An Open letter to Matthew Pennycook, Housing Minister, Ministry of Housing Communities and Local Government

June 2026

Dear Mr Pennycook,

We write to you as victims of the privately managed unadopted estate scam. We are dismayed that you have failed to act upon the recommendation of the Competition and Markets Authority, which identified the lack of adoption as the root cause of our problems. This lack of adoption has created opportunities for lower cost substandard construction, lower overall section 106 contributions, and for exploitation of estate dwellers by unscrupulous property management companies.

In spite of representations from the Home Owners Rights Network (HorNet), which recommended adoption at the LAFRA Committee stage, you have pressed on with the regulation of agents and increasing consumer rights.

You failed to listen and wilfully appear to overlook the concerns raised by homeowners who have made clear that they wanted simply to buy a home, not become unpaid managers of public spaces and amenities. People did not choose to “consume” estate management services; they chose to purchase homes. Only the universal adoption of areas that provide public benefit can remove the injustice of “fleecehold” and deliver on your manifesto commitment.

Regulation of agents merely sustains an inherently unfair system that itself creates division. The Right to Manage does not remove the liability to maintain the estate and is only an equitable solution for genuinely private or gated communities where there is no public benefit or access. Evidence from both the CMA and HorNet suggests that many homebuyers were not made fully aware of the extent of these liabilities at the point of sale.

If you proceed with mandating adoption only for future developments while excluding existing estates, you will make our situation worse as this risks creating a two-tier system. As has been seen in the leasehold sector, such partial reforms can lead to reduced property values and diminished saleability for those left behind.

There are also broader reasons to support adoption: preventing the creeping privatisation of public infrastructure, avoiding estate blight, improving flood prevention and drainage management, protecting public health, and promoting stronger community cohesion. These concerns sit alongside the need to protect residents from exploitation.

You may intend to address these issues in the future, but it is clear from recent election results suggest that the public has limited patience for delayed action on commitments, or for reform that proceeds so slowly that it appears absent altogether. We note that the recent select committee has found that the LAFRA does not go far enough fast enough and that there needs to be separate legislation to facilitate adoption.

It is time to act while there is still an opportunity to do so. This is a cross-party issue, and there is considerable support for abolition once parliamentary colleagues fully understand the scale and implications of the problem which go beyond the adverse effects on the fee paying estate dwellers.

Yours sincerely,