

Understanding Right To Manage



What is Right To Manage?

At Peverel Retirement, we are here to help make every aspect of your retirement as care free as possible. That includes the managing of your retirement property.

You might not be aware, but you have the legal right to handle the management of your retirement property yourself, thanks to a law called Right To Manage.

So, if you're unhappy with the service you are getting from your current management company, or if you simply want to be in control of the situation, Peverel Retirement is here to help.

A law was passed in 2002 called The Commonhold and Leasehold Reform Act. It gave leaseholders of flats the right to take over the management of their property – without even having to prove that the landlord or manager is at fault.

It's simply a transfer of responsibility and decision making from the freeholder to a special company set up by leaseholders to manage their building – the Right To Manage company.



What are the advantages of Right To Manage?

The fundamental benefit of Right To Manage (RTM) is control. Once you have set up an RTM company, you and the other parties in the company (other leaseholders in your retirement property) can make all the decisions about the up keep of your building.

The benefits of Right To Manage:

- No formal consent or court order needed
- No need to purchase the freehold
- No need to prove incompetence
- No need to compensate landlord or manager
- You can appoint and remove managers
- You have control of financial decisions



What are the disadvantages of Right To Manage?

RTM might sound too good to be true, but there are some disadvantages you need to be aware of. The main one is that the RTM company would have to take on the full responsibility of the management of the building, including financial and legal responsibilities, but all this can be delegated to Peverel Retirement.

The disadvantages of Right To Manage:

- Setting up an RTM can be complex
- You should appoint some leaseholders as directors
- There are company, landlord and tenant, health and safety and other laws that must be complied with
- The RTM company will have financial liabilities if insufficient service charges are collected
- The RTM would need to produce budgets
- Handover may affect existing contracts.
- The landlords obligations in the lease become the responsibility of the RTM company

It may be that the last thing you want to do in your retirement is take on more responsibilities, this is where Peverel Retirement can help. We can deal with this on your behalf, starting with helping you set up a Right To Manage company.

How to set up a Right To Manage Company?

Setting up a RTM company is relatively straightforward. The first thing you need to do is get the other leaseholders onboard with the idea. This might involve going around and talking to the other people living in your development, or perhaps arranging a residents' meeting.

Once you have their agreement, the next step is to set up your RTM company. You can either set up the company yourself, get a solicitor to register it, or we can do it for you. This company must be a specific type of limited company and be registered with Companies House.

With the RTM company set up, you need to appoint a Chairman, some Directors and a Company Secretary. However, if you are happy for us to be involved in managing your property, it is normally easiest for everyone if Peverel Retirement is named Company Secretary.

Once the RTM company is set up, you must formally invite the rest of the leaseholders to join, by sending out a Notice of Invitation to Participate.

To proceed now you must have more than 50% of flat owners as members of the RTM company. Next you issue a Claim Notice to your current landlord, stating that the newly-formed RTM company will be acquiring the Right To Manage the property. The landlord then has one month to dispute the claim.

If there is no dispute, you can usually take over management about three months later.



What Peverel Retirement can do for you

At Peverel Retirement, we've been managing retirement properties for over 25 years. Which means we know exactly how to provide you with the safe, clean and comfortable living environment that you deserve.

Our RTM service is very simple. While you retain the control, we take on the responsibility.

Not only will we give you support and assistance throughout the entire RTM setup process, we will also handle day-to-day legal and financial issues, including secretarial duties, accounting, legal compliance, etc. On top of all of this, we will also manage the upkeep and maintenance of your retirement property.

At Peverel Retirement, we know that good communication is at the heart of delivering good service. Which is why we will appoint a member of our senior team for each development. They will be your point of contact for any questions or issues that may arise. We will also give you the contact details of all our key personnel, so you can talk to anyone, anytime you need.

The main advantage of partnering with Peverel Retirement is that we offer an objective perspective and are therefore best placed to find the right solution for you.

As a founder member of the Association of Retirement Housing Managers (ARHM) we are committed to delivering high standard and ethical management services. So you can be sure that with Peverel Retirement your property will be in safe hands.

Get in touch

If you would like to find out more about Right To Manage, or talk to us about our Right To Manage service, don't hesitate to get in touch with our Right To Manage Support team, Monday to Friday 9am - 5pm.

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Alternatively you can write to us at:

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