

03 *How we support Residents' Management Companies*

We believe in working closely with RMCs to ensure their developments thrive today and prosper tomorrow.

At FirstPort we know how important it is for you to have an input in the way your development is cared for. This is why we've created 'Property Management Explained' - a series of videos and fact sheets to help you understand what we do as a property manager. From explaining the purpose of Residents' Management Companies (RMCs), to how we support RMC Directors on a daily basis.

In our third Property Management Explained topic, we look at our specific role in supporting those appointed to look out for your development:

WHAT IS A MANAGED DEVELOPMENT?

Privately managed developments are those where the community is often managed by a property manager (sometimes called a managing agent), such as us. Our role is to keep all the communal areas (e.g. gardens and landscaped areas) and shared spaces (e.g. lifts and hallways) clean, safe and in great condition to help protect the

value of the development. To enable this to happen, all the owners of the properties on the development share the costs associated with maintaining these communal areas.

WHAT IS AN RMC?

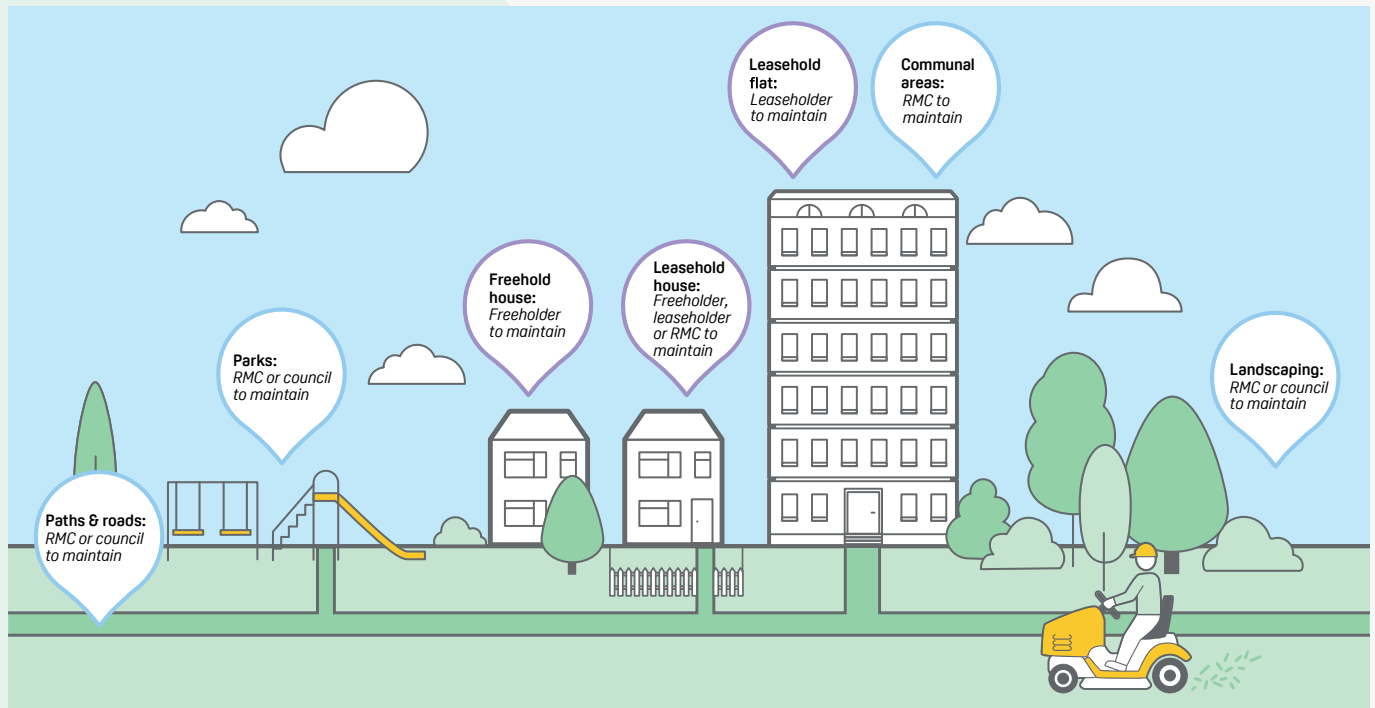
A Residents' Management Company (RMC) is often set up to support the interests of those who share private communal areas with their neighbours and to give residents more say in how their development is cared for. This is usually set up by the original developer of the building or estate and consists of equal members or shareholders, who are typically homeowners in the development.

WHAT IS AN RMC RESPONSIBLE FOR?

The management and maintenance of the building and common areas, as well as compliance with the obligations of the deeds or lease for each home, is the responsibility of the RMC. They'll also look after a range of statutory requirements, for example following changes in health and safety legislation.

The Directors of the RMC, who are volunteers and appointed by the homeowners at the development, decide how best to achieve this, either by self-managing or, in most cases, by appointing a professional managing agent, such as us, to do it for them.

Here's a quick overview of who's responsible for maintaining the key areas of a typical development:



WHY BECOME A RESIDENT DIRECTOR?

In our experience, residents choose to take on the important responsibility of becoming a Director because it gives them the chance to directly support their neighbours and community. They'll also have control over the day-to-day management and maintenance of their development, enabling them to use skills from their own careers for the benefit of the entire community.

HOW DO DIRECTORS SUPPORT THEIR COMMUNITY?

We believe behind every successful RMC are passionate Directors who understand the importance of collaboration. They will:

- Work with their development's professional property manager to make sure the development is well cared for and safe now, as well as putting future plans in place too.

- Determine how service charges are spent to look after the development and work with the managing agent to plan ahead for larger projects and major works.
- Provide clear instructions to the managing agent for all items that may affect the smooth running of the development.
- Represent the voice of the residents to make decisions about how the community is managed.

DO DIRECTORS HAVE ANY LEGAL RESPONSIBILITIES?

As a Director of a limited company, each RMC Director must legally:

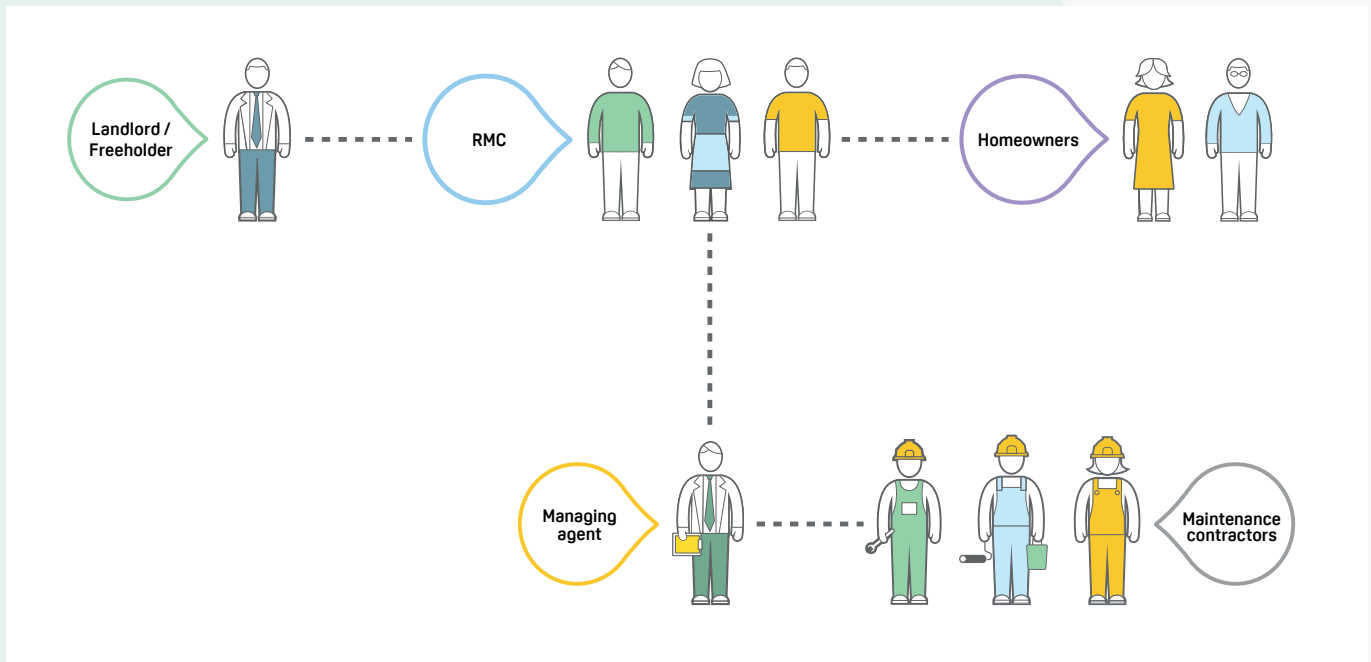
- Make decisions for the benefit of the RMC and its leaseholder members, never for the individual.
- Maintain statutory company records, report any changes and ensure all mandatory returns are filed with Companies House and HMRC.

- Ensure the RMC's service charge accounts present an honest and fair picture of the RMC's finances.
- Ensure compliance with all relevant legislation, including health and safety and fire risk.
- Arrange the necessary insurance cover to help them fulfil their responsibilities as a Director, to ensure both they and the development are protected.

HOW DOES AN RMC WORK WITH A PROPERTY MANAGER?

Appointing a professional property manager, such as ourselves, can help the RMC successfully look after their development. It's a complex role that requires knowledge of landlord and tenant law, building construction, health and safety regulations, basic accounting and more. That's why many RMCs appoint a property manager, as they can help the Directors understand and meet these requirements.

Here's a quick overview of our role within a typical homeowner-led development:



WHY TRUST US?

At FirstPort, we have over 40 years' experience looking after communal developments of every shape and size, so we know what it takes to get things right.

With over 1,000 resident managed developments in our care, we understand the responsibilities and complexities that property management creates for RMC Directors. Appointing us provides the peace of mind that all the admin for the development is looked after, as well as deliver value for money on large spends.

Working with you we'll:

- Guide the Directors through the legal and financial responsibilities of managing a development and navigate any legislative changes.
- Highlight health and safety, such as fire risk assessment compliance required by law.
- Assign the Directors a Property Manager who will support

with the day-to-day running and maintenance of your development (everything from lift repairs and supervising contractors to providing regular updates).

- Offer or recommend a provider of formal company secretarial services to ensure the Directors meet their legal responsibilities as a company.

HOW CAN YOU BECOME A DIRECTOR?

Several ways exist, but the simplest is to express an interest to your property manager who can talk you through what it means and how you can get involved at your development.

If you own a home on a new build development, there's often a resident committee set up in the early stages which is also a great way to understand how the development's run and what's involved. Resident Directors are

then usually formally elected at the point the developer hands over the last phase of the development.

Already RMC Directors in place at your development? Don't worry, speak to your property manager or the existing Directors about getting involved when a future position opens up.

Whether it's your first time selecting a managing agent, or you are looking to switch providers, we can help. To find out more, visit firstport.co.uk/rmc

Look out for future 'Property Management Explained' topics coming soon.

