

Taking control of your place

Don't fork out a fortune in service charges only to do maintenance work yourself. There are ways around it, says **CHLOE SCOTT**

Leaseholders paying a service charge depend on those collecting it to look after the communal areas around their properties. But all too often, unscrupulous agents and freeholders are taking the cash and investing little in the shared area.

Richard Ouston, a resident on an estate in Hemel Hempstead in Hertfordshire, watched its 330 flats and 110 homes fall into disrepair because his managing agent, the company responsible for hiring out contractors, provided an unsatisfactory service.

Not only were the plants left to die in the garden, but the money collected was not being spent on maintaining the building.

'They were taking the service charge and rent from all these people and weren't delivering the results,' says Ouston, a member of the estate's residents' association. 'The garden was falling apart and it's only a three-year-old estate. I ended up spending four days a week managing the estate for nothing when they should have been doing it.'

But Ouston took action. 'We gave the managing agent notification that we would no longer be requiring the service,' he says. 'They threatened not to refund all the money we'd paid them but, in the end, we negotiated and the contract was broken.'

Ouston's advice to those who are in similar situations?

'Everyone who lives in a big apartment block will probably be part of a residents' association,' he says. 'Speak to the directors of the association or your



Picture: Photolibrary

Taking charge: Residents paying a service charge for their properties often end up doing the maintenance work themselves

freeholder and explain you are unhappy. Ask what they are doing with your money.'

Indeed, legislation states that you have rights to see a summary of costs – with receipts – spent on your property's communal areas and that you must be consulted about major, non-urgent works. You can also challenge unreasonable charges.

If you believe your agent or freeholder is ripping you off, the 1996 Housing Act gives leaseholders the right to take the service charge collector to a 'leasehold valuation tribunal', which costs about £500.

You can refuse to pay unreasonable maintenance costs and even request that the tribunal order a new managing agent to look after the building if you win the case.

An alternative under the more recent 'right to manage' reform act is to manage the block yourself, ensuring control of spending. More than 50 per cent of the leaseholders in the building must be in favour this for it to come into force.

But for some, these options are not good enough. Crabtree Property Management is campaigning for the

Government to tighten the law on agents. Mismanagement shouldn't arise in the first place, according to Terry White, Crabtree's managing director.

The company looks after nearly 10,000 units, ranging from as few as three flats in a building to estates of 900 flats. It follows a strict code of conduct, set out by the Association of Residential Managing Agents (ARMA). For example, they have a separate bank account for each building's funds so that the cash put back into each block is easily monitored.

But being an ARMA member is not compulsory, explains White.

'At the moment, anyone can be a managing agent,' he says.

'When looking for a new manager, visit your potential agent's office before signing the contract, as the so-called company could be a one-man band working above his garage. And make sure they are a member of ARMA.'

Finding someone who will keep the garden well clipped and the building maintained could save you thousands of pounds when you sell.

■ If you think your building is being mismanaged, visit www.lease-advice.org



Reform: Terry White says the Government must regulate