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Housing Minister Targets ‘Wild West’ of Property Management in Leasehold Reform Drive

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The housing minister has pledged to take action against unfair service charges and poor practices in the property management sector, describing it as the “wild west” of housing. The statement comes as the government launches a consultation aimed at reforming the leasehold system that affects millions of homeowners in England and Wales.

Matthew Pennycook, the Minister for Housing, said the new measures would target managing agents who overcharge leaseholders or impose unexpected and excessive repair fees. The consultation, which will run for 12 weeks, proposes greater transparency from property managers, mandatory professional qualifications, and stricter accountability for service charges. These steps are part of the government's wider goal to bring an end to what it calls the "feudal" leasehold system, which currently applies to approximately five million homes in England.

Pennycook emphasised the urgency of the reforms, stating that leaseholders were suffering under a system that offers little protection from opaque costs and unregulated agents. He described the current regulatory environment as one where anyone could establish themselves as a managing agent without formal qualifications or oversight. He added that too often, leaseholders are left vulnerable to unprofessional and, in some cases, exploitative practices.

Under the proposed changes, managing agents would be required to provide clear breakdowns of all charges and justify any costs imposed on residents. The government also wants to introduce rules to prevent property owners from passing on unfair legal fees to leaseholders, especially in cases where disputes arise over charges or building maintenance.

The consultation is the latest in a series of steps taken by Pennycook, who has worked to implement provisions from the 2024 Leasehold and Freehold Reform Act, introduced by the previous government. However, campaigners have voiced frustration over delays in delivering the full range of promised reforms. Many argue that stronger protections for

leaseholders are long overdue and that the lack of regulation continues to enable widespread abuse within the system.

Despite the criticism, the minister insisted that the government remains committed to comprehensive leasehold reform. He stressed that ensuring accountability, transparency, and professional standards in the property management sector is essential to protecting homeowners and restoring trust in the housing system.

The government is expected to review public feedback from the consultation before finalising any legislative changes.