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Leaseholders Short-Changed £77,000 Over Six Years

Leaseholders at skyline apartments, Southend, have happily received back £1,153 each by their newly appointed property management company, Chainbow, following the managing agents' discovery that each of the 52 homes had paid £192 a year more in service charges than they should have.

Since its appointment in September, Chainbow discovered that the commercial leaseholder of the mixed-use development, the National Probation Service, had not paid service charges for six years, meaning that residents footed more than £60,000 of the government agency's service charge bill.

The overpayment was due to previous managing agents not knowing that they should have been charging the commercial leaseholder, which means the National Probation Service owes Skyline leaseholders the outstanding money and Chainbow Chairman Roger Southam has been in hot pursuit of the payment.

Mr Southam commented, "Too often we see properties where former managing agents have been clueless about what their leaseholders are entitled to and what they should be paying for. In the past two years, we have witnessed a number of properties involving hundreds of residential leaseholders paying for commercial leaseholders' service charges. This means electricity, building insurance, maintenance and repairs that commercial operators are benefiting from, are being supplied to them for free. In addition, there have been countless examples of residents being charged the commercial rate of VAT, 17.5%, instead of 5%. It is amazing how many homeowners are paying for expenses they do not need to be paying for and there is no one out there trying to help them or educate them."

Since 2006, Chainbow has advocated for tighter regulations of the property management industry and have called on the Association of Residential Managing Agents (ARMA) to licence operators to ensure they are educated about legislation and leaseholder rights and penalised when they do not comply.

In order to add further pressure, Chainbow is calling on disgruntled leaseholders to forward their complaints to them in order to help lobby ARMA and the Central Government for change. Leaseholders can contact Chainbow on 0207 928 9944 or property@chainbow.com.