



SCRAP ESTATE CHARGES

STOP THE ROT ! ADOPT THE LOT!

HorNet's Statement on the Governments Response to the CMA Housebuilding Market Study Nov 2024

We welcome mandatory adoption and common adoptable standards for the future – this is great news for future estate dwellers and their surrounding communities.

The big issue the government is missing is that without retrospective action they will create a two tier system with the 3 million homes on existing privately managed estates suffering further detriment and devaluation. Few buyers in the future will opt for a home with estate charges if they can choose one without. It won't matter how many regulations are put in place for managing agents or rights to redress. There are 6 million plus voters here who are waiting to be rescued. The Labour manifesto promised change – so far, we have no real action on estate charges (or on Leasehold for that matter). Simply monitoring the effects of regulation of the type in the LAFRA is not good enough – more drastic action is needed, especially as there is an ongoing cost of living crisis with no help available for those in financial hardship over estate charges.

Prohibition of embedded agents is a short term botch which would not be needed if universal adoption was implemented. Some estate residents have worked with their parish councils and been adopted. It can be done. Right to manage could be an intermediate step – once residents have control, they can negotiate adoption. Funding the adoption of existing estates could potentially come from a number of sources and needs some creative thinking rather than just relying on council tax. For instance, councils could adopt substandard and fund remediation from future CIL payments.

If the government really wanted to help existing estates, they should consider council tax discounts where public amenities are being funded by private estate management. Residents whose hopes were raised by election promises now feel as if stopping their exploitation is not a priority and that the whole issue of existing unadopted estates is being kicked into the long grass. Even though the CMA have urged the devolved nations and Westminster to look at adopting existing estates, the government have not responded to this recommendation and simply wish to monitor how the provisions in the LAFRA will help. Even this will have to wait until they get round to creating and enacting the secondary legislation required.

Home buyers do not wish to become estate managers – why should they take on a part time unpaid job in self-defence against exploitation? The situation is entirely different to managing shared spaces in apartment blocks. LEASE should stick to this. Private estate management is only appropriate in gated communities. Training and support for them is appropriate, but not for developments with public spaces and flood water management.

The local authority has the expertise and economies of scale to manage public spaces. Adoption ensures construction standards are high and enforcing these standards avoids long term blight. Adoption is a much better deal for both the estate residents and the wider community.

Labour has stated in opposition and again in the King's Speech they will end the injustice of fleecehold. What they actually mean by this is open for interpretation. For us, this can only mean universal adoption. There is no other remedy which addresses all of the unfairness of unadopted estates. HorNet calls on the government to change course and consider universal adoption which will enable homeowners to take back control of their lives and help them move forward from the blight of living in a privately managed estate and we will call to #StopTheRotAdoptTheLot at every opportunity.