

# Supporting Resident-Led Governance in Multi-Occupancy Buildings

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# Summary

Strengthening residents' control and authority over the management of multi-occupancy buildings (MOBs), such as blocks of flats, has been recognised as a way of addressing governance and building safety problems linked to property ownership arrangements within the leasehold system in England and Wales. The legal initiatives associated with commonhold and leasehold reform in 2026 represent the most recent attempt to move in this direction. However, international evidence suggests that changes to legal frameworks provide only the foundation for resident-led

governance. The effective operation of such models in practice continues to face a range of challenges, rooted primarily in (1) the complexity of MOB governance, (2) collective action difficulties, and (3) continuing power imbalances between different actors. Without early and sustained government intervention and support, unresolved problems within resident-led governance models may create opportunities for financial exploitation of residents and serious, long-term building safety risks.

# Introduction

Following the Grenfell Tower fire and the wider building safety crisis, governance problems in MOBs arising from structurally unequal positions and power relations between freeholders and leaseholders under leasehold arrangements have received increased attention. These concerns have informed recent legislative reforms seeking to reinvigorate the commonhold system in England and Wales. However, legal and institutional reform alone cannot resolve all governance problems and may also generate new challenges. Long-established and widely adopted resident-led governance systems in other countries, therefore, provide valuable evidence for understanding the practical issues facing buildings managed by Resident Management Companies and Right to Manage companies, as well as the potential

challenges that may arise under commonhold arrangements.

In light of this context, this study adopted [a systematic literature review](#) approach between November 2025 and April 2026 to review and synthesise international research evidence on MOB governance. The 74 sources selected for full review included academic publications and grey literature, identified and screened from English-language literature published since 2000 through the Web of Science database. These sources covered experiences from 25 countries and regions, offering insights into MOB governance from legal, managerial, spatial, and social perspectives, while also alerting policymakers to practical challenges and identifying policy recommendations.

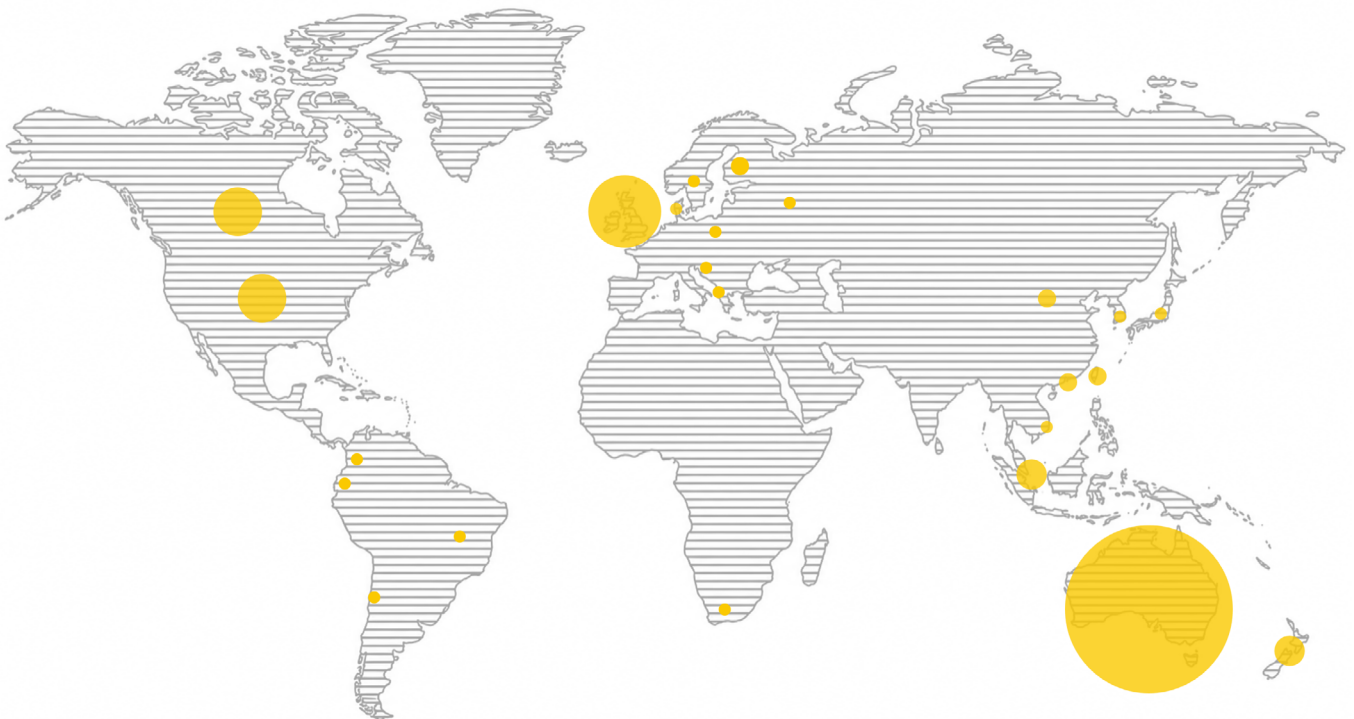


Figure 1: Geographical distribution of reviewed cases

\*The basemap in Figure 1 is generated by GPT 5.5-thinking

# Research overview

International evidence shows that, although institutional reform seeks to empower residents to exercise greater control over their homes, the complexity of MOB governance remains one of the major barriers to effective resident-led governance. Everyday management responsibilities span a wide range of professional and technical domains, including financial management, facilities management, building services, structural maintenance, fire safety, legal matters, dispute resolution, and security. Residents are expected to play a more direct role in identifying problems and potential risks, developing plans, making decisions, and implementing actions.

However, these professional and technical areas may be difficult for residents to fully understand, scrutinise, or oversee. Financial management provides a clear example. Limited familiarity with everyday operational requirements and risk assessment can lead to weak financial planning, potentially resulting in shortages in collective funds, particularly after unexpected and costly repair or maintenance works. Increases in regular contributions to address these shortfalls may create affordability pressures, which in turn can increase the likelihood of late or missed payments. This may further reduce the resources available for everyday maintenance. In the long term, such dynamics can generate greater risks and more expensive repair costs.

For this reason, reliance on external professional services, such as managing agents, legal professionals, and contractors, is often a normal feature of resident-led governance. However, residents' lack of knowledge or capacity to assess service quality, together with excessive dependence on professional

providers, may prevent them from recognising incompetent professional services, manipulation in decision-making, or exploitative pricing in a timely manner. This may lead to further financial losses, disputes, and long-term building safety risks.

Widespread resident apathy may make it even more difficult to challenge poor decisions or problematic service contracts, as effective oversight often requires substantial time and effort for communication and a sufficient level of participation in collective affairs and voting. In addition, because decision-making is often tied to property ownership, tenants may be excluded from collective action, with their needs and voices becoming less visible within governance processes.

At the same time, governance problems in MOB's may originate before residents move in or obtain control, rooted in the structurally advantaged position of developers. Developers may leave behind by-laws or service contracts that do not align with residents' long-term interests, or retain ownership of certain units or spaces, giving continued influence on future decisions and generating value after formal transfer. These problems may also be embedded in building design defects, unclear boundaries, unsuitable materials, and inappropriate facilities. Such issues may require collective action and highly specialised measures to address. However, the technical nature of these problems, combined with constrained information disclosure at the point of sale, means that residents may not be able to recognise potential risks or respond early enough, resulting in long-term governance challenges.

# Conclusion and recommendations

Inspired by Easthope and colleagues' 2014 study, this research invites policymakers to adopt a building life cycle perspective to understand MOB governance and develop policy responses in a more systematic way.

As part of wider support measures, presenting the full governance trajectory chronologically may also help residents better understand what living in MOB's involves and what issues require attention.

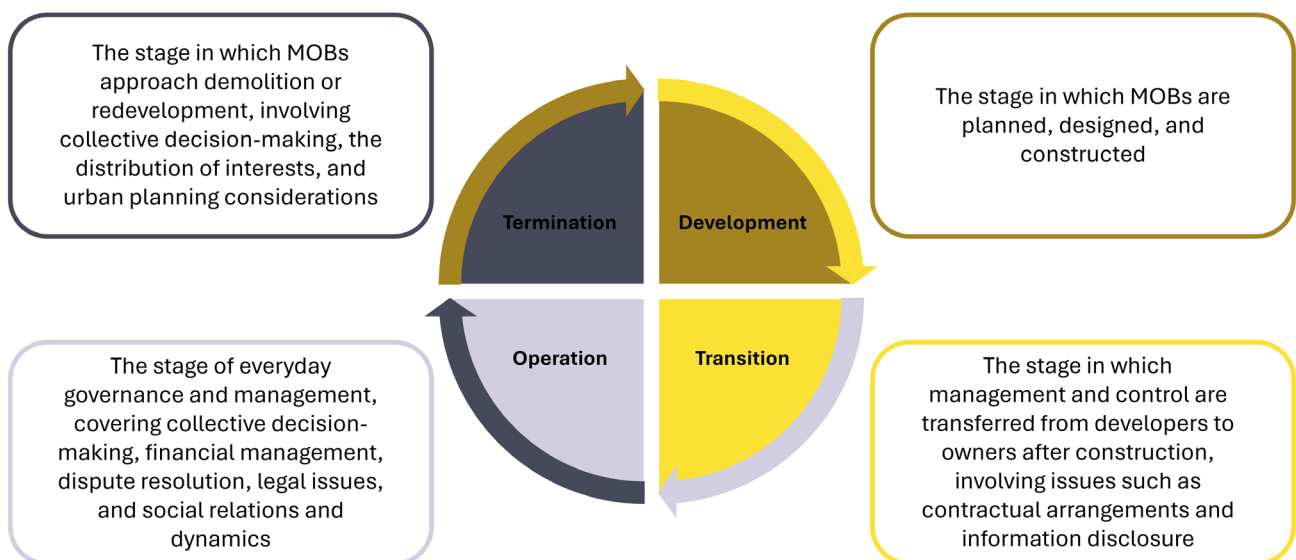


Figure 2: Life cycle of multi-occupancy developments

Situating the complexity of MOB governance within the building life cycle shows that many problems emerge at an early stage and gradually become more difficult to address. Information asymmetries relating to complexity and specialised knowledge can undermine the capacity for self-governance and scrutiny that resident-led models

are expected to provide. The resulting power imbalances may be misused by certain actors to extract value, creating long-term and increasing risks for building safety and resident wellbeing. The time costs and emotional burden associated with collective action further make these problems difficult to identify and address before they escalate.

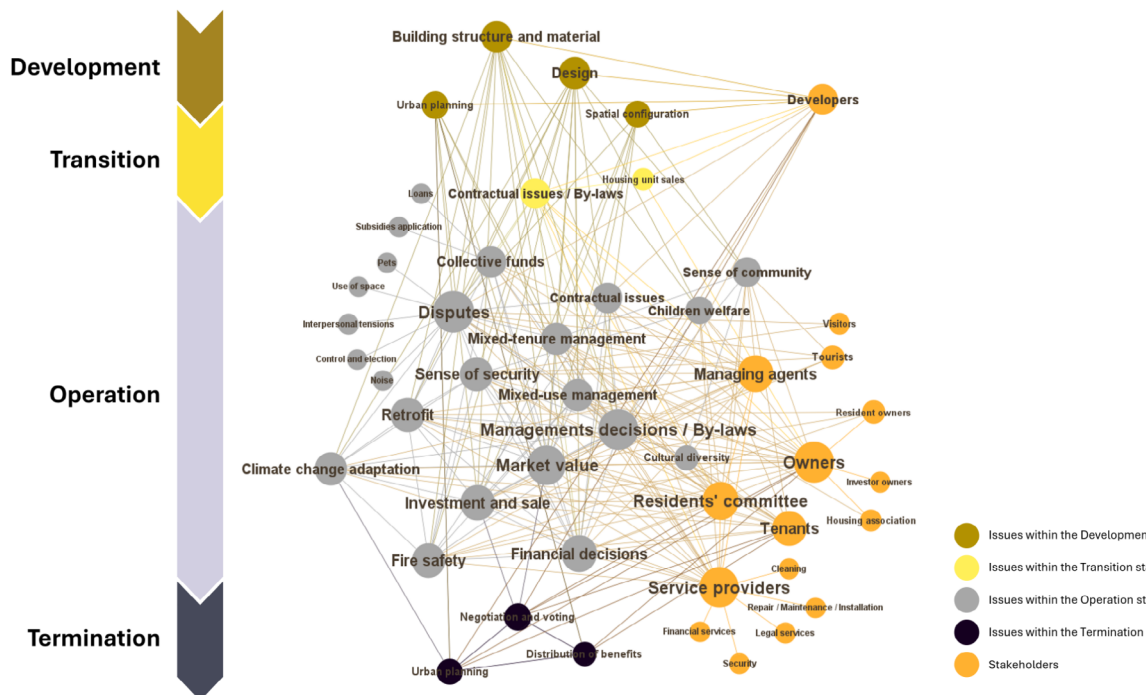


Figure 3: MOB governance issues and stakeholder relationships

This study therefore argues that appropriate state intervention and support are needed from the early stages, reducing the financial, emotional, and time costs of resident governance, and creating the conditions for democratic mechanisms to function effectively. Drawing together strategies proposed in the existing international literature, we identify the following policy recommendations:

1. Government should introduce measures to encourage or require developers to disclose key information at the point of sale. This should include whole-life cost assumptions, climate change risks and adaptation, and the future operation of the building. Such information would help residents develop more effective maintenance and financial plans.

2. Government should consider providing a portal that brings together developer records, including examples of good and poor practice, to reduce the cost and difficulty for residents in accessing information and making informed decisions.

3. Government should strengthen regulation of the transition process from developer- to resident-control. This would help prevent problematic by-laws, service contracts and other developer-led arrangements from having lasting negative effects.

4. Government should legislate to limit developer influence over resident-led governance models, for example by restricting the period during which proxy voting rights can be exercised by developers.

5. Government should establish a more comprehensive professional accreditation system for managing agents. This should set standards for professional competence and conduct, alongside mechanisms for regulation, accreditation, and the removal of accreditation where standards are not met.

6. Government should continue to refine and clarify legal frameworks and guidance, recognising that the challenges facing MOB, and the solutions they require, vary from building to building. Practical guidance can provide an important reference point when residents address conflicts of interest and governance problems.

7. Government should provide support and training for residents and committees on the practical work of building management, including democratic procedures, conflict resolution, financial planning, maintenance planning, and guidelines on engaging tenants and other non-owner occupants.