

Guide to Property Management



Introduction

A property management company is responsible for managing all aspects of a building's day-to-day upkeep on behalf of a landlord or Resident Management Company (RMC)/Right to Manage (RTM) company.

This encompasses everything from repairs and maintenance, and handling finances, to health and safety and resident relations, and everything in between.

This guide will explain the full remit of a property management company and what to look for when appointing one. But first, it's important to understand UK property ownership specifically leasehold and where the role of a property managing agent fits in.



Leaseholders and service charges

In England and Wales, most apartments (and some houses) are owned under a leasehold structure. This means that the 'owner' holds a lease to live in the property for a fixed number of years rather than owning it outright. The length of the lease typically runs for multiple decades often up to hundreds of years and will have been made clear in legal documents at the point of taking possession.

The lease is issued by an underlying landlord who ultimately owns the property. The lease itself will set out the terms of the agreement between the leaseholder and the landlord. This will include details such as which areas of the property are the private responsibility of the leaseholder, which responsibilities are shared, and what services the landlord must provide.

If you think about it in terms of a block of apartments, the apartment itself would be considered the responsibility and personal possession of the leaseholder (or their tenant, if they choose to rent out the property). Areas such as the entrance, lifts and corridors would be considered communal areas and require collective responsibility.

The upkeep of these communal areas can be administered either by the landlord or by the leaseholder(s), under what is known as a Right to Manage agreement. In either case, a service charge will be required to cover the costs of the maintenance. A full breakdown of the service charge costs will be included in the leaseholder agreement upon taking possession of the property.



Who appoints a managing agent and broadly what should they do?

A managing agent is appointed by the person or company who has the legal responsibility for the delivery of services of the landlord under the terms of the lease.

Flat owners may acquire management responsibilities through acquisition of the freehold of the building, through the statutory RTM or through an RMC. Through this they will assume responsibility for the management and day-to-day repair of the building, compliance with lease obligations and statutory requirements. The lease sets out what services they must deliver.

Legal responsibility for the management of the property and the ultimate responsibility for the full and proper management will remain with the landlord or RMC/RTM.

The RMC/RTM company may self-manage, or they may wish to appoint a managing agent to act on their behalf to manage the property.

The client i.e. the landlord or RMC/RTM will always have the final legal responsibility for the full and proper management of the property, but, through the Management Agreement, are delegating the day-to-day activities to the duly appointed managing agent.

Using an agent passes some of the responsibility for compliance with leases, laws and codes of practice to the managing agent. However, the Directors of an RMC/RTM company are responsible for setting policy and monitoring the work of the agent.

The agent's service costs are covered by the service charge funds, which will be determined by the cost of necessary repairs and maintenance, as well as the management and insurance of the building.

What services should your property management company provide?

The principal areas of property management are broadly as follows:

Finance:

Handling the rent and service charge collection ensuring these are held in client bank accounts, as well as a building's financial performance through accounting and budgeting services. The managing agent should also advise on cost efficiencies and identify areas for savings.



Some property management companies, such as Rendall & Rittner, that are Royal Institution of Chartered Surveyors (RICS) regulated offer further financial protection through the RICS Client Monies Protection scheme. This can provide further peace of mind for clients.



Customer service:

Acting as a central point of contact for residents and the management company, the managing agent should respond to any queries and concerns in a timely and professional manner providing informed feedback and details of any follow-up action. This process should be well co-ordinated with high visibility for all stakeholders.

A good property management company will also be interested in receiving regular feedback from clients and residents to understand how to further enhance their service offering. At Rendall & Rittner, we measure our quality assurance through our regular client surveys and feedback received, both of which are reviewed and acted upon at Director level.

Repairs and maintenance:

Property managers oversee regular maintenance and repairs, working with contractors and service providers, such as cleaners, where necessary to maintain the upkeep of the building. They may administer insurance claims and prepare maintenance plans and contracts for plant and machinery.

They should undertake site inspections to check conditions and deal with necessary repairs and manage any on-site staff such as concierge and porters.



Contractor management:

A Property Manager can source and instruct contractors and service providers to carry out any necessary works, which could be major works, to the highest possible standard. They can negotiate contracts and ensure that work is completed within budget and on schedule. This could include working with lift management teams, utility companies and security and maintenance firms.

Legal services:

Property managers should be able to provide a legal services team in-house as per Rendall & Rittner in order to cover essential issues. These include credit control, lease consents, Company secretarial services, lease compliance and sale transactions.

Health and Safety:

Managing agents should ensure a property is compliant with relevant health and safety regulations, carrying out regular inspections and assessments to identify any potential hazards and risks. They should arrange for specialist checks and tests by contractors and specialists.

There are a range of accreditations designed to showcase excellence in health and safety management. These can be a good indication that a property management company is committed to delivering the highest possible standard and include:

- British Safety Council 5-star accreditation
- ISO 45001:2018 accreditation
- RoSPA awards
- Investors in People accreditation
- IOSH training for employees

Supporting the RMC/RTM company Board and landlord:

A property manager will advise the Board on residential landlord and tenant procedures and on a suggested management policy. They will also attend Board meetings and will provide a report on financial, maintenance and legal matters including significant leaseholder communications. They should keep the Board informed of the status of agreed actions.

Full service managing agents such as Rendall & Rittner also offer Company secretarial services, for example preparation and distribution of the notices for the AGM/EGMs.



The role of the Property Manager

The Property Manager may work directly for the owner/leaseholder or be an employee of a management company. The Property Manager's role is to ensure that the property is well-maintained, that any necessary repairs or maintenance are carried out promptly, and that disputes or issues are resolved in a timely and professional manner.

The exact scope of the role will depend on the agreed contract with the managing agent and the terms outlined in the lease agreement for the building in question. For example, some Property Managers may oversee additional services such as concierge, cleaning or security services for an extra cost. The role of a Property Manager can also vary over time due to changes in statutory requirements such as those brought in recently by the Building Safety Act.

When selecting a Property Manager, it's important to look for someone who has experience in managing properties similar to yours, who has a good reputation in the industry, and who is responsive and communicative.

Property management can involve a range of factors depending on the scale, location and type of property, and a range of expertise is required. The skillset of a modern Property Manager spans everything from legal knowledge and construction expertise, through to health and safety awareness and resident wellbeing.

Overall, the foundation of a good property management service should include clear and regular communication, a proactive approach to maintenance and repairs, and a commitment to providing excellent customer service.



Going above and beyond

The scope of property management can extend to anything that will maintain and enhance the overall value of the building, or ensure a resident feels safer and happier in their home. The wider remit of a modern property management company can include:

- New digital solutions such as online portals for rent and service charge payments, maintenance requests, and communication, and smart home systems for better control and monitoring.
- Advice on a building's carbon footprint in order to save money on energy bills, often by sourcing sustainable solutions such as LED lighting, water-saving devices and energy-efficient appliances.
- Legal services such as enforcement, and compliance with relevant laws and regulations. Property managers can also advise on complex ownership structuring.
- Emergency attention such as 24/7 response teams, disaster planning and recovery, and health and safety compliance.



Accreditation



There is no formal regulating body for property management in the UK meaning many property management companies are unregulated.

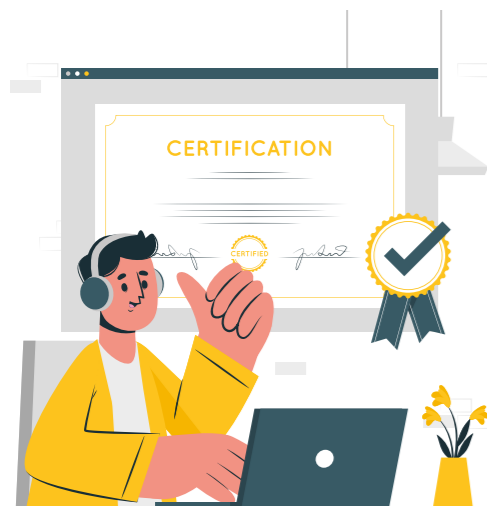
When looking for a managing agent it may well pay in the long-run to work with one who is regulated and who also has a highly relevant accreditations. Rendall & Rittner is regulated by RICS and have accreditations from ARMA, British Safety Council, ISO and Investors in People, providing external verification of the high level of service being provided.

ARMA (Association of Residential Managing Agents – now part of the Property Institute) promotes and upholds the highest standards within the industry so hiring a managing agent who is accredited to ARMA can provide several benefits and assurances for property owners and leaseholders.

ARMA accreditation ensures that the property manager has met strict standards of professional, knowledge, and service delivery in residential property management. ARMA-accredited property management companies are required to adhere to a code of conduct that promotes transparency, ethical behaviour, and the protection of the rights of leaseholders.

RICS also regulates some professional property management companies which signifies that the managing agent is a qualified and experienced professional with a deep understanding of the property market and associated regulations.

Hiring a property management company which is both ARMA and RICS accredited gives property owners and leaseholders greater confidence that their property is being managed by a qualified, experienced, and professional company.



About Rendall & Rittner

Rendall & Rittner delivers an unparalleled property management service across the UK.

As a highly experienced property management company we know how to be efficient and agile – taking the hands-on approach, for which we are renowned. Our service levels and 30+ years' sector experience are unrivalled, which is why we are a trusted and valued partner to many hundreds of Resident Management Companies and Right to Manage companies.

We provide complete property management for residential blocks of all sizes and types, customising our service to meet the specific needs of each RMC and RTM. We can also provide specialist advice if you are seeking the right to manage.

At Rendall & Rittner, we put people at the centre of the business, whilst being committed to driving best value for our clients and residents. Our locally based property managers and independent contractors are dedicated to delivering exceptional, high-quality service, backed by our extensive resources, robust systems and the highest standards of accreditation in our industry.

We are passionate about protecting your liabilities and giving you professional guidance on all aspects of property management. From health and safety, company secretarial and procurement through to legal, finance and insurance compliance, as well as out of hours emergency support – we've got it covered so you don't have to!

Find out more about our services for Resident Management Companies and Right to Manage companies on our [website](#).



Checklist

There are a few things that should be considered when looking for a property management company. Use the checklist below to assess whether the company will be able to meet your needs and expectations.



Essentials

Scoring 1-10

Resources:

Does the company have the necessary resources to manage your property effectively?

Communication:

Will the company provide clear and timely communication with you and your residents?

Financial Management:

Can the company effectively manage your property's finances and budgets?

Maintenance and Repairs:

Does the company have a reliable system for handling maintenance and repairs?

Legal and Regulatory Knowledge:

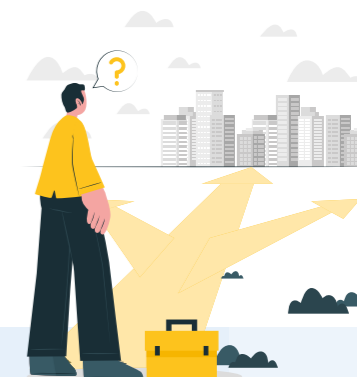
Does the company have a strong understanding of property management law and regulations including Health and Safety?

Staff Management

Does the company offer management of additional services such as concierge, cleaning, or security services?

Customer Service:

Does the company have a strong focus on customer service and resident satisfaction?



Additional things to consider

Scoring 1-10

Regulatory Compliance:

Is the property management company regulated?

Experience:

Does the property management company have extensive experience managing properties similar to yours?

Market Specialisation:

Does the company specialise in the RMC/RTM market?

Technology:

Does the company use modern technology to improve property management efficiency such as via an Online Portal?

Reputation:

Does the company have a strong reputation in the property management industry?

Proactive Management:

Does the company take a proactive approach to property management, identifying issues before they become major problems?

Customisable Services:

Does the company offer customisable services tailored to your specific property's needs?

Sustainability:

Does the company prioritise sustainability and eco-friendliness in their property management practices?

Procurement:

Does the company have the right scale of portfolio to implement bulk procurement initiatives?

Insurance:

Can the company arrange the necessary insurance coverage to protect your property and its residents?

Multilingual Support:

Does the company have multilingual support to communicate with diverse residents?

TOTAL SCORE
/ 180



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