



Home Owners Rights Network Press Release

Freeholders and Leaseholders on Private Estates - A New Third Class of Home Owners

Dear Editor

New build home owners are being dragged to court by developers as their new home dream turns into an ugly nightmare.

There is a silent revolution going on in the new build property market, which no one seems to know about, least of all the actual home owners and their conveyancers. This new model has crept in without democratic scrutiny or discussion and over the past 10 years or so has become the industry standard for the major volume house builders.

Major developers like Persimmon, Taylor Wimpey and Charles Church are typically retaining areas of land that consist of flowerbeds, grassy areas and parks built on new build developments under their control rather than passing these public open spaces into the care of local authorities.

Home owners who have purchased homes from these developers are finding themselves burdened via their title deeds into paying to maintain these shared public open spaces. With an average new build site paying £40,000 (per year) in management fee, where it mainly consists of having grass cut, it is no wonder that home owners are angry and are feeling exploited.

“Residents have no choice in which company carries out the work, the charges are over inflated and the quality of work is substandard.”

“We have no right to manage unlike leaseholders who are covered under the rights to manage act, and we have no form of arbitration apart from going to court.

After these home developers have your money they simply do not want to know you. We are in such a ridiculous situation it beggars belief and we question why the government ignores our call to regulate this industry” says John Clarke from Lochmaben in Scotland.

“It is simply a scheme designed to line the pension funds of some very rich people who care very little about actually providing a decent service or feel they need to be accountable to residents. What they are doing is retaining ransom strips of land for residents who buy their homes,” says Sam Burdett from Telford in Shropshire.

“We discover more and more about this set up everyday as more people join our network and we have started a petition to ask the government to pay attention. We ask everyone to sign it to support us in our fight to live with dignity in our homes, a right that has been taken away with the constant threat of being dragged through court if we withhold payment.”

“I agreed to pay a management fee when I purchased my home.” Says Halima Miah from Rochdale.

“Four years later with no information, no communication from either Persimmon or from the management company, suddenly we start receiving invoices without any proper explanation of the charges.

While we started making enquiries to understand the breakdown of the invoice because their management fee was far higher than the actual cost of the grounds work, they started threatening us and adding fines to our invoices.”



A picture of a park built by Persimmon in Rochdale, Greater Manchester

“This park which Persimmon have built which is meant to benefit my community is open to ALL members of the public and built to a really poor standard. We have a situation where dog walkers are using this park as a dump site and teenagers are also vandalising the equipment. We are forced to pay near £25,000 to maintain this as well as pay full council tax.

After nearly three years of fighting this injustice, no one is still able to give me a straight answer of who approved this park. It's an abdication of responsibility by my councils planning department which is not fit for purpose in my opinion. This was the best Rochdale Council could extract from Persimmon under the section 106 agreement!”

“We apparently have to pay this charge despite the fact that we residents cannot permit our children to use the park which consists of 3 basic equipment fit for 2 year olds and is littered with dog poo. As far as am concerned, the people behind Persimmon do not have a moral conscience.”

“It's my children who lose out! While their man at the top Jeff Fairburn is making obscene amounts of money subsidised by the tax payer! I wonder if he has children and would he be happy for this kind of standard for his children?”

<http://www.dailymail.co.uk/news/article-3639837/Mr-100m-Outrage-bonus-boss-housing-firm-propped-taxpayer-funded-Help-Buy.html>

Persimmon have stated they do not profit from this set up but some members of HorNet have discovered this to be incorrect.

“Our development is huge and is being built in phases by Persimmon and Taylor Wimpey. Each phase has its own management company with Persimmon and Taylor Wimpey as 50% shareholders. These “companies” have a director from each builder and NO staff. They are merely money collecting devices to pay the builders for looking after their own land. Having a company for each phase allows them to collect money before the whole development is finished. We are working together with home owners from all parts of the United Kingdom to expose this enormous injustice.” says Cathy Priestly from Newcastle.

Home owners are angry! A home is place where we should be able to unburden our soul. Where we nurture our families. A place where we are meant to feel safe and secure.

For many it will be one of the biggest financial commitments we will ever make in our lifetime.

Surely when we have a situation where we have more consumer rights in purchasing a kettle then buying a home! We need to question why the law does nothing to protect us properly?

“Some of us are quite frankly struggling to provide food on the table for our families, yet we are being forced to line the pockets of these millionaires or face being taken to court. They are charging my development £30,000 per year to cut grass. The developers seem to have a really

cosy relationship with the management companies and this scheme is making some very shrewd people who are exploiting this unregulated industry, extremely rich.

This set up goes against natural justice. We live in a democracy so why do we not have rights to remove a company who's service we are not happy with?" Says Lloyd Woodray from Wigan.

Some home owners are taking direct action against the developers who implemented this scheme. You can guarantee there will be more of this from members of Home Owners Rights Network.

"Our local authorities and the developers should be hanging their heads in shame at exploiting home owners in this way but what can I say money talks louder then retaining a moral conscience in this industry says"- Tracey Thatcher from Telford in Shropshire.

(A recent protest held outside a Taylor Wimpey consultation meeting in Shropshire.)

Telford homeowners furious over Taylor Wimpey maintenance bill

Angry residents picketed a meeting of a housebuilder who they claim did not inform them they would have to pay a charge to maintain their road.



Homeowners from Sankey Drive in Hadley, Telford protesting outside the Taylor Wimpey consultation meeting

(Source <http://www.shropshirestar.com/news/2016/06/18/telford-homeowners-furious-over-taylor-wimpey-maintenance-bill/>)

"It's great to see home owners from across the UK uniting behind HorNet," says Paula Hoogerbrugge, who has been campaigning against Greenbelt, a land maintenance company for the past 10 years in Scotland.

"Home owners are really waking up now to the fact that when they buy their new build homes, they're also unwittingly signing up into an unaccountable monopoly. The only way people can escape from these arrangement is to sell their home.

Home owners have no powers to change providers if prices soar or if the land is not maintained, which is often the case.

As in any monopoly scenario there's no incentive for these companies to deal fairly with the people beholden to them"

"My advice to anyone thinking of buying a new home in the UK is don't! Check the title deeds before you buy your home to find out what land maintenance arrangements are in place, if it looks like you have no powers to fire the company involved, walk away!"

Home Owners Rights Network is calling on the government to implement the 10 recommendations of the APPG Inquiry into the quality of new homes.

We need legislation in place so that private roads, sewage pipes, street lighting and public open spaces are adopted by the highways authority and local authorities immediately after a development is completed. We need a regulatory body to make sure build quality is up to scratch that is truly independent.

Currently this industry is self regulated as corporates like the NHBC are paid for by the builders. This is why so many new home owners are having so much problems on such an unprecedented level.

Property developers tend to barely mention this charge at the point of purchase. Many home owners are advised during the sale to use a solicitor appointed by the developers in order to waive of any legal fees. There is a clear conflict of interest and it is affecting home owners. No one in their right minds would ever sign a contract if this set up was properly explained to them at the point of purchase. This charge which is added as a covenant is effectively a blank cheque handed over to developers.

This type of business model is not fit for the 21st century. Developers like Persimmons are typically selling of these ransom strips of land to the management companies they nominate, effectively creating a monopoly.

We are Home Owners Rights Network and we are fighting back. If you are in this situation and we know thousands are then we ask that residents communicate with us and check out our website.

<https://www.homeownersrights.net>.

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We are looking to start a test case in the near future and for this we need people power. Gone are the days when we are made to feel powerless in fighting these corporate giants. Companies like Persimmon, Hazelvine, Taylor Wimpey and Greenbelt should know that they have kicked up a hornets nest and we will come out stinging!