



Mr Alan Draper
Managing Director
Common Ground
Sandford Gate
East Point Business Park
OX4 6LB

24th March 2021

Dear Mr Draper,

Thank you for your letter dated 28th February enquiring about membership. Joining ARMA is voluntary and not for every agent – entry requirements and ongoing compliance with our Standards are extremely strict, but we welcome all applicants and work closely with firms to help them achieve the required level to gain entry.

I am sure you can understand that I am not in a position to comment on individual agents or properties.

Unfortunately, there is no official industry regulator and ARMA has been strenuously campaigning for one to be established for over two decades, and we continue to take every opportunity to push for one. In the absence of Government action ARMA introduced in 2015 ARMA Q – losing over 25% of its membership as a result and significantly damaging ARMA's finances, requiring drastic and painful action. In fact, only this year did we make back those numbers. It is interesting to note that before ARMA Q, ARMA members managed 700,000 units, whereas now, with the same number of firms, ARMA members manage over 1.5m units. This would seem to suggest that leaseholders are actively searching out ARMA firms.

We established an Independent Regulatory Panel, strict entry and membership criteria and independent audits by RICS. However, a self-regulatory regime is fundamentally flawed where firms can simply choose to continue to operate outside of any oversight. Bearing in mind the Health and Safety aspects of looking after people's homes and the immense client funds held by agents, it doesn't seem right that, as the Rt Hon Sajid Javid stated

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The Association of Residential Managing Agents Ltd
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when announcing the consultation on Regulation at ARMAs conference, all one has to do is print a business card to be a managing agent.

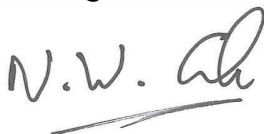
With respect to payments from contractors, if an agent is receiving any related income from third parties this must be declared to leaseholders. Thank you for your suggestions though and I will pass these on to the technical committee for consideration into the next set of Standards.

With respect to the Right to Enfranchise and RTM formation, ARMA contributed extensively to, and is fully supportive of, the Law Commission proposals to make these processes easier and cheaper for leaseholders. We also fed extensively into the Commonhold review.

Is ARMA good for leaseholders? ARMA is a trade association and our Articles clearly denote that ARMA is for the benefit of its members. However, that does not mean that it cannot also choose to act for the good of leaseholders. Since Grenfell we have campaigned tirelessly on behalf of leaseholders, in no small way helping to raise the significant funds already pledged by the Government. This has come at a significant cost to ARMA in terms of time, money and lost opportunities but we believe it is the right thing to do. We continue to work with the Cladding Action Groups and support their campaigns. We continue to highlight the plight of leaseholders daily to Government and the media, collating data to provide evidence to sway arguments in their favour on such matters as non-cladding fire related costs and building insurance premiums. A part of our offering to Members is the Directors Portal, allowing their clients free access to a wealth of material to help them manage their agents and leaseholders more effectively.

I note your comment re ARMA Network. This category is for landlords, Local Councils, Housing Associations etc. We have had such firms in ARMA for decades, alongside RTM and RMCs too and indeed over 60% of ARMA member clients are RTM and RMCs. We are a broad church and the aim is to improve each of those entities knowledge of leasehold via training, guidance notes and discussion. That way those firms can better manage their agents and better understand their leaseholders.

Kind regards

A handwritten signature in dark ink, appearing to read 'N.W. Glen', with a horizontal line drawn underneath.

Dr Nigel Glen
Chief Executive Officer

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