

Step 1

To begin you will need to know the names and addresses of the other leaseholders in your block to tell them about the Right to Manage process and invite them to participate.

There are several ways find out who your fellow leaseholders are;

1. You can Knock on doors,
2. Ask any sub-tenants who they pay rent to,
3. If they pay rent to an Agent ask the Agent to forward on a letter to the owner,
4. Write to the Freeholder asking them for a list of lessees,
5. Download an Information Notice to serve on your Freeholder (this gives them a legal duty to tell you) - £20+Vat,
6. Instruct us to do a land registry search on each flat - £10+Vat per flat.
7. Instruct us to serve an information Notice for you £ +Vat

Then we recommend you send a letter explaining what RTM is all about and that you would like to help your block claim its Right to Manage. It would be a good idea to set out the reasons why RTM would benefit your block.

To help you explain all this to your fellow leaseholders use the following FREE downloads from our document centre:

You must invite every leaseholder and the Freeholder to participate in your RTM Claim, unless they are already a member of your Right to Manage company, so you should encourage everybody to respond. If you don't get a response from every Leaseholder and the Freeholder you will need to serve a formal "Participation Notice" and you don't want to go to the expense of forming your RTM Company if there will be insufficient support.(STEP 3) The Participation Notice cannot be served until you have formed the RTM Company (you and 1 other co-operative leaseholder) else what are you asking them to participate in!.

Having achieved enough support to get started (just 2 leaseholders), if your block passes the following 4 tests the next step is to form a Right To Manage company.

Tests can we qualify for RTM?

1. are there 2 or more flats in the block?
2. are there 2 leaseholders willing to be Directors of the RTM Company
3. does your block consists of a self-contained building or self-contained part of a building (ie, it could be redeveloped independently and has, or could have, its own services) and if there is any commercial/non-residential element this to be no more than 25% of the floor area
4. do at least two thirds of the flat owners must have long leases (original length of lease more than 21 years), it does not matter if flat owners do not live in or rent out their flats

Step 2

Forming your RTM company, is a simple process requiring the co-operation of just two leaseholders, who are willing to become Directors of the RTM Company.

What is an RTM Company?

A 'right to manage' (RTM) company is a recognisable legal entity created to manage an estate. Because you must name your RTM company on your Claim Notice it is necessary first to set up your RTM company. This is a properly constituted legal company in which those Leaseholders who participate become members.

Unless your Right to Manage company is set up in accordance with the Commonhold and Leasehold Reform Act 2002 your Right to Manage claim will fail. The RTM company must be limited by guarantee (as opposed to shares) and should bind Leaseholders to the compulsory Memorandum and Articles of Association (essentially the rules governing how the company is run and what it can and cannot do). (For help with recruiting members see STEP 1).

How to set up your RTM Company?

Want us to fill in the paperwork & set your RTM Company up for you?

Call our Solicitor on 08708 999 595 For full fees all steps:

[View Right to Manage Costs Now](#)

Step 3

The Participation Notice

Now that you have formed a RTM company the next step is to serve the Notice Inviting Participation, this is mandatory unless all lessees and the Freeholder have either opted in or out in writing and/or you trust them not to claim you did not exclude them later!. The RTM company must serve a Participation Notice to every qualifying leaseholder who has not already joined the company and the Freeholder. To do this you will need to know who each flat is registered to (see STEP 1).

Remember, a flat could be owned by one person in the flat, everyone in the flat, a trust, or a company.

An HM Land Registry search will tell you who owns each flat (Note: It is also possible to approach the landlord, his/her appointed Managing Agent or the Landlord's Solicitor, for this information by serving a formal Information Notice however this may alert the landlord to your intentions of seizing control of the block.)

You can post the Participation Notice or deliver it in person. Remember, every qualifying tenant and the Freeholder must receive it and is entitled to join the company.

How to serve a Participation Notice

Want us to fill in & serve Participation Notices on your behalf?

Call our Solicitor on 08708 999 595 For full fees all steps:

For full fees all steps:

[View Right to Manage Costs Now](#)

Step 4

Having waited 14 days since serving your Participation Notice you will be ready to serve a Section 79 Claim Notice (Section 79 of the Commonhold and Leasehold Reform Act 2002) providing membership of the RTM Company has reached more than 50% of the qualifying leaseholders. This is the Notice that informs your landlord of your intention to claim your Right to Manage.

The Claim Notice must be sent to

- the landlord,
- any third parties (such as an appointed Managing Agent), and
- You can post this notice or serve it in person.

Assuming the Landlord does not resist your claim (by serving a Counter Notice) the acquisition date for the Right to Manage is 4 months after the date of your Claim Notice. It may be worth considering, therefore, the timing of your initial Claim Notice to avoid busy periods, bank holidays and so on.

If the Landlord does not resist your claim, then congratulations you can take control of your property and the way it's services are managed.

Want us to do it for you?

[Jump to STEP 6 - Management and beyond](#)

Step 5

The landlord resists your claim

[Print all 6 RTM steps](#)

Ok, so you have a difficult Landlord who disputes your claim.

The good news is that Leaseholders do not need to prove any fault on behalf of the landlord to exercise their Right To Manage.

To dispute the claim the landlord must prove that your Right to Manage application does not comply with the 2002 Act, for example, claiming there are

- errors in the initial application,
- that your block is not a self-contained building,
- any commercial element exceeds 25% of the floor area,
- there are not enough flats owned on long leases.
- the block must be a self-contained building or part of a building.
- If it is not detached, 3 sub-tests must be met
 1. there must be vertical divisions with the adjoining buildings, minimal deviation may not render your claim invalid – see Finland Street case
 2. it must be capable of being redeveloped independently and
 3. if there are shared facilities or services, they must be capable of being provided independently without significant interruption, ie,

- A. identifying the services not provided independently,
- B. Can they provided independently,
- C. if so what works are necessary,
- D. what interruption would this entail,
- E. is this disruption “significant”?

for example, heating, if the boiler house is shared with an adjoining block, your block will not be self contained and capable of RTM - See Oakwood Court case.

Assuming the Landlord does not resist your claim (by serving a Counter Notice) the acquisition date for the Right to Manage is 4 months after the date of your Claim Notice. It may be worth considering, therefore, the timing of your initial Claim Notice to avoid busy periods, bank holidays and so on.

If the Landlord does not resist your claim, then congratulations you can take control of your property and the way it's services are managed.

Want us to do it for you?

Jump to STEP 6 - Management and beyond

Step 6

Property Management after RTM

Congratulations you've achieved your RTM. You can take control of your property and the way it's services are managed.

The effective date is either the date stated on your Claim Notice or 4 months from the date the Claim Notice was served. From this date the RTM company is takes over the landlord's responsibilities for the maintenance, repair, collecting service charges, accounting, insurance and overall management of the block.

After the handover the landlord's position is similar to that of a leaseholder and if the landlord also a member of the RTM company they will have democratic voting right too. Like any other leaseholder in the block he/she may sue the RTM company for bad performance or apply to the LVT.

Before you gain control however, there are still few things you need to do:

- Collect as much information as possible from the landlord and any third parties (such as a managing agent) about the building.
 - A List of leaseholders names
 - A list of service charge percentages & due dates,
 - Current arrears balances for each flat,
 - Copies of each lease,
 - Copy of the current insurance policy,
 - Copy of service charge cashbook ledgers since the last set of service charge accounts.
- Exercise your right of access to the building. You should be able to access all common parts in the block.
- Consider who is to undertake the management of the block. Managing a residential block is a considerable responsibility and one that should not be undertaken without a realistic consideration of what is involved.

Advisory bodies are agreed that leaseholders should be encouraged to appoint an a Managing Agent initially, even if their long-term aim is to manage the block themselves.

Our 3 suggested ways to manage your block going forward



Or

[Download our FREE tender form to help you find a new Managing Agent](#)

[Look Up Price List of Managing Agents](#)

[Look up ARMA](#)

[Get advisory note on choosing a Managing Agent from LEASE](#)

The landlord must also fulfil his/her duties as part of the handover:

The landlord must inform any contractors currently providing services to the block the the Right To Manage is being exercised.

The landlord must inform the RTM company of any existing contracts concerning the block.

A full and clear picture of the block's accounts must be provided. Any leftover service charge revenue must be transferred to the RTM company on the acquisition date. Before funds are transferred the landlord will need to settle any outstanding bills with contractors. This process may take some time.

[For a more detailed description of the RTM timeline view the RTM Flowchart](#)



The Right to Manage Company Duties

From the date of acquisition the RTM company takes over the landlord's responsibilities for the maintenance, repair, collecting service charges and accounting , insurance and overall management of the block.

Existing service charge funds are handed over to the new company while contracts are either transferred or terminated, as appropriate.

After the handover the landlord's position is similar to that of a leaseholder and as such is also a member of the RTM company. Like any other leaseholder in the block he/she may sue the RTM company for bad performance or apply to the LVT.