

5 January 2011

Ms Noelle Rawe

Our Ref: GS/62/042533/10  
Your Ref:

(See my Reply)

Dear Ms Rawe,

### **Regulation of Leasehold Managers**

Thank you for your letter of 16 December to the Rt. Hon Grant Shapps MP including copy correspondence about the regulation of managers of leasehold properties. I have been asked to reply.

I am sorry to hear of the difficulties that you have experienced with the management of the building containing your flat and note your view that there is a need to introduce regulation for leasehold managers. As you may be aware a number of provisions are already in place to benefit leaseholders as far as the management of their building is concerned. This includes the two codes of management practice approved by the Secretary of State setting out the law and best practice that landlords and managers should have regard to. These codes published by the Royal Institution of Chartered Surveyors (RICS) and the Association of Retirement Housing Managers (ARHM) can be used in evidence at Court or tribunal proceedings if necessary.

Specific rights available to leaseholders include the ability to seek a new manager from a Leasehold Valuation Tribunal, or take control of the management from the landlord by exercising the right to manage. Other rights include the ability to challenge the reasonableness of service charges, and to be consulted about major works and long term agreements before they happen. Free initial advice and information on these rights can be obtained from the Leasehold Advisory Service (LEASE). LEASE a specialist body funded by this Department to provide initial advice and information on a wide range of residential leasehold issues. It can be contacted at Maple House, 149 Tottenham Court Road, London, W1T 7BN; by telephone on 020 7383 9800; by fax on 020 7383 9849, or by e-mail at [info@lease-advice.org](mailto:info@lease-advice.org) and their website is [www.lease-advice.org](http://www.lease-advice.org).

The Government recognises the need to strike the right balance of rights and responsibilities between landlords and tenants. However, it believes that the current legislative framework can deliver that balance, if matched by an increasingly proactive and positive approach by the professionals in the sector. It is not therefore convinced by the case for introducing additional requirements and is keen to avoid imposing further burdens on landlords and managers such as provisions for regular statements of account which would, in turn, increase costs for service charge payers.

However whilst there are no immediate plans to introduce regulation for managing agents the Government will keep the matter under consideration.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'CH', written in a cursive style.

**Chris Humphreys**