



New-build owners told to sign NDAs to see details of soaring estate charges

EXCLUSIVE

Homeowners tell i they don't know where their money is going as they face soaring mandatory charges for services such as grass cutting



Homeowners told i they can only see details of their estate charges if they sign NDAs with strict conditions

By **Alexa Phillips**

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New build homeowners are being told they must sign non-disclosure agreements (NDAs) if they want to see details of their rising estate charges, **i** can reveal.

Residents across the country who wish to inspect what their money is being spent on are being told they can't without signing the contracts, which make it difficult for them to publicly challenge their bills, according to the Homeowners Rights Network campaign group.

Documents and emails seen by **i** show that residents on a new-build estate in Newcastle who asked to see the invoices behind their fees were told they would have to sign an NDA – a legal contract which would prevent them from sharing the information.

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Their properties were built by Taylor Wimpey and Persimmon Homes, which are two of the UK's biggest developers and, according to Companies House, are the "ultimate controlling party" of the management company that requested the NDAs.

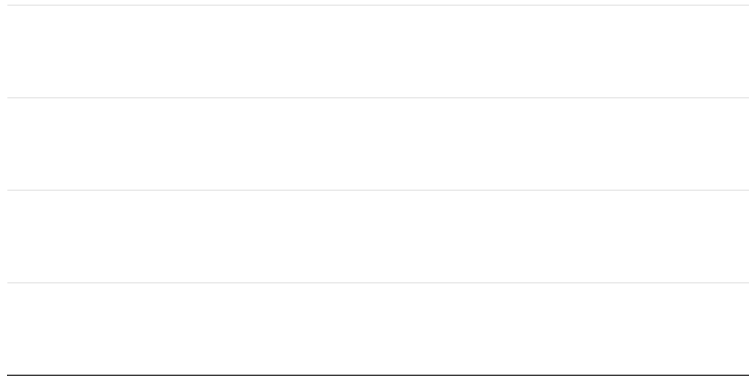
The Department for Levelling Up, Housing and Communities has vowed to investigate, saying **i**'s findings were "shocking" and that "the use of NDAs in these instances is completely inappropriate".



properties and pay for public spaces and amenities such as roads, sewers and playgrounds on housing estates.

Four in five (80 per cent) new homes sold by the 11 **largest housebuilders** in 2021 to 2022 were subject to such fees, which can be uncapped and typically increase over time, according to the Competition and Markets Authority (CMA).

New homes completed each year



~~2022-223~~

Source: Department for Levelling Up, Housing & Communities

The watchdog **concluded in February that these charges "are often high and unclear"** and said public amenities should be "adopted" on all new housing estates, meaning councils would manage them using public funds.

In previous decades this was standard practice and local authorities were given a fee from developers to manage them. Local authorities have said that developers can be unwilling to pay this sum, according to a 2020 Welsh Government report.

Andy Harrison, a resident on the Newcastle Great Park estate who pays around £270 a year, described the use of NDAs as "an absolute farce" and said he refused to sign one when he was told it was a condition of seeing the invoices at the management company's office.

"If I go and see that information and I find something, I can't share it with anybody anyway, so it's meaningless," he told **i**.

Residents' legally binding documents say they "may inspect the service charge records and vouchers" at a location appointed by the collector of the estate charge.

They were told their service charge records were kept in a data room and they could gain access to view the information, which "relates to all annual accounts for the current and previous year, service charge cost allocation and third party invoices", according to emails and documents seen by **i**.

But the management company, Newcastle Great Park Estates Ltd, said that to "protect confidential information of third parties", they could only view this information if they signed an NDA.

They were barred from photographing or taking images of documents in the room and were told requests for copies may be refused.



Jamie Robinson (left) and Michael Forster are trying to understand their estate charges (Pics: supplied)

'It's scandalous'

Michael Forster, a 43-year-old accountant, said he has spent years disputing the fees with management. His most recent bill was around £400 a year.

"The problem is we have no defence," he told **i**. "They can put a bill in for a million quid and we all have to pay it.

"There's no way you can get out of it. Because we're freeholders, we don't have the right to challenge it in a court and they're fully aware of that."

Jamie Robinson, a teacher and chair of the residents' association, said he found the use of NDAs on his estate "unusual and odd", adding that even residents who had previously signed the document were left with unanswered questions about the invoices.

"I wouldn't have this issue at all if I did not live on a private estate," he told **i**. "Lots of first-time buyers like I was - or people who don't know about new estates and these estate charges, which are uncapped, unregulated, and there's no transparency or accountability - they're not really fully informed about what's going on."

Newcastle Great Park includes 3,000 homes, office spaces, a school, a nursery and sports facilities.

Residents on the estate, which is largest housing development in the North East, saw their charges double between 2020 and 2022, from £215,00 to £435,000.

Fees have doubled for the running costs of a local community centre - open to the public but partly paid for by the estate - as well as for road maintenance and grass cutting.

Mr Robinson, 39, said residents pay three times more for emptying bins in public open spaces on the estate than what the council charges for an equivalent service.

When Mr Robinson bought his new-build freehold property in 2016, he said he was encouraged to use a solicitor recommended by the developer.

He believes the solicitor should have explained the estate charge - initially about £80 - in more detail and told him it was likely to keep increasing. The fee is now around £150.

Mr Robinson said he was told the fee was primarily for grass cutting and it was only when he moved in that he realised he was paying for much more than that.

After noticing some issues had not been fixed on the estate he refused to pay the fee for two years in protest - at which point he was informed of a clause in his legal documents which would allow the management company to convert his freehold into a leasehold and take possession of his home.



Freeholders have fewer rights than leaseholders to challenge fees

Unlike leaseholders, freeholders have limited rights over the cost and quality of services provided through estate management companies.

Freeholders do not have a legal right to challenge unreasonable service charges at a tribunal or the power to take over the management of the estate as a collective via a special company known as Right to Manage.

The Government has pledged to give freehold homeowners the same rights of redress as leaseholders as part of legislation going through Parliament, which will include the ability to challenge the charges at a tribunal and an increased requirement for transparency.

A group of Tory MPs has urged the Government to use the [Leasehold and Freehold Reform Bill](#) to go further and ban new build estates where common spaces haven't been adopted by local councils, also known as "fleecehold" estates.

The MPs, including former housing secretaries Simon Clarke and Robert Jenrick, also said homeowners should not be threatened with the loss of their home for not paying small sums - a system known as forfeiture which is used against leaseholders and freeholders on these new estates.

An amendment to get rid of the practice was not voted into the bill in January but could still be added.

Cathy Priestley, coordinator of the Homeowners Rights Network, a campaign group focused on estate charges, said they have received reports of NDAs being used in other parts of the country.

She said others have been told they would have to travel as much as 100 miles to the head offices of the managing agent in order to see the accounts.

"It's quite scandalous," she told [i](#). "You should be able to see where your money is going and yet you can't because of these obstacles."

Mike Amesbury, Labour's shadow minister for homelessness and building safety, told [i](#) arrangements on private estates often require residential freeholders to "navigate scores of management companies, each levying their own fees for services", which "exacerbates the lack of transparency and increases the potential for abuse they face in respect of charges and fees".

A Department for Levelling Up, Housing and Communities spokesperson told [i](#): "These findings are completely shocking, and we will be speaking to the Homeowners Rights Network to find out more about these cases. We expect developers to be transparent with homeowners and the use of NDAs in these instances is completely inappropriate.

"Our Leasehold and Freehold Reform Bill will make estate management companies more accountable, drive-up transparency and give homeowners more rights to challenge unreasonable charges."

The NGP Consortium - a partnership between Taylor Wimpey and Persimmon Homes which developed the estate - appointed Kingston Open Spaces as a new independent managing agent for the estate in August 2023 and said its policy is not to request NDAs.

A spokesperson for the NGP Consortium said: "The management agent for Newcastle Great Park is Kingston Open Spaces who oversee resident service charges to pay for associated maintenance and upkeep of the development.

"Management companies across the country have had to increase service charges, as local authorities have with council tax, to reflect rising prices and costs of labour, fuel and materials charged by contractors.

"The consortium is working with Newcastle City Council on the planned adoption of roads, sewers and lighting on the development in line with the approved planning permissions.

"Given the shared frustration over the current system, the CMA recently published a report recommending that the Government implement common adoptable standards for public amenities on new housing estates."

Do you have information about this story? Has something like this happened to you? We'd love to hear from you. Please email alexa.phillips@inews.co.uk [i](#)

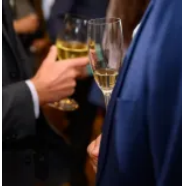
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