

PRESENTATION

**CHELSEA BRIDGE WHARF
RIGHT TO MANAGE (RTM)
MAY 2023**



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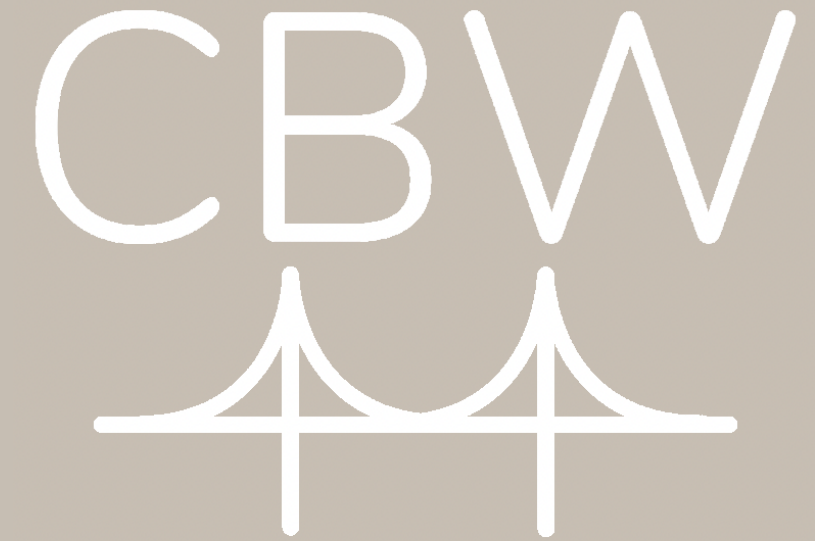
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Right to Manage (RTM)

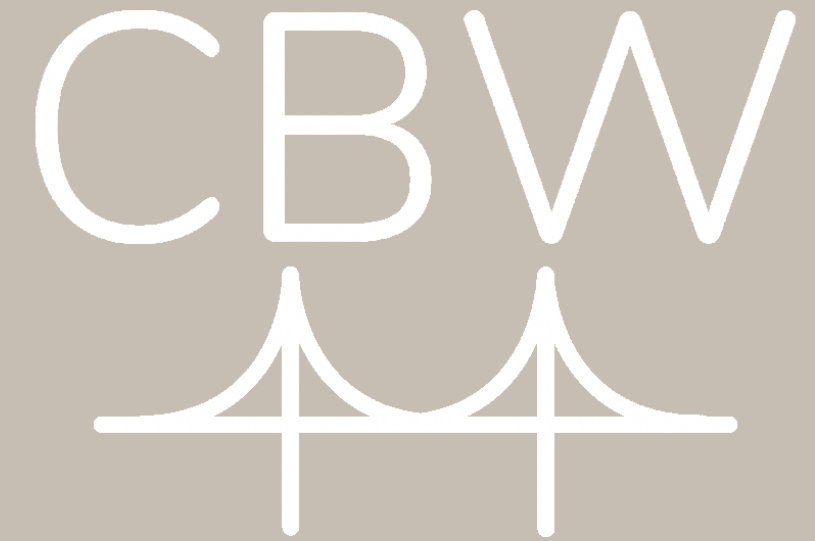


What is Right to Manage?

- Right to Manage (RTM) is a legal provision in the UK that allows leaseholders to take control of the management of their building. This can result in significant benefits for leaseholders, including greater control over maintenance and service charges, improved services and facilities, and increased property values.
- CBW leaseholders would appoint the managing agent to run CBW. It does not mean that residents would run the development. The existing freeholders still own the buildings and estate.
- For Chelsea Bridge Wharf, exercising the Right to Manage could provide both short-term and long-term benefits, such as better communication with the managing agent, greater transparency in financial matters, and the ability to make decisions based on the needs of the residents. Additionally, taking control of the managing agent of the building and estate can result in cost savings over time, as leaseholders can choose their own service providers and potentially negotiate better rates.



Overview



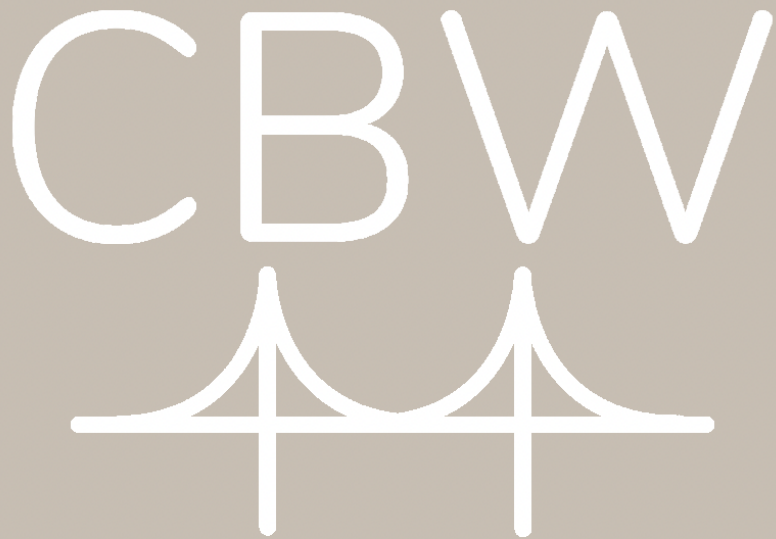
- The standards at CBW have been in decline for several years, whilst service charges increase. Rendall & Rittner are reporting to the requests of the freeholders and not managing CBW with residents best interests at heart. In order for CBW to move forward with improved standards and service levels, CBWRA believe Right to Manage is the best way forward in order to change managing agent and to have long term control over spending and standards within the development.

- Several companies have been approached, and following months of research and meetings on Right to Manage, we have outlined a comparison table showing the differences between the companies that can lead us through RTM and estate management.

- R&R have grown to such a large business that we are no longer seen as an important development in their overall business, we believe that by tendering to a smaller agent we would be one of the core focuses in their business. It's important to pick a company that's also large enough to be able to manage a development as large and as complex as CBW.



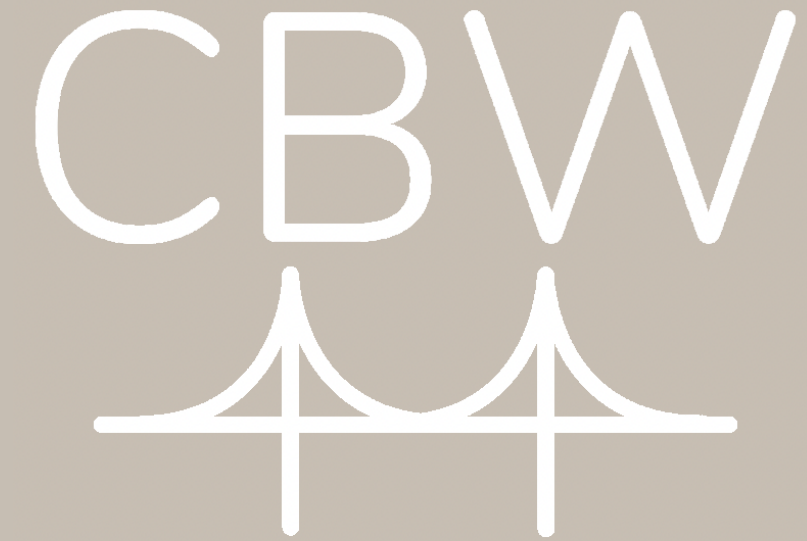
Comparison of Managing Agents



	URANG	SAMAS	CANONBURY	RINGLEY	RENDALL & RITTNER
About	<p>Medium sized, London-based company with successful history in supporting leaseholders through RTM.</p> <p>On Berkeley Homes’ list of approved companies.</p> <p>Linked to the property managers Warwick Estates</p>	<p>New, small, London-based management company run by Samantha Massey.</p> <p>Works in partnership and with back office support of an established management company, HML Group.</p> <p>The RTM process itself would be supported by an external consultant, Roger Southam.</p>	<p>Medium sized London-based company</p> <p>40 years’ experience and a track record of seeing through RTMs.</p>	<p>Medium sized London-based company established in 1997.</p> <p>Offering a full range of property solutions including surveys, valuations, legal services, property/facilities management and sales and lettings.</p> <p>Similar setup to R&R, although a smaller company and with a lower management fee.</p>	<p>Large sized company currently managing Chelsea Bridge Wharf.</p> <p>Manage over 80,000 homes</p>



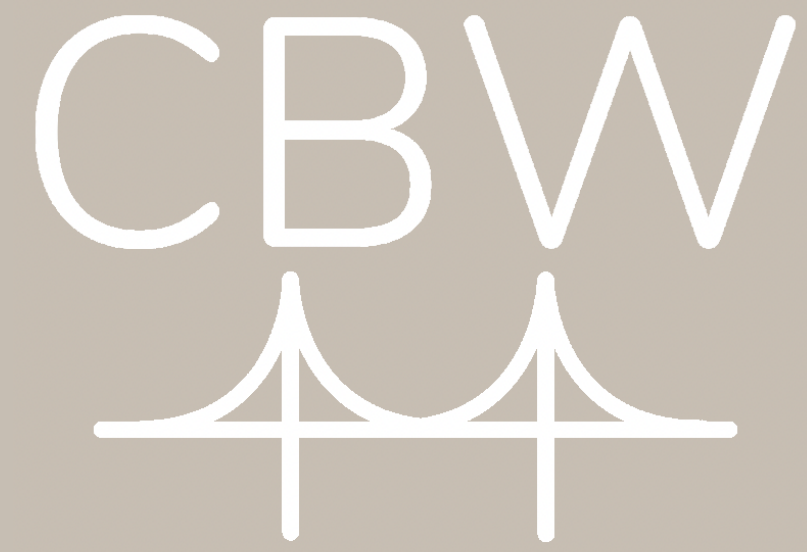
Comparison of Managing Agents



	URANG	SAMAS	CANONBURY	RINGLEY	RENDALL & RITTNER
Website	www.urang.co.uk	www.samas.uk	www.canonbury.management	www.ringley.co.uk	www.rendallandrittner.co.uk
Proven record of achieving RTM	✓	-	✓	✓	unknown
Proven record of estate management	✓ (good)	✓ (good)	✓ (fair)	✓ (good)	✓ (poor)
Upfront cost of RTM	£0	£250k	£0	£0	-
Cost of RTM process	£0 - Inc in Management fee (subject to 2 years management), early termination fees apply	£150+vat per unit plus costs (£250ph – hrs unknown). Paid upfront, collected directly from leaseholders	£0 - Inc in Management fee (subject to 2 years management), early termination fees apply	Paid upfront, collected directly from leaseholders, All legal and freeholders costs paid by leaseholders (est. £100k)	Unknown
Third Party RTM costs (i.e. freeholder legal costs which must be fair and reasonable).	Paid by Leaseholders (typically £17 - £50 per unit). Typically collected from the service charge at completion.				unknown
Yearly management fee per unit (+VAT)	£300	£190	£275-350	£320pa – 2 years, then £250pa	£560
Notice on Management Contract	3 months				
RTM Process	Managed fully by <u>Urang</u> with RA involvement at each step	Managed by Roger Southam	Managed fully by Canonbury from start to finish	Managed fully by <u>Ringley</u> from start to finish	unknown



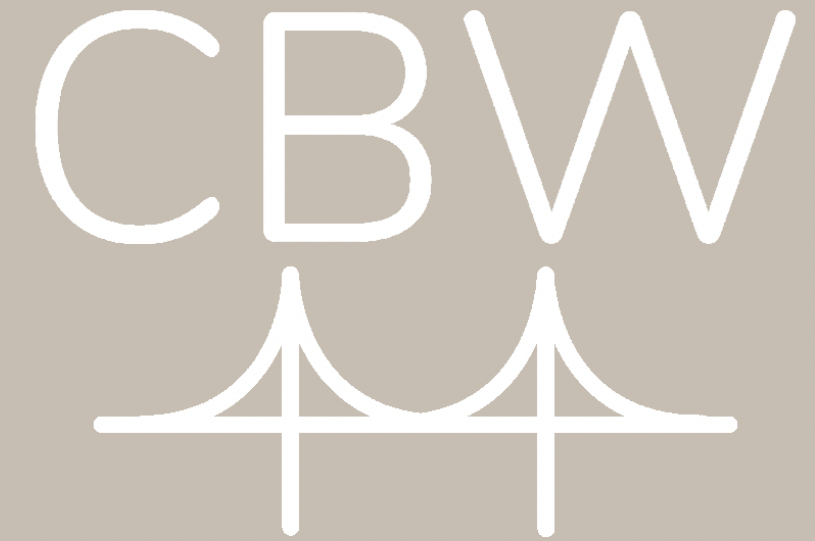
Comparison of Managing Agents



	URANG	SAMAS	CANONBURY	RINGLEY	RENDALL & RITTNER
Cost if leaseholders decide not to follow through with RTM	£70 per unit	£120 per unit	TBA	TBA	-
Approach to RTM – All Buildings & Estate	✓	-	✓	✓	-
Recommended by Leasehold Knowledge Partnership	✓	-	-	-	-
Listed on the main freeholders’ approved tender list.	✓	✗	✗	✓	✓
Existing onsite staff have the right to remain at CBW	✓	✓	✓	✓	✓



CBWRA RECOMMENDATION



Based on the information provided, and their open/honest communication combined with their proactive approach, Urang soon stood out as a favourite. We stress-tested their offer, exploring the company in greater depth.

- We believe Urang have a strong portfolio and have demonstrated cost savings and improvements in other developments. They have also successfully completed over 100 RTM claims, across some high profile and complex developments.

- CBW would be one of the most important clients in their portfolio, and we would be able to drive a bespoke and forward thinking approach to development with a long term view.

- A cost saving of around £260/year would be made based on R&R's current figure for 2023.

- Urang have no fee should RTM fail, which means they take on the risk of an application being unsuccessful. We only pay a fee if leaseholders decide to pull out of RTM after instructing Urang. These costs would be less than £70 per leaseholder (and this would be less if we withdraw earlier in the process).

- Costs are recovered from the service charge and from all leaseholders, which is fair and avoids individual billing in advance.

- Urang rate high for successfully concluding RTM claims and also when it comes to providing estate management services following RTM.

- Urang are one of the only managing agents who will fund the process. This route would mean leaseholders don't need to pay anything upfront.



Urang: A Closer Look



Leaseholder costs:

Circa £20k in total = i.e. c£17 each (collected from service charge after RTM completes. The breakdown is as follows:

- Urang expenses c£8.5k for buying all the land registry titles a couple of times as part of the process and posting multiple documents to all leaseholders, based on = £3 per land registry searches and approx. 2 letters to all leaseholders
- Freeholders' reasonable costs in assessing / challenging the claim = c£2.5k
- Tribunal application fees, if needed, c£500
- If there is a technical dispute and we jointly agree that it would be best to get a barrister to represent us at the tribunal = c£10k
- Urang will fund all of this and recover it from the service charges at the end of the process. If the process were to fail due to Urang actions, Urang will cover all the costs; if it fails due to leaseholders deciding not to proceed we would look to the leaseholders for these costs



Urang: A Closer Look



- Existing properties

Urang Current Portfolio:

- Blocks Managed: 618
- Total Number of Blocks: 9400



Barrier Point, E16
Urang managed since 2014
259 units and 2 car park areas.



Regency Apartments, SW1P
RTM has been completed and Urang managed since 2022.
160 units across 8 blocks and an underground parking area.



Lombard Wharf, SW11
RTM has been completed and Urang managed since 2020.
110 units, a car park area, external communal gardens, and gym.



CITY TOWER & ROFFEY STREET, E14

RTM successfully completed & Urang managed since 2017
There are **206 units** and 2 commercial spaces.

- We renovated the lifts within 6 months of handover.
- The development is one of the first buildings in Canary Wharf to achieve a satisfactory EWS1 form.
- We have carried out major works projects quickly that had been stuck for years with the previous agents.
- Completed an insurance claim for over £300K following a fire.
- We turned around a complete & complex rebuilding of a flat as it was gutted by fire.



TRADEWINDS, E16

Urang managed since 2012.
There are **251 units**.

- With the RTM directors, we re-energised a demoralised concierge team to provide a better service for leaseholders.
- We identified £500k of savings versus the long-term maintenance plan put forward by previous agents.
- A specialised in-house team was set up where we successfully solved massive health and safety requirements within a very strict timeframe.
- Confirmed funding received from the Building Safety Fund (£1.7m) to remediate the tower section of the development, which has missing cavity barriers and fire breaks alongside combustible insulation behind the terracotta tiling on the building.



The Maltings, E3
Urang managed since 2021.
172 units across 4 blocks and a car parking area.



Viridian Apartments, SW8
Managed by Carrington's since 2022 (Part of the Urang Group).
240 units across 8 blocks and an underground parking area.



Emerald Square, SW15
Manage to commence in March 2023.
83 units and 42 houses.



Angelis Apartments, N1
Urang managed since 2022.
60 units and an underground parking area.



Settlers Court, E14
Urang managed since 2014.
76 units and form part of an Estate.



216 Kennington Road, SE11
Urang managed since 2020.
72 units and a underground parking area.



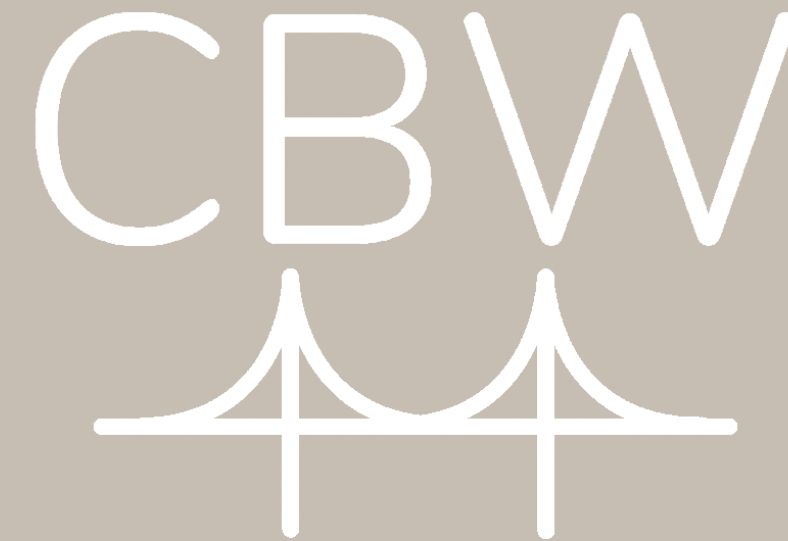
KENNINGTON PARK SQUARE

Urang managed since 2020
There are **216 units**.

- Confirmed funding received from the Building Safety Fund (£5m)
- An additional £100k received from the Waking Watch Relief Fund for the installation of a fire alarm system alongside combustible insulation.
- We are currently in discussion with the Developers to make up the shortfall in funding as one of the blocks in this development is under the required height of 18m for the funding application.



Urang: A Closer Look



- Service charge reports

We have a comprehensive computerised management system (BlocksOnline) to assist both our property managers and finance team in providing appropriate service reports to our Clients.

Some of BlocksOnline's features:

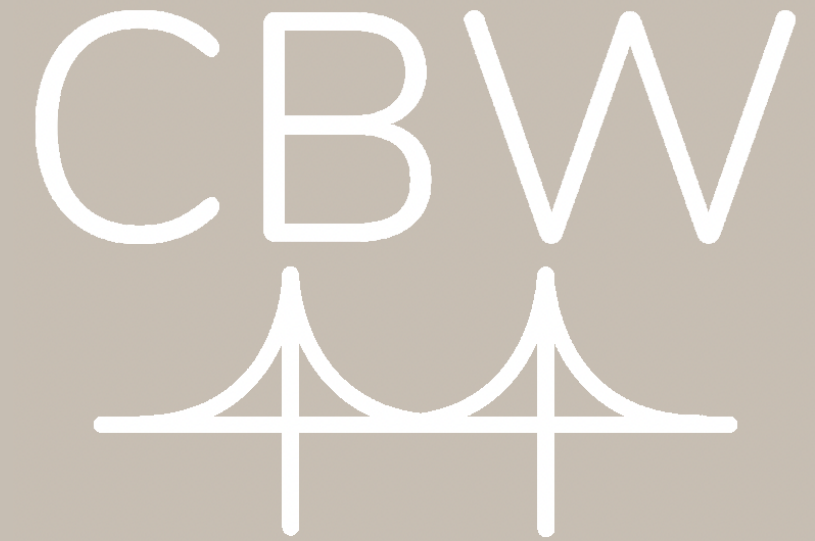
- Multiple bank accounts: Keep track of separate bank accounts for service charge and ground rent as well as other funds you may be monitoring (e.g. reserve fund or insurance).
- Allocation to reserves: When leaseholder receipts are allocated to service charge demands the system will automatically keep track of reserve fund balances.
- Bank charges and interest: The system allows you to record bank charges that are incurred and any interest that you receive on your accounts.
- Year-end financial reporting: A full range of financial reports are available for submission to accountants. The system will 'lock' relevant information to ensure that historical figures cannot be altered in error.
- Surplus/deficits: Once the end-of-year accounts have been produced, the system creates demands/credit notes based on the allocation of surplus/deficit figures to units.
- Bank reconciliations: Reconcile bank accounts on any frequency – daily, weekly or monthly – and partially process reconciliations if you need to investigate queries.

Just a Note:

- Please find attached an Exemplified Actual vs. Budget Financial Report.
- Urang can provide tailored reports to our Clients. Upon management takeover, we will discuss and agree to your preferred reporting structure and timelines to suit your specific reporting requirements.
- Leaseholders will also be able to log into the Online Portal where they will be able to find all block-related documents such as insurance schedules, year-end accounts, major works information, and reports.



Urang: A Closer Look



- How problems that exist at CBWRA are addressed

We don't believe there are any problems at your development that we haven't seen and dealt with before. We haven't gone through the issues in detail but understand they include management of on-site staff and getting repairs done in a timely, efficient and cost effective ways; and we have very strong experience of solving these issues – we understand that these are the same reasons many of our Clients have gone through the RTM process.

We look forward to working with the directors and leaseholders in solving these property management issues and we will work hard for you to ensure smooth management of your development.

- On-the-ground track record examined, perhaps by speaking to RAs

Urang was set up over 22 years ago and has become one of London's leading independent Managing Agents. With a portfolio of over 9000 units and growing, our success has been achieved by cementing strong ties with our Clients whilst managing our portfolio to the highest possible standards.

As a firm, we are regulated by both ARMA and RICS, in effect this means meet all the statutory and regulatory requirements necessary of a managing agent.

Whilst the size of our business enables a quality comprehensive service offering, our intimate structure allows for flexibility and coherence. This also allows us to invest in people and provides the ethos which attracts experienced and competent staff upon which the business relies on.

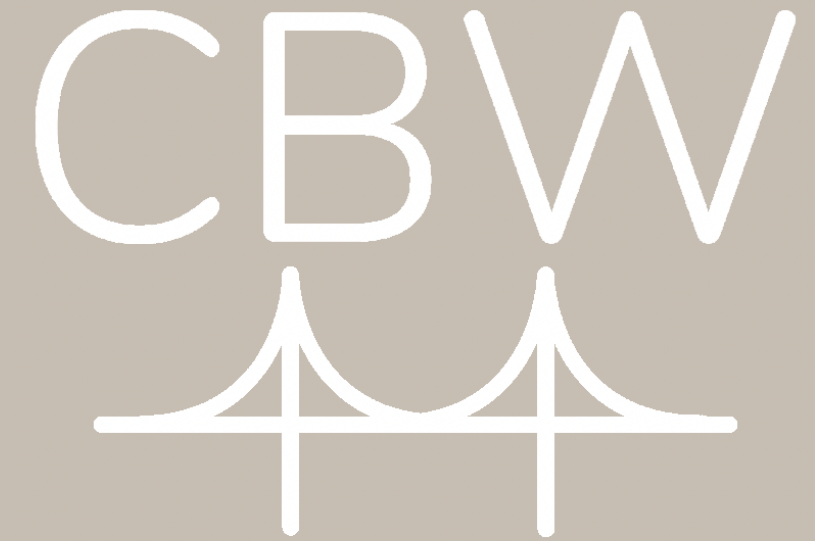
With our combined industry experience, expanded specialist teams, in-house contractors, effective systems, track record, active participation, capacity and driven mindsets, we would love to assist you through the RTM process and bring fresh thinking and overall quality work to your development.

We were recommended to the Board by the Leasehold Knowledge Partnership, for whom we have solved a lot of problems for distressed leaseholders. We would be happy to put you in touch with other clients.

private and confidential not for distribution



Urang: A Closer Look



- Transparency of service charge reports

As per our other Clients, we will aim to build long-term relationships with directors and leaseholders to ensure transparent communication and regular updates regarding management functions.

As previously mentioned, we look to agree to a preferred reporting structure and work closely alongside the directors in managing your development. We are very transparent with our clients regarding providing accurate reports and would happily discuss any questions that may arise.

- Portal for all invoices?

Invoices are loaded on our Online Portal (Blocks Online), and upon Client approval, processed and paid. We would happily provide you with how we file, process and pay invoices for our managed developments and agree to a method that works for you.

- Year-on-year data on service charge increases

Implementing the RTM will allow the directors/leaseholders to control their development management functions. This will include having full control over the budget setting and what you would like to spend your money on. Urang will complete an in-depth site inspection and full development analysis to review all documents upon management takeover; based on our findings, we will provide the directors with a budget for discussion, and work will only commence upon director signoff.

We will closely monitor the contractors to ensure we provide you with value for money. Should you not be satisfied with the delivered services, we will source different contractors to meet your property management needs and budget.

We will also agree to a preferred reporting structure upon management takeover and provide you with regular management and financial reports.



Urang: A Closer Look



- Existing CAPEX plan

During the onboarding period, Urang will complete a full property analysis and document review including a full review of all maintenance contracts, the Health & Safety positions, Health checks of Compliance, maintenance issues, and future maintenance planning already in place.

Our Surveyors Department has qualified in-house building surveyors available to review your Capex Plan and provide you with their professional input and recommendations on the planned maintenance and contingency for emergencies and unforeseen matters.

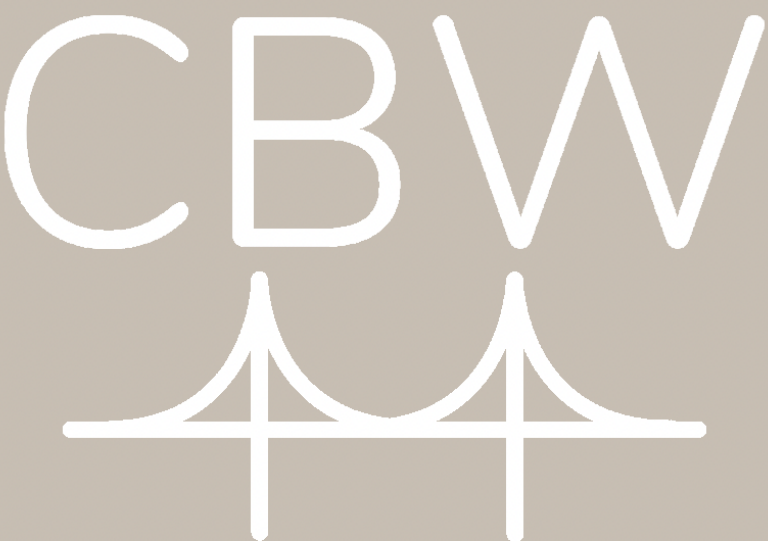
These recommendations will be reviewed with the Clients and agreed, we will also ensure effective planning for fund collection to assist the leaseholders in the long run for household budgeting.

- Thoughts on security (long-term thinking), ponds, staff

During the management takeover, a full property review will be completed including a property analysis and document review, on-site staffing review, legal review and financial review. Based on their findings and your most urgent requirements, we will be able to look into these matters and address these in accordance to urgency.



Next Steps to Secure RTM



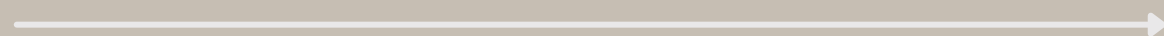
18 th May	PowerPoint and supporting information shared with leaseholders (see links)
30 th May	Opportunity to meet with <u>Urang</u> : Teams call at 7pm, link to follow
2 nd June	Closing date for resident feedback to CBWRA. Please write to us at <u>info@cbwra.com</u>
5 th June	Contract of intention signed by CBWRA to proceed with Urang
6 th June - onwards	Urang contact each leaseholder and manage the sign up to RTM. (50% of all leaseholders are needed to proceed)
September - November	Urang engage with landlords through to first tier tribunal to achieve RTM (this is our ideal timeline. From the moment RTM notice is served the timing will largely be set by the freeholders' response)
November - February	Urang liaise with CBWRA & Landlords to collectively negotiate operating terms
2024 (tba)	<u>Urang</u> take over operations and management from R&R (onsite staff remain)



Thank You

CBWRA

Get in touch:



Web: www.cbwra.com
Email: info@cbwra.co.uk