

## The Story...

### Case Study: 21 Jump Street Residents Management Ltd

#### Meet George Clooney...

George is a busy working professional, and Director of a resident-run freehold company that owns the building.

George also owns a leasehold flat in the same building.

#### The Dilemma

Shortly after moving in, George grew increasingly concerned about the management of the property.

He noticed that service charges were high and proper maintenance service was low. The directors of the management company were adamant about 'DIY' management- doing it themselves to 'save' the leaseholders' money.

George noticed that the service charge monies were being mismanaged... he grew suspicious of the freehold directors and started asking lots of questions.

The Directors were incensed and deeply offended that he was poking his nose into matters which were 'none of his business'.

#### What went wrong...

During an AGM with his fellow shareholders and co-Directors, George suggested that they outsource the management to a competent and independent managing agent. The Directors were livid that George also had the 'temerity' to query the service charge accounts which he accused the directors of mismanaging.

His proposal was met with the fiercest of resistance from one particular Director - we shall call him 'The Ringleader'. All the others just sheepishly followed what The Ringleader said - He who must be obeyed!

Relationships soured very quickly; and resident meetings descended into chaos and carnage. In the meantime, the building and all the flats were falling apart due to disrepairs. Sadly, George could not sell his flat on the market due to the ongoing shenanigans. As a result, George was forced to bring a claim at the First Tier Property Tribunal in order to appoint an independent managing agent. All hell broke loose and there were many sleepless nights...

Our Solution...



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### What George should have done...

Instructed a legal team with the expertise and Know-how to...

What it would have cost

= £3,500 - £4,000  
+ a happy ending, good  
neighbourly relations & a  
quick flat sale.

What it did cost

= circa £30,000  
+ time, energy, many  
sleepless nights and the  
devaluation of  
his flat.

- Review the terms of his lease before he approached the Directors of the Freehold Company with his concerns.
- Assist with engaging a qualified and independent legal mediator at an early stage to open a dialogue with the other Directors, rather than making inflammatory accusations.
- Independently review the issues of disrepair and the service charge accounts.
- Adopt a collaborative approach to problem solving rather than an adversarial approach.