

[Home](#) > [Housing, local and community](#) > [Housing and communities](#)
> [Freehold and leasehold property](#)

Guidance

Freehold estates

Information on freehold estates which are private and mixed tenure estates where shared areas are not owned or looked after by the local council.

From: [Department for Levelling Up, Housing and Communities](#)
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Contents

- — [Overview](#)
- — [What are freehold estates?](#)
- — [What does it mean for people living on these estates?](#)
- — [How will homeowners know if they have to pay estate rent charges?](#)
- — [What is the government doing to support homeowners who live on freehold estates?](#)

This page sets out information on freehold estates, including obligations for homeowners living on these estates to contribute towards the upkeep and management of a shared area, their rights and access to legal action, and the support that government is providing to homeowners on these estates.

Overview

Homeowners on some housing estates may pay charges for the management and maintenance of shared areas, such as roads and open spaces.

These charges are usually known as 'estate rentcharges' and are typically payable annually.

The requirement to pay will be set out in documents signed by the homeowner before they move into their property.

Currently, homeowners have limited rights to challenge these charges if they do not consider them to be reasonable. The government is committed to improving rights of homeowners living on these estates.

What are freehold estates?

Freehold estates are private and mixed tenure estates where, unlike other residential areas, shared areas and facilities are not owned or looked after by the local council.

Ownership and management will rest with someone else. This might be a private provider or homeowners themselves as part of an 'estate management company'.

In some cases, the management company will employ a managing agent to carry out or oversee maintenance, upkeep, or repair.

What does it mean for people living on these estates?

Homeowners living on freehold estates pay towards the management and maintenance of communal areas or services.

Homeowners are required to pay a management company, who will be responsible for carrying out such work, or employing a managing agent to do so on their behalf.

The cost homeowners pay will depend on a number of factors. This includes what types of facilities or services they need to maintain, and the number of properties required to contribute.

There is no discount from Council Tax to take account of estate rent charges. The amount of Council Tax each household pays is not adjusted to reflect the specific services they receive. It is collected to deliver a broad range of services across the wider local community.

Any homeowner who is unhappy with the way in which their shared areas or facilities are managed, or considers they are paying too much, should seek their own legal advice on how to proceed. They may need to apply to the county court.

How will homeowners know if they have to pay estate rent charges?

The requirement to pay will be set out in legal documents that are signed when the property is bought.

During the home buying process, it is advisable for prospective buyers and their legal representative to check this information to make sure they understand the ongoing costs involved in owning their home.

Home buyers should seek their own legal advice if they believe that they did not receive relevant or important information about their new home at the time of sale.

What is the government doing to support homeowners who live on

freehold estates?

The government has announced that it will take action to support homeowners on freehold estates by:

- giving them the right to challenge the reasonableness of the charges they pay at the First-tier Tribunal (Property Chamber)
- giving them the legal right to apply to the First-tier Tribunal (Property Chamber) to appoint or replace a managing agent to manage the facilities or services that they pay for
- requiring all estate management companies who do not employ a managing agent to belong to a redress scheme
- considering introducing measures to give homeowners the legal right to take on management of their estates themselves, after it has first considered the Law Commission's report on [how to improve the Right to Manage for leaseholders](https://www.lawcom.gov.uk/project/right-to-manage/)
(<https://www.lawcom.gov.uk/project/right-to-manage/>)

The government will bring forward legislation as soon as Parliamentary time allows.

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