The Right to Manage process, step by step

An outline of how leaseholders form an RTM company, serve notice and take over management, with the points where claims often go wrong.

The Right to Manage lets qualifying leaseholders take over management of their building without proving fault. The process is set by statute, and the notices must be right. This outline shows the usual route. A solicitor experienced in RTM should check each stage.

1. Check that you qualify

In outline, the building must be a self-contained building or part of one with at least two flats, and a high enough proportion of the flats must be held by qualifying leaseholders on long leases. There is also a limit on how much of the building may be non-residential, and recent reform has changed some of these tests. Check the current rules before you start.

2. Form the RTM company

An RTM company is a company limited by guarantee, formed for the purpose with the articles the law prescribes. Qualifying leaseholders become members. At the date of the claim, enough qualifying leaseholders must be members: broadly, at least half of the flats must be represented.

3. Invite the others to join

Every qualifying leaseholder who is not yet a member must be sent a notice of invitation to participate. Keep proof of delivery. Errors in this notice are among the most common reasons claims fail.

4. Serve the claim notice

The claim notice goes to the landlord and to certain other parties, including any management company and the current manager. It must contain the details the law requires. It sets a date by which the landlord can respond.

5. The response period

The landlord may agree, or serve a counter-notice challenging the claim. If the landlord disputes it, the tribunal can decide whether the RTM company is entitled to manage. Costs rules have changed recently, so take advice on what you may have to pay.

6. The acquisition date

If the claim succeeds, management transfers on a date fixed by the law, usually some months after the claim notice. Before then, the outgoing manager must be asked for records and funds.

7. After takeover

The RTM company is responsible for the management functions. It needs insurance, contractors, accounts, a compliance calendar and a plan for the first months.

Common mistakes

- Notices sent to the wrong address or the wrong party.
- A claim served before enough members have joined.
- Not keeping proof of service.
- No plan for the handover.

> Do not rush the preparation. A rejected claim costs time, money and goodwill. A careful, well-checked claim is usually faster in the end.

General information, not advice on your circumstances. Leasehold law is detailed and changes: check the current position and take advice before acting. Leasehold Clarity is provided by Leasehold Clarity Limited (company no. 16963931), with management and professional services from Murphy Thompson Moore LLP (LLP No. OC314041).