Supporting Housing Associations to prepare for commonhold

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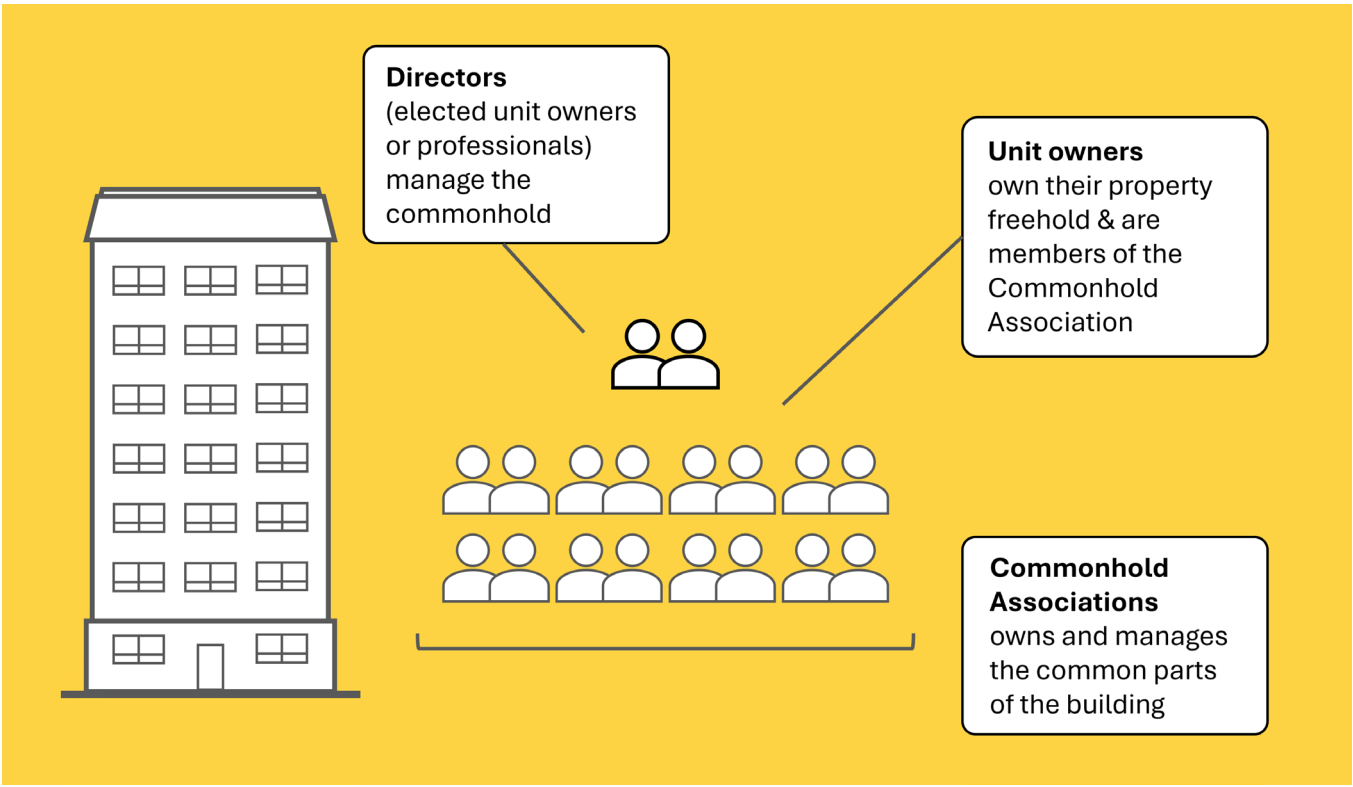
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About the research

Commonhold reform aims to address longstanding housing governance issues associated with leasehold arrangements. However, for Registered Social Landlords (RSLs) in England and Wales, the reforms represent a significant shift in their operations and management practices, alongside uncertainties over the future management of mixed tenure buildings and developments. Drawing on the report "Preparing for commonhold in England and Wales: Understanding the challenges for housing associations", which is based on 20 interviews conducted with Housing Associations and sector stakeholders between July and October 2026, this policy brief summarises the key challenges currently facing Housing Associations and offers recommendations for action.

Figure 1: Commonhold responsibilities (adapted from UK Government, 2025)[1]



Six key challenges for Housing Associations

1. Demand for commonhold conversions and new commonhold sales

Housing Associations need to understand the potential for existing leasehold buildings to convert to commonhold under the proposed legislation. In mixed buildings where the Housing Association continues to have an interest, for example through shared ownership or social rented homes, this could create complex management arrangements across a range of building types, especially in cases where Housing Associations do not have a controlling interest. Many Housing Associations are applying learning from complex management arrangements arising from existing section 106

1 UK Government (2025) Commonhold White Paper: The proposed new commonhold model for homeownership in England and Wales. Available at: https://www.gov.uk/government/publications/commonhold-white-paper/commonhold-white-paper-the-proposed-new-commonhold-model-for-homeownership-in-england-and-wales

schemes. There was considerable uncertainty about consumer demand for commonhold, how new homes will be valued, and – for larger Housing Associations working on phased developments – how these valuations and demand would interact with leaseholds which may be on sale at the same time. The perception of lenders, and the mortgage products that will be available for commonhold homes, was also unclear.

2. Mixed tenure developments

Many Housing Associations are concerned that the implications of commonhold reform for mixed tenure buildings and developments have not been adequately considered. Where regulated homes, including social renters and shared owners, exist in buildings alongside homes for outright sale on a commonhold basis, Housing Associations will need to navigate complex management arrangements where they do not have full control to address problems. This may have implications for their ability to meet their regulatory responsibilities. One way of controlling this risk in new developments is to split out different tenures, which may result in separation and stigmatisation, with long-term unintended consequences for mixed communities agendas and the development of affordable housing, including through section 106 arrangements.

3. Governance and regulatory responsibilities

Housing Associations need clarity around regulatory expectations under commonhold. This relates to two key areas: 1) assuming Director roles; and 2) regulating Housing Associations where they lacked control to resolve problems. There are significant risks in potentially assuming Directorships of Commonhold Associations, as well as impacts on staffing, organisational structures and governance arrangements. Where Commonhold Associations are responsible for the management of buildings that contain affordable housing, Housing Associations may face new constraints on compliance with regulatory requirements because they may not have ultimate control over issues like building repair, financial management, and building safety. It is unclear how existing regulatory frameworks will be applied in these cases, and there is a lack of clarity related to the regulation of Commonhold Associations. Evidence from Ireland illustrates the practical difficulties of reconciling the responsibilities of regulated housing providers with collective building governance.

4. Asset management and financial planning

Further information is needed on the requirements for sinking funds under commonhold, including how to ensure that they are set in a way that realistically plans for the lifecycle costs of asset management. Implications for regulatory compliance, particularly in relation to the Decent Homes Standard and building safety (including fire), are a concern. Loss of control over asset management planning over the long-term and its potential fragmentation on a building-by-building basis when responsibility shifts to Commonhold Associations will have impacts on Housing Associations' ability to plan for major work across their stock portfolio.

5. Supporting resident Directors' skills

There are significant training needs to support residents to take on Directorships of Commonhold Associations. This includes practical skills and knowledge around regulatory compliance, health and safety, asset management, financial management, service charges, contracting, resident engagement and governance. Soft skills are also crucial, including communication, consensus building, acting for common benefit, and dispute resolution. Training could be voluntary or mandatory, and there may be more mandatory requirements for some buildings, but the landscape for regulation and assurance of the competency of Commonhold Associations and their Directors is unclear. Lack of development here is in tension with other priorities around professionalisation of housing management in the social housing and Managing Agent sectors.

6. Organisational capacity

Commonhold reform comes alongside a number of other significant changes in the social housing sector, some of which interact and overlap, creating complexity. Organisationally, there are issues of capacity and commonhold is likely to bring a need for new organisational structures, teams, and responsibilities, as well as information management systems. Training will also be essential across a range of staff roles.

Actions for Government and Government bodies

1. Government should set out a detailed road map and timeline for the implementation of commonhold reform, to enable organisations to effectively model its roll-out and the implications for ongoing developments.
2. When developing legislation and guidance, Government needs to consider the interactions between commonhold reform and other legislation in development, in particular the Leasehold and Freehold Reform Act (LAFRA), to ensure consistency in outcomes and approaches (for example, related to Asset Management Plan requirements, professionalisation and regulation of Managing Agents).
3. When developing legislation and guidance, Government needs to reflect on the potential for unintended consequences which could impact other priority housing policy objectives, such as affordable housing supply and mixed tenure communities.
4. Government needs to set out arrangements for the regulation of Commonhold Associations. This should include consideration of whether additional requirements should be made in relation to certain buildings (for example, high-rise buildings, or buildings which contain affordable housing tenures).
5. Government should name a specific body to maintain a register of Commonhold Associations, which should include Director details and contact information, at a minimum, updated on a regular basis. This could provide the basis for additional data collection and reporting, including compliance with asset management planning or tracking training, giving transparency to residents around the competence and functioning of Commonhold Associations.
6. Government should specify requirements related to asset management plans, including the timeframe that these should cover and requirements to link these to a building survey or other technical forecast of the building's life cycle and expected maintenance needs, in future legislation. Consistency with LAFRA requirements should be considered.
7. The Regulator of Social Housing and Housing Ombudsman should provide clear guidance on how regulatory standards for Registered Social Landlords will be applied in commonholds, considering scenarios in which the RSL does not have responsibility for building management.
8. The Regulator of Social Housing and Housing Ombudsman should provide clear guidance in relation to the role Housing Associations may play in the governance of Commonhold Associations, including undertaking Directorships, and how this relates to existing governance frameworks.
9. Government should work with key stakeholders to develop standardised information packs to support commonhold sales, to ensure that key information is provided in a clear and consistent way. This should include information on service charges and sinking funds, projected life cycle costs for buildings, the Commonhold Community Statement, residents' responsibilities, and Director roles and responsibilities.
10. Government should work with key sector bodies to ensure that standardised training is developed for the legal profession, particularly conveyancers, to support the provision of consistent and accurate information to purchasers, and ensure that the roles and responsibilities of commonhold are adequately and consistently explained.
11. Government should name a specific body to develop and deliver a range of accessible learning modules to support residents to engage with, and undertake Directorships of, Commonhold Associations. The training offer should be structured according to key topics and respond to the complexity of buildings of different types, including those with commercial and affordable housing interests.
12. Government should consult on whether certain qualifications or training requirements should be mandatory for Commonhold Association Directors, and/or those managing particular types of buildings (such as high-rise, mixed tenure, etc.).
13. Government should continue to progress reform to the Managing Agent sector, including qualifications and regulation (currently being consulted on as part of LAFRA), given the likely use of professional Managing Agents by Commonhold Associations.
14. Government should consider specifying the use of Managing Agents for some buildings (this is part of the current consultation on commonhold reform).
15. Government should assess the risks around the use of professional Directors for Commonhold Associations, considering qualifications and oversight mechanisms, similar to the proposals for Managing Agents.

Actions the Housing Association sector can take to prepare

1. Housing Associations should audit their existing stock and development pipeline to identify buildings which would be eligible for conversion to commonhold and planned schemes in which affordable housing is likely to be located in buildings managed by Commonhold Associations.

2. Housing Associations should establish cross-organisation working groups to understand the implications of commonhold reform for their context.

3. Social housing sector membership bodies should continue to take a leading role in facilitating cross-sector conversations as commonhold reform progresses, to share learning and resources. This may be expanded over time to include learning from international affordable housing providers with experience of resident-led models of housing management.

4. Social housing sector membership bodies should help to facilitate Housing Associations and residents to develop model Commonhold Community Statements that would be particularly relevant to mixed tenure developments.

5. Social housing sector membership bodies should consider their potential future role in developing commonhold-related training for Housing Associations.