

## **MEDIA RELEASE**

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### **INDUSTRY HEADS WANT JOINT CODE OF CONDUCT TO REGULATE MANAGING AGENTS**

Today property bodies including RICS, BPF, Property Standards Board (PSB), Association of Retirement Housing Managers (ARHM), Association of Residential Managing Agents (ARMA) and the Leasehold Valuation Tribunal (LVT) agreed a joint, unified code of conduct will be established by all parties to help homeowners benchmark the performance of managing agents and lay the foundations for a regulatory body to monitor and improve the property management industry.

The property professionals were joined by lobbying managing agents Chainbow and the Campaign Against Retirement Leaseholder Exploitation (CARLEX) as part of a Roundtable to devise the process to introduce licensing of property managers, educate the public about the leasehold industry and their rights as well as the role the PSB could play if vital funding is received.

The ARMA, ARHM and RICS have agreed to compile a joint code of conduct so all leaseholders have one set of rules to consult. Currently there are several codes of conduct for private leaseholders, retired leaseholders and other peer groups which make the disputes process very complicated.

Delegates also agreed that the rules must be enforced by a regulator, initially on a voluntary basis but later through legislative backing which could potentially come from an all-party committee. The unified code is expected to be available free of charge and distributed to all residential blocks.

The PSB was called on to be the regulating body but board member David Dalby declined to commit to the request. No industry body pledged to help support the PSB with financial backing.

Property, Employment, Fair Trading and Company law often conflict within the property management industry which is also why the code is hoped to be eventually backed with legislative authority so loopholes are closed and greater protection is offered to homeowners especially in the instance of being liable for costs associated with LVT hearings for Right to Manage Companies.

LVT President, Sobhan McGrath, agreed leaseholders who are brought to hearings usually face an expensive battle as many view an LVT hearing as a last resort which means many years have been invested in a dispute. Ms McGrath conceded that costs can be disproportionate for leaseholders and that there is a misconception that most private leaseholders can afford legal advice and representation which is often not the case.

Chainbow's Roger Southam, who chaired the Roundtable, commented, "It is a strong step in the right direction for a unified code to be drafted and reviewed by leaseholders to protect arguably their largest asset – their home. The next step we need is to license any managing agent, company or person who is responsible for holding service charge funds.

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“We estimate approximately £4billion worth of service charge funds are not regulated by the FSA or any other body. Our strategy is simple, license those holding service charge funds and, as the BPF recommended, issue a licence number to each member who must cite this when they file their end of year accounts for their company and the buildings they manage. This would limit those who are unprofessional and untrained from operating.”

The Roundtable also concluded the public and politicians alike are not well informed about leasehold implications and more needs to be done to educate homeowners about their rights and the shortcomings of the Commonhold and Leasehold Reform Act 2002. More especially, those agents and freeholders who embark on bullying campaigns to deter residents from pursuing a Right to Manage company should be exposed.

No political parties would commit to the Roundtable despite the Conservative’s leasehold spokesperson, Jacqui Lait, MP, agreeing to the meeting but pulling out at the last minute. The FSA and LEASE requested minutes from the meeting.

-ENDS-

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#### **About Chainbow**

Chainbow specialises in residential, mixed-use and commercial property management on behalf of owners, freeholders and developers. Chainbow has been actively lobbying for licensing of managing agents, more industry regulation and industry transparency since 2006.

#### **About CARLEX**

CARLEX is a self-help group of leaseholders, tenants, their relatives and other interested persons in a loose association who are affected by or concerned about the actions, financial issues and operational practices of developers, landlords and management companies of retirement developments.