

CODE OF PRACTICE

FOR THE MANAGEMENT OF RESIDENTIAL PROPERTY

All members of ARMA undertake to the Association that they will endeavour to comply with the following duties and standards when managing residential property

CONTRACTUAL DUTIES

- To agree, in writing, the terms of engagement to manage a client's property, in as detailed a form as is reasonably possible, and to make clear the fee structure and the categories of other services for which additional fees may be charged.
- To manage the client's property in compliance with all the current applicable legislation, terms of leases, contract documentation and good business practice.
- To provide as cost effective a service as is reasonably possible within the constraints of prudent and planned maintenance and to enquire as to whether contractors preferred or selected by clients or lessees have suitable references, and where contracted to do so, that all final work is checked and signed off before funds are released.
- On request to provide guidance to the client as to the insurance requirements under the lease terms and, where required by the client, to supply an appropriate level of insurance cover, based on an independent valuation, sufficient to meet the client's duties.

FINANCIAL DUTIES

- To ensure that clients' money is kept separate from office accounts at all times and that client accounts can be individually identified. Funds in any one client's account will not be used to finance another client's property. Funds shall be held in a recognised bank or building society in a clearly designated 'Client A/c'. ARMA members shall require their personal auditors to confirm in published accounts their firm's compliance with these requirements.
- To maintain a current insurance policy adequately indemnifying the firm against proven professional negligence claims.
- To ensure that client's money is properly and regularly accounted for and that any funds or monies required for specific future works are placed on deposit in an appropriate interest-bearing account to earn interest to the credit of that account.
- To keep detailed records of all transactions relating to the client's property with all expenditure made from the client's account suitably authorised.
- To ensure that annual or other required periodic accounting is carried out promptly, ensuring adequate supporting information is provided or available for inspection.
- To concertedly endeavour, where so required, to provide all the necessary information for the audit of any end-of-period accounts so that the audit can be carried out with the minimum of delay.

STANDARDS OF SERVICE WHICH ARMA MEMBERS AGREE TO OFFER TO THEIR CLIENTS

- To extend courteous and professional service to lessees and tenants and to members of the public. As far as is possible to ensure that, in all their dealings, there is no bias and that all are treated equally.
- To maintain adequate records of all leases and tenancies and deal expeditiously with enquires, particularly where information is required to assist in a sale.
- To be aware, as far as is reasonably possible, of the terms of the leases and tenancies applicable to the property concerned and the effect of legislation and any other relevant documentation, and to deal with lessees and tenants both in the spirit of the legal requirements as well as in the letter of the law.
- To ensure that procedures are in place to deal with repairs within an appropriate time scale having regard to the urgency of the matter and the availability of funds.
- To actively and regularly consult with Residents' Associations and to encourage them to become part of the decision making process.
- To discuss and consult with Residents' Associations where major works are contemplated, and to meet the statutory requirements.
- To have appropriate regard to views of representative groups of lessees and tenants, even where they are not a formally recognised Residents' Association.
- To manage the premises by enforcing covenants for the common good, where so instructed, fairly and without favour.
- To disclose in writing to relevant parties any existing conflict of interest or any circumstances which are likely to give rise to a conflict of interest.
- To declare any interest in any contractor or business employed to provide services at the property that may be associated with the managing agent.
- To ensure, where there is a change of managing agent, that all pertinent information is handed over with the minimum of delay to the new agent.
- To place the fullest emphasis on any matter relating to health and safety and environmental legislation, bringing to the urgent attention of landlords and/or residents any areas of concern.
- To use all reasonable efforts, both in the interests of landlords and tenants, to settle disputes by mediating and negotiating with all relevant parties.

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For further information contact: The Executive Secretary
ASSOCIATION OF RESIDENTIAL MANAGING AGENTS
178 Battersea Park Road, London, SW11 4ND.

T: 020 7978 2607 F: 020 7498 6153
E: info@arma.org.uk W: www.arma.org.uk