

Press Release from HorNet (homeownersright.net) July 26th 2017

This is our response to the government's Department for Communities and Local Government announcement for radical plans to crack down on 'unfair' and scandalous leasehold practices.

We welcome the government's acknowledgement that there are unfair practices in the housing sector and the new build industry in particular.

The doubling ground rent leasehold scandal is just one example of the difficulties home owners face. Here is another in the new build sector:

In the last 10 years, it has become the norm for new build estates to remain in private hands, and not put forward for adoption as in the past.

The result is that public open space remains in private hands with the estate home owners being forced to pay for its maintenance either through covenants in their deeds for freeholders or clauses in the lease for leaseholders.

The management companies which levy the charges are often embedded in the deeds, so there is no choice of provider, they are not accountable to the home owners in any way, there is no cap on the costs, and no alternative dispute resolution. In many cases, services are not being provided or when they are, represent poor value for money.

The government have so far failed to recognise freeholders on private estates (jokingly known as fleecehold) as a legal entity, and as a result, there is no regulatory framework to protect home owners from exploitation.

Local council officials do not understand the impact on home owners because they are unaware of the biased nature of the covenants or lease clauses. They continue to grant planning permissions for private estates.

HorNet are informed that the governments consultation does include some questions around estate maintenance fees, and we welcome this.

We hope that the consultation is the prelude to some effective action to curb all the abuses based on feudal property laws. We urge the government to consider wholesale property law reform to make it fit for purpose in 21st century. With Brexit impending, it is a perfect opportunity to modernise property law for a strong and united Britain. Scotland has already abolished leasehold, but has not yet adequately addressed the private estate model.