

CBW Right to Manage (RTM) and RA Recognition FAQs

In response to common questions raised by leaseholders and residents the RA has prepared the following FAQs which we hope you will find helpful:-

1. What is Right to Manage (RTM)?

RTM is a legal process that allows leasehold property owners take over management of their buildings - even without the agreement of the landlord.

2. How much does RTM cost?

Under the current law the costs of RTM are unpredictable and can be excessive as leaseholders are liable for the landlord's costs as well as its own. Typically a budget of around £200 per flat is sensible.

3. How long does RTM take?

6 to 8 months if the landlord does not dispute the claim. 1 year to 18 months if the landlord takes the claim to tribunal.

4. What is the RA policy on RTM?

The RA supports RTM (and always has done). It intends to initiate the process in Q2 2023 (subject to legal advice). **Note:** Changes to law are expected to enter into force in late 2024 which are intended to address 2 above. See https://www.lawcom.gov.uk/project/right-to-manage/?_sm_au=iVV3kkP3p6Pqp649KQTTNKHNNc7B3

5. Why is formal recognition of an RA by the landlords so important?

Without recognition an RA has no legal powers to participate in the process to replace the estate manager or hold it account regarding service charge costs and maintenance issues.

6. How can an RA replace an estate manager?

Via a retender (if the RA is recognised) or via RTM. **Note:** Absent RTM estate priorities and service charge are determined by the landlord.

The RA has initiated a retender at a cost of £7,000 which ongoing.

7. What are the powers of an RA without RTM?

The RA is a consultative body only with the powers referenced in 5 above. **It does not have the power to authorise or block expenditure.**