



Reducing the Prevalence of Private Estate Management

Consultation Response | March 2026



About the Consultation

UK Finance is the collective voice for the banking and finance industry. Representing around 300 firms across the industry, we act to enhance competitiveness, support customers, and facilitate innovation.

On 18 December, MHCLG published two consultations targeting issues with the private estate management system across England and Wales: [Enhanced protections for homeowners on freehold estates](#) (England & Wales), and [Reducing the prevalence of private estate management](#) (England).

We welcome the opportunity to respond to these consultations. Given the subject matter, we have consulted widely across our membership to attain views from a broad range of firms, with different business models and customer bases. Aspects of these consultations are geared towards stakeholders involved in the ownership, management, financing and occupation of residential property - as a result, not all questions are answered.

Our high-level views and responses to the consultation paper *Reducing the Prevalence of Private Estate Management* are set out below, and we would be happy to discuss this submission in more detail if that would be useful.

From a mortgage lender perspective, the priorities of this consultation are to support homeowners and reduce risk for lenders, ensuring:

- ▶ **Stable homeownership**
- ▶ **Protected customers; and**
- ▶ **The maintained, long-term value of residential property assets.**

Broad support is given to measures which enhance transparency, reduce homeowner risk, and promote consistent standards in the provision and management of estate amenities. However, the impact these proposals could have on investors should also be taken into consideration. We will continue to engage with MHCLG to ensure policy and regulatory interdependencies work for property owners and mortgage lenders.

If you have any further questions or comments regarding this response, please contact either @ursula.hall@ukfinance.org.uk or @ronnell.reffell@ukfinance.org.uk

Reducing the Prevalence of Private Estate Management

[Reducing the prevalence of private estate management arrangements - GOV.UK](#)

Part 1: Reducing the prevalence of private estate management arrangements and increasing amenity adoption.

Members support the greater adoption of essential infrastructure (roads and sustainable drainage systems) by local authorities and utilities. This reduces long-term risk for homeowners and lenders. This will address many of the issues associated with estate management charges, by reducing the need for private charging and enforcement mechanisms to fund and maintain essential services. This in turn mitigates risks associated with opaque charging structures and enforcement remedies that can adversely affect both homeowners and mortgage security.

With regards to existing arrangements, members were particularly concerned about the negative impact on resale when amenities remain unadopted and poorly maintained. Concerns include:

- ▶ practical barriers such as hidden liabilities
- ▶ transaction delays; and
- ▶ uncertainty around valuation.

Members also emphasised the current difficulties in obtaining mortgage finance posed by the underwriting and valuation risks present when amenities remain unadopted, and/or in poor condition.

Therefore, whilst members support increased amenity adoption, they simultaneously recognise any associated risk of Estate Management Charges (EMCs) ceasing to exist, or being replaced by faulty adoption schemes, which could lead to issues in maintaining amenities and services.

Member support for amenity adoption includes:

- ▶ Introducing common national standards to improve consistency, reduce delays in amenity adoption, and to help valuers and lenders assess property quality and future liabilities.
- ▶ Mandatory adoption of certain public amenities to protect asset value and homeowner interests.
- ▶ Returning to a model where local authorities adopt roads and services under regulated national standards, removing long-term risks linked to private estate maintenance.
- ▶ Alternatively, adopting amenities and roads under a bond scheme for all new developments – particularly those with houses or bungalows – given that residents already pay council tax for these services, while acknowledging pressures on local authority budgets.
- ▶ The introduction of set-term warranty protection for any new amenities, to ensure appropriate facilities for maintenance and repair.
- ▶ Members also support removing financial incentives for non-adoption, aligning developer obligations with consumer protection.
- ▶ Finally, members call for improved transparency, with EMC arrangements clearly disclosed at point of sale and standardised information on charges and responsibilities integrated into conveyancing.

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