, which may, therefore, include verbally, by post or by electronically. Equally they are keen that any information and/or documents are provided by the estate manager by post or electronically. Consideration has been given as to whether there is a need for a standard form to provide clarity to estate managers and ensure that anyone within their organisation is able to pick up and acknowledge the request. However, this is not always justified since the nature of the requests may be very small, and at this stage the government are minded not to specify a standard form but would welcome views.

Estate managers should provide the requested information in an accessible format and manner where possible, including information obtained from third parties. Many people prefer to receive documents digitally, and so it is considered that estate managers may also provide this information electronically or by post.

The consultation proposes that homeowners can request documents from previous years for their period of ownership. Unlike leaseholders, homeowners have no longstanding rights to look at previous documents. Quite often the furthest back they look is three years, which is the timeframe by which some information is requested under the Freehold Management Enquiry form (FME1) used as part of the conveyancing process for prospective homebuyers. The government state that they are minded to be consistent with this experience for the home buying and selling process and therefore propose setting the limit at three years. However, welcome views on this approach.

Question 40 to question 43 of the consultation seek views on how documents should be provided and time periods covered.

Timeframe for providing requested information

The 2024 Act requires that estate managers must provide requested information within a specified time period. If they fail to do so, homeowners can apply to the appropriate tribunal. It is considered that the timetable for providing information should balance both the need to provide timely information to homeowners but also being fair and reasonable to the needs of estate managers and managing agents working on their behalf. The government consider that, in most cases, it should not

take longer than 28 calendar days to gather all relevant information requested by the homeowner and provide it to them. Though how feasible this is may depend on factors like the nature of the request, the number and size of documents requested, whether the estate manager holds the necessary information, and whether documents can be sent electronically. Therefore views are welcome views on this proposed time limit.

It is stated the that the government consider that extensions to the proposed 28-day limit should only be justified in specific circumstances. For example, where a large volume of information is required. Since estate managers should already hold most of the relevant proposed information, the cases for seeking extensions should be rare. Where the estate manager does need to seek information from a third party, our provisional view is that an extension should be appropriate in certain circumstances. These circumstances include where one of the following criteria are met:

1. Where a large volume of information is required from the third party
2. The information spans many years (for example information covering at least three different years)
3. The request involves acquiring information from more than one other party.

In such circumstances it is proposed that estate managers should have an additional seven days extension. In doing so, it is expected estate managers to provide a clear explanation to the homeowner of why the additional time is required. Views are welcomed on the extension period and the limited circumstances when it should be granted.

It is commented that there may be rare occasions where the third party is not traceable. In such circumstances it is recognised that so long as the estate manager has made reasonable enquiries, then it is reasonable to assume that the third party does not have the information and there is no duty on the estate manager to provide it. It is also recognised that the final arbiter of what constitutes a reasonable enquiry might be the appropriate tribunal if the homeowner wishes to pursue the claim and views would be welcome on this approach.

The Secretary of State also has powers to provide that a request for information cannot be made until the end of a particular period or until another condition is met. It is proposed to limit the number of requests that homeowners may make within each 28 day period to avoid endless ongoing, repeated requests. A limit of 3 requests is proposed and views would be welcomed on this, and as well as if there

are any other times when homeowners should be prevented from requesting information, for practical, operational or cost reasons.

Question 44 to question 49 of the consultation seek views on the timeframe for providing requested information|

Timeframe when information is required from a third party

The 2024 Act requires the Receiving Party to provide the requested information within a specified period. The governments provisional view is that 15 calendar days would be appropriate and that this period should fall within the estate managers 28 calendar day timeframe. This means that, in order to meet the overall 28-day limit the estate manager would need to identify early on in the time period that they did not hold the information and make representations to the Receiving Party and question 50 of the consultation seeks views on this matter.

Time period for inspecting documents in person

Currently, there is no requirement for estate managers to provide access for homeowners to inspect documents. Estate managers will be required to allow homeowners to inspect documents in person during a specified period, where the homeowner has requested to do so.

It is recognised that it might take time to gather the documents together. The governments starting position is that, where a homeowner wants to inspect documents, similar timescales should apply as to providing information directly. This means that the estate manager should have 28 working days to obtain the information and views are sought on this approach.

It is considered that the documents should be made available for a longer period of time after that initial period and views are being sought on whether three months would be appropriate.

The provisions in the 2024 Act allow estate managers to also inspect documents from the Receiving Party. Such a request might arise, for example, in order to obtain or verify information that needs to be passed on or made available to homeowners. It is expected that such requests to be rare and, where they are made, consider that the Receiving Party should collect information and make facilities available within 10 working days. It is also proposed that the estate manager should have a limited period of time to access the information and propose that it should be able to inspect documents within 15 calendar days.

It is commented that where estate managers invoke their right to inspect documents from Receiving Parties, they are very unlikely to be able to meet the proposed requirement that information should be provided to homeowners within 28 days. Homeowners will face additional delay in obtaining information from the estate manager. For this reason and in such circumstances the government are minded to extend the period of time that the estate manager needs in order to comply with the request for information from a homeowner, by a further 15 calendar days and welcome views on this approach.

Question 51 to 53 of the consultation seek views on the time period for inspecting documents in person.

Exemptions from the duty to comply with an information request

The consultation document stated that there may be circumstances where it is not appropriate for estate managers to comply with providing requested information set out in Table 1 to homeowners. The government are minded to provide exemptions to estate managers to provide information on request to homeowners in only limited circumstances. It is proposed that exemptions should be limited to:

- Commercially sensitive information:
- Vexatious requests:
- Information that is not directly related to activities for which the estate management charge is payable.

Question 54 of the consultation seeks view on exemptions from the duty to comply with an information request

6. Administration Charges

6.1 Meaning of "administration charge"

It should be noted that in this section of the consultation, Welsh Ministers have delegated powers in relation to administration charges. Welsh Ministers are carrying out a separate consultation in respect to this specific section.

Sections 83 to 87 of the 2024 Act create a new regulatory framework surrounding the payment of an administration charge. These are one-off charges which may be charged to individual homeowners, in addition to the estate management charge, for specific requests. Section 83 of the 2024 Act defines the type of requests or circumstances which are to be considered and not to be considered an administration charge. Furthermore sections 86 and 87 of the Act, when

commenced, will require that all administration charges must be reasonable and can be challenged at the appropriate tribunal.

Section 83(3) of the 2024 Act gives the Secretary of State and Welsh Ministers powers to amend the definition of administration charge. The government state that the starting point is that the definition does not need to be changed, but propose to keep this under review should any changes be needed in the future but would welcome views are sought on this position in question 55 of the consultation.

6.2 Duty to publish administration charge schedules

It is stated that as part of driving up transparency of costs, the government want to ensure that homeowners receive greater upfront clarity on administration charges they may be liable to pay.

Section 84 of the 2024 Act introduces a new requirement on estate managers, who expect to charge an administration fee, to publish an administration charge schedule showing the administration charges that individual homeowners may be liable to pay. Estate Managers will be required to provide homeowners with an updated schedule if there are any changes, and, under section 86, are not able to charge any new charges until 28 days after the revised schedule is published.

Form and content of the administration charge schedule

The new administration charge schedule should be clear, easy to understand and detailed enough to inform homeowners about potential costs. If an exact cost cannot be provided up front, an alternative method for calculating the cost should be included. It is proposed that this should include estimated costs for the parties involved, providing the homeowner with an indication of what the charges are likely to be. Annex D of the consultation document contains the proposed structure and contents of the administration charge schedule, which sets out fixed costs where an exact cost can be provided and variable costs where information on how the estimated cost is calculated is set out. Question 56 of the consultation seeks views on the form and content of the administration charge schedule.

Manner of providing the administration charge schedule

It is proposed that estate managers provide a copy of their administration charge schedule in the annual report for all homeowners and it is proposed that they should provide any updated versions to homeowners separately when the changes are made. It is also propose that the schedule must be made available upon request at any time.

Question 57 and 58 of the consultation seek views on the proposal regarding the Manner of providing the administration charge schedule.

7. Major Works

7.1 Introduction

The UK government recognises that there may be some non-cyclical maintenance, repairs or improvements to communal areas on estates where homeowners will be required to make one-off contributions. This will most likely occur where the infrastructure on the estate ages, for example if a major road requires resurfacing or redevelopment of a playground. It might also include, for example, installation of electric vehicle charge points on streets or in communal car parking areas.

The proposed new annual report is aimed to give homeowners advance warning of planned future major works. In addition, the government consider that it is important that homeowners get an opportunity to have a say about the works to be carried out and who should carry it out. Section 75 of the 2024 Act therefore transposes the broad framework of the Section 20 major works regime process that apply to leasehold blocks, and in doing so retains sufficient flexibility to adjust it to fit the specific requirements of homeowners on private and mixed tenure estates.

It is stated that this approach should ensure that homeowners who pay estate management charges have a proper opportunity to consider, and comment on, proposals before decisions are made. It is recognised that there may be conflict on occasions between the estate manager and homeowners over prospective works even where the estate manager is resident-led. While the ultimate decision will rest with the estate manager, the proposals seek to provide a sensible solution to facilitate a reasonable compromise.

7.2 Scope of Works

Section 75 of the 2024 Act allows the Secretary of State to set two potential financial thresholds, above which consultation will be required for carrying out works. The government state that they are keen to set the level at a figure which genuinely captures major works and does not interfere with the day-to-day activities that the estate manager carries out. It is recognised that overall, estate management charges are generally lower than leasehold flat service charges, and that complying with major works requirements in leasehold flat blocks can be time-consuming and expensive. The thresholds must therefore be proportionate.

The first threshold is the cost to the individual homeowners and it is proposed to set the threshold at which prior consultation is required at £600 per homeowner in line with that proposed for leaseholders as set out in the consultation Strengthening leaseholder protections over charges and services. It is considered that this represents a balance between informing homeowners and allowing estate managers to carry out their tasks efficiently.

The second threshold concerns the total value of the works to be carried out. There may be some works where although the total cost per leaseholder may not be as much as the threshold for individual homeowners, the overall cost may be sufficiently significant that homeowners should have a right to understand what works are to be carried out. This is particularly the case on larger estates, where the overall costs of some major works will be apportioned more widely.

To assist the government set an appropriate threshold views on costs of large projects on individual estates are being sought. However, it is considered that the overall cost of works should be high before the consultation arrangements are triggered.

The government recognise that, with regard to the leasehold consultation process, there has been some uncertainty as to what counts as "works". For the avoidance of doubt, it is proposes that the thresholds mentioned include associated costs that may also be passed on to the homeowner, as well as the cost of the works alone.

Question 59 to question 61 seek views on the proposal for major works.

7.3 Consultation requirements

Section 75(7) of the 2024 Act sets out measures that the Secretary of State may include as part of the proposed consultation requirements. The government are keen to ensure that there is meaningful consultation with homeowners, but at the same time develop arrangements that avoid needless bureaucracy and administrative costs on estate managers. It is recognised that the responsibility for carrying out the works, and ensuring that it is done to an adequate standard, rests with the estate manager. The government comment that clearly, in some cases, conflicts may arise, and it will not be possible to fully address the concerns of all parties.

It is proposed to mimic the existing notice-system that must be served for leaseholders, being a three-stage process as set out below.

Stage 1: Initial notice (Notice of Intent to carry out major works)

Under stage 1, estate managers will be asked to provide a proposed notice of the works to those homeowners who pay an estate management charge. This should include the following minimum information:

- details of the proposed work including the period when it will be carried out
- reason for carrying out the work
- an initial estimate of costs
- an invitation to make written observations to the proposed works (to a specific address)
- the date by when observations should be made
- a statement to formally invite homeowners to nominate a suitable person from whom the estate manager should be able to obtain an estimate, along with any minimum requirements stipulated by the estate manager (e.g. level of public liability insurance, required accreditations and qualifications, health and safety policy, references)
- any other observations that might be relevant (including for example, how long the work might take, possible disruptions).

It is proposed that homeowners would have 21 days to make observations on the proposed works, and to exercise their right to nominate a contractor. The estate manager would have to have regard to any observations made.

In addition is proposed, that the Notice of Intent should be set out in a prescribed form and a mock up is in Annex E of the consultation and welcome view are being sought on the notice of intent form.

Where the homeowners exercise the right to nominate a contractor then estate managers must ask that nominated contractor for an estimate should they meet the minimum requirements set out in the Notice of Intent. If there is more than one nomination then the estate manager must invite all nominated contractors.

Following this, it is proposed that the estate manager would be required to obtain at least two estimates for the works (or more if homeowners invite more than one contractor). With a view of promoting competition and encouraging value for money, the government consider that estate managers are able to obtain estimates from contractors of their choice but propose that at least one of the estimates should be from a person not connected with the estate manager. It is considered that a person who is connected with the estate manager is either:

- on the board of the estate management company
- a close relative of an employee of the estate management company; and

- that person in (a) and (b) is also a director or manager of the company that has been nominated to bid.

Where the contractor(s) nominated by homeowners do provide an estimate then this/they must be included as one of the notification of estimates as described below.

Stage 2: Notification of estimates

Once the estate manager has completed any tender process and obtained at least two estimates it is proposed that they should issue a notice of proposals. This should include the minimum information:

- description of the works, including any major changes to the original proposal
- details of all relevant estimates obtained to carry out the work
- a rough estimate of likely homeowner contributions for each estimate
- response to the notice of proposals
- updated timelines for the carrying out of the works
- A statement to make on any observations received from homeowners (e.g. to explain why they do not consider some estimates are valid)
- A statement to formally invite homeowners to comment on the proposed estimates by a specific date. We consider that this should be 21 days
- An address or email to request information and to send observations.

A mock-up of the prescribed form is included as Annex F in the consultation.

Stage 3: Notification of reasons

Following receipt and consideration of any homeowner views of the estimate, the estate manager will be able to award the contract. It is proposed that the estate manager informs homeowners of details of who was awarded the contract and the expected time and duration of the works. Furthermore, in cases where the estate manager does not let the contract to the cheapest contactor, it should explain the reasons for doing so.

A mock-up of the prescribed form is included as Annex G in the consultation.

Question 62 to 64 in the consultation seek views on the proposals regarding the consultation requirements.

8. Other consultation issues

Given that many homeowners already receive information from their estate manager by electronic means it is proposed to specify that the required notices must be served electronically or by post and views are welcome on this approach.

Estate managers may apply to the appropriate tribunal to be able to dispense with the requirements to consult. If the estate manager fails to consult in line with the agreed process, and in the absence of dispensation from the consultation requirements under section 75(5)(b) of the 2024 Act, the estate manager is limited to only recovering costs to the proposed threshold above which the consultation measures take place.

It is commented that although the Secretary of State does not have any powers in the 2024 Act in relation to dispensation, the government are welcome views in question 65 and 66 of the consultation on any issues or concerns with this dispensation requirement and this

9. Appointment of a substitute manager

Sections 89 – 93 of the 2024 Act introduce measures which allow homeowners on privately managed estates to apply to the appropriate tribunal in order to appoint a substitute manager to replace the estate manager. Homeowners on estates are currently without the ability to replace the estate manager where they are consistently failing to fulfil their duties and provide a quality service.

The measures introduced in the 2024 Act will make it possible for homeowners to apply to the appropriate tribunal to request that a substitute manager is appointed to manage the estate. The way in which the government propose that the new arrangements will work are set out in Diagram in the consultation document.

9.1 Notice of Complaint

Section 89 of the Act sets out that the first step to commencing this process is via issuing a 'Notice of Complaint' in relation to an estate manager. This can be in the form of an individual complaint or of a joint complaint submitted by multiple homeowners or multiple individual complaints, as long as the homeowners and complaints are directly linked. It is intended that the notice will be provided to the estate manager and from the point of issuing this, they will have a period of six months in which to rectify the matters contained in the complaint.

Section 89(2) requires that the notice must include the grounds of complaint and a statement that, if the complaints are not remedied within six months then the

homeowner may make an application to the appropriate tribunal to appoint a substitute manager. The grounds for a complaint are:

- The estate manager is in breach of an obligation in relation to the dwelling or, if the obligation is dependent on notice, would be in breach but for the fact it has not been possible to give the estate manager the appropriate notice
- Sums payable through the estate management charge are not being applied in an efficient and effective manner
- The administration or estate management charge payable or likely payable is unreasonable
- The estate manager has failed to comply with an approved Code of Practice.

Section 89(2)(c) gives the Secretary of State power to specify other information to be included in the Notice of Complaint. The government propose that, in addition to the requirements in section 89(2)(a) and (b), the complainant should:

- provide evidence to back up the complaint.
- provide details of those homeowners who are making the complaint.

The government welcome views on this or whether there is further information that should be provided at the Notice of Complaint stage. A proposed form of the contents of a Notice of Complaint is included as Annex H in the consultation.

Section 89(6) gives the Secretary of State the power to determine when a Notice of Complaint is given. It is already the case that, in order to exercise the right to appoint a substitute manager, homeowners must be paying an estate management charge. The government propose that, in addition, two further conditions must be in place:

- the Notice of Complaint may only be given once homeowners have exhausted the estate manager's complaints process. Where the estate is being managed by a managing agent on behalf of the resident management company, then homeowners must have exhausted the managing agents' complaints process; and
- the communal areas of the estate are not in the process of being adopted by the local authority, or being transferred to residents via some other mechanism (for example if an embedded management company is in the process of transferring ownership and responsibilities to a resident management company).

It is recognised that there may be cases where a complaint is made on exactly the same issue by more than one person who is unaware that another homeowner has made the same complaint. In such circumstances the six-month period would start

with each Notice of Complaint. If homeowners became aware of another complaint after serving an initial notice, for example through the proposed annual report, then there is scope to combine complaints at subsequent stages.

Question 67 and 68 of the consultation seek views on the notice of complaint.

9.2 Final Warning Notice

Once homeowners have given a Notice of Complaint to the estate manager, they are required to give the estate manager 6 months to rectify the problem.

Should homeowners decide after this time has lapsed that the situation has not changed sufficiently, the next step is to issue a Final Warning Notice. This notice must include greater information than the Notice of Complaint, and include:

- the name of the person or persons giving the notice
- the address of their dwelling (or addresses of each dwelling)
- if different, an address (or addresses) at which a person may give notice to that person in connection with the application
- a statement that the intention is to make an application for an appointment order for the estate
- the grounds on which the appropriate tribunal would be asked to make such an order and the matters that would be relied upon for the purpose of establishing those grounds.

There are slight differences on who may issue a Final Warning Notice. If a notice of complaint was issued jointly, then the Final Warning Notice must be submitted by the same people. However, people who did not sign up to a Notice of Complaint are able to sign up to a Final Warning Notice.

The Secretary of State has powers to require additional information as part of the Final Warning Notice. At this stage the government is minded to require the same information as for the initial notice, namely: - provide evidence to back up the complaint. This is likely to include relevant information from the Notice of Complaint but supplemented by further, fresh evidence that arose during the notice of complaint period. This might include failure by the estate manager to engage on the issue or photographic evidence of problems emerging; and - provide details of those homeowners who are issuing this Final Warning Notice.

Section 91 of the 2024 Act provides details out which homeowners must sign up to the final warning notice for it to have effect. As a starting point all homeowners who were part of the initial notice of the complaint must also give the final warning notice. If a homeowner is unable to remain party to the complaint then the other

owners cannot progress to make an application to the appropriate tribunal unless one of two conditions are met: - A homeowner who issued the initial Notice of Complaint no longer owns the property; or - The appropriate tribunal decides that because of the urgency of the case it would not be reasonably practical for all the original complainants to be party to the Final Warning Notice or application for an appointment order.

A mock-up of the proposed Final Warning Notice is at Annex I of the consultation.

Section 91(3) of the Act allows new homeowners to be added to names of homeowners who issue a final warning notice, alongside those who issued a Notice of Complaint. Homeowners who do not issue a Final Warning Notice may not be part of an application made to the appropriate tribunal to request the appointment of a substitute manager.

Section 91(9) also gives the Secretary of State the power to determine when a Final Warning Notice is given. It is proposed to place a condition that this notice must be given within 12 months of the Notice of Complaint, since there will be very few circumstances when there will be outstanding matters relating to the same complaint after this period. We also consider that it is not appropriate that a formal Notice of Complaint can stand indefinitely.

Question 69 to 72 of the consultation seeks views on the final warning notice.

9.3 Exemptions from the appointment of a substitute manager

Section 92(1) of the 2024 Act gives the Secretary of State power to prevent the appropriate tribunal from appointing a substitute manager to individual or specific descriptions of estate manager. The government state that the starting position is that there should be no exemptions since all estate managers, whether private or resident-led, should be accountable to homeowners. However, this issue will be kept under review and question 73 of the consultation seeks views on this position.

Part 3: Further government action to tackle the injustices with 'fleecehold'

10. Further government action

The government state that the injustices faced by homeowners on privately managed estates are longstanding and ongoing. While the measures set out in Parts 1 and 2 above will provide greater protection for homeowners, the government states it is

taking further action, to protect existing homeowners and improve their experience of living on privately managed estates.

10.1 Regulation of managing agents

Managing agents play a key role in the maintenance of multi-occupancy buildings and privately managed estates and their importance will only increase as commonhold becomes the default tenure. It is stated that there is no legal requirement for agents to demonstrate that they possess the required knowledge and skills to carry out the required functions. The government is committed to regulating managing agents of leasehold blocks and privately managed estates. As a first step, the UK and Welsh governments consulted on minimum qualifications in our consultation on Strengthening leaseholder protections over charges and services published on 4 July 2025. The consultation closed on 26 September 2025 and the UK and Welsh governments are considering the responses.

10.2 Advice for homeowners on unadopted estates

Homeowners subject to estate management charges often do not know who to turn to for advice on their rights and responsibilities and have to fund any advice they seek themselves. The government wants to make sure that homebuyers have access to high quality information and advice on estate management issues, and what they can do when things go wrong. The Secretary of State already has specific legal powers to fund advice for leaseholders and commonhold homeowners but does not have express statutory authority to fund the provision of advice, information and guidance to owners of homes living on privately managed estates and subject to estate management charges. Therefore, the government will seek to legislate so that the Secretary of State can fund advice for homeowners subject to estate management charges to make it fairer for those subject to estate management charges. Alongside this change in the law, the government will explore which body is best placed to provide free specialist advice to homeowners.

10.3 Empowering homeowners to take control of their estate

Some homeowners may already manage the estate through a resident-led management company, but they do not have the right to set up a management company to take over control, in a similar way as qualifying leaseholders may do for their buildings using existing Right to Manage arrangements under the Commonhold and Leasehold Reform Act 2002

The Law Commission published its 14th Programme of Law Reform on 4 September 2025 which includes their project on the management of housing estates to solve

this technically complex issue, alongside the Ministry of Housing, Communities and Local Government as the sponsoring department for the project. It is stated that the project will consider how to empower residents by giving them greater control over the management of their housing estates. It will examine whether the right to manage regime which benefits leaseholders could be adapted to apply to privately managed estates, and any additional or alternative solutions to the problem of estate management.

10.4 Improving the home buying and selling process

The consultation document states that the current home buying and selling system is slow, costly and uncertain. To alleviate the situation on the 6 October 2025 the government announced the biggest shake-up to home buying in this country's history . As part of this announcement the government launched consultations on reforming the home buying and selling process and providing more clarity on what information should be included upfront in property listings. It is stated that this will enable prospective homeowners to have greater upfront information about their home to enable them to make an informed decision. The consultations closed on 29 December 2025. These measures will benefit homeowners on privately managed estates in England and Wales. However, it is recognised that even with this additional upfront information homeowners will likely require more detailed financial and other relevant information from the estate manager so they can make fully informed decisions about whether to purchase a property on such an estate. To address this, it is stated that the UK and Welsh governments will bring forward measures from the 2024 Act to speed up the provision of information for homeowners subject to estate charges who wish to sell their property and protect sellers from unreasonable fees when requesting this information. The government, also commit to consult on implementing these measures, including capping fees, in 2026.

10.5 Going further to tackle injustices and enhance consumer protection

It is stated that the consultation document sets out the actions that government already taking action to start to tackle many of the injustices associated with living on a privately managed housing estates, however it is commented that they want to make sure that they are capturing all of the relevant injustices existing homeowners face - outside of issues of amenity adoption which is being considered through our consultation on reducing the prevalence of unadopted estates - and explore what else we should be considering.

Question 74 and 75 in the consultation seeks views on going further to tackle injustices and enhance consumer protection.

Part 4: Other issues

11. Rentcharge arrears

Section 113 of the 2024 Act introduced greater protections for landowners (including homeowners) who fail to pay a regulated rentcharge 40 days after its due date, regardless of whether the rentcharge was demanded. Rentcharge owners are no longer able to take possession of the property or grant a lease (a rentcharge lease) over the property. These provisions did not apply to any landowner in cases where, before 29 November 2023, the rentcharge owner had taken advantage of their right of remedy under sections 121 of the Law of Property Act 1925 ("1925 Act"). The 2024 Act also introduced a process that requires owners of regulated rentcharges to issue landowners with a demand for payment of rentcharge arrears before taking action to recover or compel payment (section 120B and 120C of the 1925 Act). Section 120B(6) of the 1925 Act provides that the landowner is not required to pay the rentcharge owner's costs of preparing and a demand for payment. It is commented that the Secretary of State has powers to limit the amount payable by landowners, indirectly or directly, in respect of action to recover or compel payment of any unpaid regulated rentcharge and it is recognised that, following the initial notice, rentcharge owners may seek to pass on administrative costs incurred when:

- serving any follow-up letters to chase payment if the homeowner does not respond to the statutory notice
- making an application to the small claims court to recover payment
- employing a debt recovery service to recover the costs.

Given that the level of rentcharges payable is very small, the government consider that the most likely form of seeking recovery of unpaid rentcharge arrears is through the small claims court. In such cases there are already established rules on the level of costs that may be recovered from homeowners under existing Court Procedure Rules

It is recognised that there may be an indemnity costs provision in a rentcharge lease which allows the rentcharge owner to seek their costs in full. The government state that they do not want to override or cut across these provisions. However, they consider that rentcharge owners may, in future, seek to instruct a debt recovery company to recover payment and do not consider that this is a proportionate mechanism to recover such small sums, and the administration costs incurred or charged by the debt recovery company will significantly outweigh the unpaid rentcharge. Given this it is proposed that, while the homeowner should be liable to

pay some administration costs, it should be significantly limited to reflect the cost of making an agreement.

On this basis the government consider that the maximum administration fee payable is as follows:

- for all steps incurred by the rentcharge owner in instructing a debt recovery company to compel payment of the rentcharge arrears, we propose a sum of £100
- in all other instances, no fee is payable except for those that homeowners are ordered to pay by the courts (for example under the Civil Procedure Rules).

There is no intention to prevent rentcharge owners from passing on the costs payable by landowners in respect of fees charges to His Majesty's Land Registry to amend any title or property deed. Question 76 and 77 of the consultation seek views on these proposals.

12. Other information

Impact on environment and protected characteristics

In addition to the more specific policy design questions, the government state that they are keen to understand perceived impact in a range of areas.

The Public Sector Equality Duty, set out in the Equality Act 2010, requires the government to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relationship between different groups. Therefore, question 78 to question 81 of the consultation are seeking views on potential impacts on these groups.

APSE Comment

APSE recognises the issues that the consultation on enhanced protections for homeowners on freehold estates is seeking to remedy, when the current system fails for homeowners, they often look to their elected member and or local authority for assistance. Local authorities will often face demands to improve poor quality 'public' realm, greenspace and play parks which are in fact not within their ownership or

control. This is also the case in respect of roads and other hard surfaces. This leads to frustration for residents and homeowners and limits the interventions that local councils and councillors can make in ensuring high quality local areas. These welcome proposals seek to redress the balance and place better controls, powers and a regulatory framework back into the hands of local residents.

APSE particularly welcomes the changes to allow advice to be provided by the Secretary of State, which addresses the power imbalance between those holding the ability to make estate management charges, and residents who have faced unfair charges and services, and in many case a draconian framework, of payment enforcement.

Although not in the remit of local authorities in England and Wales, all the component parts of the housing sector need to work effectively, and the outcomes of the consultation could assist in ensuring that homeowners living on estates subject to these charges are treated fairly which has a benefit on the wider community.

Vickie Hacking
Principal Advisor

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