

# CASE STUDY

Right to Manage to Protect Asset Value

## Protecting Asset Value Through Right To Manage

Right to Manage (RTM) is the process of empowering leaseholders by taking the responsibility of block management and block insurance placement from the freeholder. In essence, it allows owners to appoint managing agents of their choice to look after the communal areas and exterior of their development.

We've actively driven Right to Manage (RTM) at a number of developments where we were concerned that the incumbent block manager (appointed by the freeholder) was not serving the best interests of our clients, the leaseholders.

*"I'd heard of Right to Manage, so when Young Group approached me with concerns over the current block management and that they wanted to use RTM to make a change, I was pleased to see them continuing to take an active role in managing my property asset"*

At MyBase, a newly built development in Southwark where Young Group's clients own the vast majority of the private apartments, we quickly became concerned by the quality of the block management.

The fact that maintenance issues were not resolved as they occurred meant that they became serious and costlier to repair. Blocked gutters that had not been cleared caused flooding on the roofs which resulted

in leaks, damp and mold growth. Understandably, the affected tenants were disappointed with the quality of their accommodation and the general health and appearance of the building was going downhill fast.

Through no fault of their own, the performance of our landlords' investments was suffering and residents were not experiencing the standard of block management that they should have done.

Initially, we persevered with the incumbent agents but when it was clear that neither they nor the freeholder were acting on our

concerns, we took the decision to recommend a RTM to the leaseholders.

The process took an extraordinary amount of time considering most RTM processes take five months while the incumbent agent delayed the process, extending the period to almost a year. RTMs require a minimum of 50% of leaseholders to support the process and 72.5% of leaseholders at the development supported the RTM.

One MyBase landlord, Richard Houlty, commented on the process and stated, *"I had heard about Right to Manage legislation previously, so when Young Group approached me to say there were concerns over the current block management and that they wanted to use RTM to make a change, I was pleased to see them continuing to take an active role in managing my property asset."*

*"Good block management is an added selling point when renting out my property – it's great in terms of marketing. No one wants to live in a poorly maintained property and good block management can give an apartment an edge over one in a rival development. I am sure it will provide a better long term return on my investment."*

Louise Whitley, another leaseholder at MyBase, commented, *"I was aware of what Right to Manage was before we needed to use it at MyBase. I am happy it was implemented as my experience of the previous managing agents was that they were rude, unresponsive and messy - and they never did anything."*

*"Things have changed. The reception area is much smarter and the communication process is better. There was a lot to tackle, but things are now moving in the right direction."*