

Who are we?

Osler Donegan Taylor is a modern and friendly firm of solicitors based in Brighton & Hove specialising in all areas of Property Law. We understand the reasons why you may be thinking about obtaining the Right to Manage your property and we are familiar with the benefits that you could gain from doing so.

Our Enfranchisement Department has been helping lessees acquire the right to manage ("RTM") their properties since the RTM provisions of the Commonhold & Leasehold Reform Act 2002 came into force in 2003. The Partner currently in charge of our Enfranchisement Department is the Solicitor for the Brighton & Hove District Leaseholders Association and is on the LEASE panel of Solicitors. We can therefore draw on a considerable range of experience in acting on behalf of lessees or of freeholders.

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Interested in finding out more?

We carry out free drop-in clinics at our offices every Tuesday afternoon between 2pm and 3.30pm. Feel free to drop in and speak to one of the team to find out more about buying your freehold. Alternatively call us on 01273 710712 or send us an e-mail and we will be happy to explain the process in more detail.

Finally, we'll be happy to provide you with a full written quote.

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Osler Donegan Taylor
Solicitors



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Right
to
Manage
Right
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Manage

Finding the best solution

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Why get the RTM?

The most common reason for people deciding to acquire the RTM is so that they can take control of the aspect of living in a flat that many consider to be the most irksome – service charges!

The process involved in acquiring the RTM is simpler than buying the freehold and as a result the costs involved are lower.

The Law

Parliament recently passed the Commonhold & Leasehold Reform Act 2002 which includes the legal requirements which apply to the RTM.

The Act is a vast and complicated piece of legislation. Broadly speaking, to qualify to acquire the right to manage your block, you must fulfil the following criteria:

- Your block must be a self-contained building containing at least two flats
- At least two-thirds of the flats in your block must be let on long leases and at low ground rents
- Out of those flat owners with long leases at low ground rents, at least one-half must become shareholders of the RTM Company which is set up to acquire the RTM
- Your block must have no more than 25% of its floor space used for commercial purposes

If you can show that all these things apply in your case, then you are ready to take control of your block!

RTM companies

Before you can acquire the RTM, you have to set up an RTM Company, which is a limited company registered at Companies House for the sole purpose of acquiring the RTM.

You are obliged to invite all the leaseholders in your block to become members of the RTM Company. Provided at least half of the leaseholders agree to become members, you can then serve what is known as the "Claim Notice" on your freeholder. You should acquire the RTM four months later.

What are the benefits of RTM?

The RTM Company will become responsible for all the "management functions" under your lease that were previously the domain of the landlord. These include things like arranging your own insurance, dealing with repairs and redecoration of the building and, of course, demanding service charges yourselves.

Other things that are not legally recognised as "management functions" will remain the responsibility of the landlord so you will still have to pay ground rent.

In most cases, if you qualify for RTM, you would also qualify to purchase your freehold and in some cases this might be considered the better option.

How do I decide whether to acquire the RTM or to buy the freehold?

The main benefits of acquiring the RTM are that you do not have to pay anything except your own legal fees, the landlord's legal fees and the costs involved in setting up the RTM Company. Because the process involved with the RTM is less complex than buying the freehold, it is often cheaper and quicker.

The main benefits of purchasing the freehold are that, as well as all the advantages of acquiring the RTM, you will no longer have to pay ground rent and will be able to extend your lease and grant yourself licences for alterations without having to pay any premiums to the landlord! Of course you will have to pay for the freehold, and the legal fees involved are slightly more. For more information on buying your freehold see our leaflet entitled "Thinking of Buying Your Freehold?".

if you
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the right to
manage
their properties
since 2003