

**Housebuilding Market Study  
Competition and Markets Authority**

By email only: [housebuilding@cma.gov.uk](mailto:housebuilding@cma.gov.uk)

**08 September 2023**

**CMA consultation on market investigation reference proposal: Greenbelt response**

**Greenbelt**

As a market leader in the management and stewardship of Public Open Spaces (POS) on new housing developments across the UK, Greenbelt strongly supports the principles of customer choice and empowerment.

We have evolved our policies and products to achieve this over the 25 years since our founding and give careful consideration to ensuring the rights of our homeowner customers whilst recognising the significant inherent risks and responsibilities involved in owning POS.

**Private management of amenities on freehold estates**

As the CMA has stated in its update report, open spaces are an increasingly essential element of new housing developments, delivering a healthy environment, providing recreational spaces and managing flood risk and drainage.

Greenbelt was founded in Scotland in the late 90's and has been managing and maintaining open spaces for more than 25 years. In this time the design of POS has not only evolved but been revolutionised; POS no longer means the simple grass, trees and shrubs it once did.

Significantly improved design has been a vital part of new development and has created better, increasingly complex and multifaceted, multi-purpose POS. These extensive areas significantly enhance the lives of those living within the developments, contrasting with the relatively modest POS available to the wider community.

The long-term maintenance of these areas is essential with practical, robust, financially-viable, long-term arrangements crucial. These arrangements must serve homeowners and their open spaces, now and for decades to come.

The CMA is correct; a lack of transparency for homeowners in relation to the consequences of the involvement of an estate management company is a serious issue. Homeowners need to be fully informed through the purchase process and beyond. This not only includes the financial impacts of arrangements but also the roles and liabilities they are being required to accept, the impact (short-term and long-term) on their homes and the consequences of arrangements failing.



Given the numbers of properties which the CMA believes are subject to such arrangements, we expect that there will be many homeowners with experience of estate management company arrangements, both negative and positive. All of these should be considered when looking to identify the most appropriate course of action; all homeowners should have a voice.

We understand that the CMA will be collecting further information to inform its decisions and note that the CMA has already commissioned qualitative research. We trust that this will be vital in determining the most appropriate course of action.

To ensure that the CMA is fully informed and all homeowners are represented, such research must include established developments which have been under billing for a variety of periods, and which include both RMC and embedded MC arrangements; Greenbelt has developments which have been under Greenbelt maintenance and billing for over twenty years. A failure to incorporate the experiences and opinions of these homeowners will not only be unfair to these homeowners but also provide unrepresentative, potentially misleading, information.

### **Proposals on recommendation to government**

Homeowners should have the right to collectively make an informed decision about the arrangements for the ownership and maintenance of their open spaces and facilities; they should be informed and empowered.

Whilst Greenbelt has sought to provide our homeowners with this ability through our Pentad arrangement and Consumer Choice policy, we believe legislation will be required to ensure that all homeowners, irrespective of their existing arrangement and provider, have this ability. This will not only protect homeowners but also the companies seeking to serve them; clearly establishing standards and principles that all companies must adhere to, delivering sustainable development and ultimately enabling the delivery of the new housing development this country needs.

Greenbelt would therefore fully support the CMA in making recommendations to government to introduce legislation.

The CMA should recommend legislation to provide homeowners with a suitable route to choose the arrangements for their open spaces and ensure not only that they have choice but that they are fully informed to make decisions that will have long-term impacts on their homes.

Greenbelt would also welcome recommendations to government to abolish S121 to protect homeowners against unscrupulous rentcharge owners and simplify conveyancing; we would recommend that the CMA makes such recommendations as a matter of urgency.

### **Full Market Investigation**

At Greenbelt we are aware that some homeowners are vociferously opposed to paying any estate management charge. They may have received insufficient information at the point of sale, or perhaps have been overcharged or suffered poor service. Whilst we support the need for legislation to ensure empowerment and choice is given to all, we believe that this would address the issues in the marketplace and that this would render a full market investigation unnecessary.