



RICHMOND PLACE

RESIDENTS MANAGEMENT COMPANY LIMITED

GETTING CONTROL OF YOUR OWN DESTINY AND ESTATE RENTCHARGES

Briefing document timeline explain how the 23 residents of Richmond Place, Tunbridge Wells took on the Management Company/Managing Agent/Common land owner to achieve freedom and total control of our own destiny.

We are a development of 23 freehold properties built around 1999-2000 with approximately 1 acre of common ground around the houses and some unadopted access driveways.

SOME ADVICE BASED ON OUR EXPERIENCE

The current arrangement of Estate Rentcharges is a flawed model imposed on freeholders by developers, local councils and opaque management companies whose ownership is often offshore. The freeholders have a desire to maintain the quality and value of their properties, the other parties do not share this and in the case of Management Companies and Developers are solely interested in making profit for as little effort as possible. It's an iniquitous arrangement and guaranteed to generate friction and more. The law needs changing, but as we have shown, it is possible to control your own destiny. This document explains the highlights of our journey. Yours may have different companies involved, but hopefully there is something you can learn from this.

Before you begin your journey, some advice...

1. Get a champion

You need at least 1 person or a group of people to deal with this. If it's fragmented with different people reaching out it confuses the situation.

2. You need perseverance

A lot of the companies you have to deal with make themselves hard to contact and are slow in responding. Don't underestimate the work involved. You need stamina.

3. Document everything

Various online sites, review portals and social media have people sharing their woes about dealing with these companies. Most of these are unstructured rants and serve no purpose at all. You need to keep all your emails and any correspondence and build your case. For instance, FirstPort was our Managing Agent. They did not give us a proper service for whatever reason. By documenting their shortfalls we were able to engage with them in a very clear and favourable way. We even had a full refund of a year's management fee towards the end of the tenure by being persistent. However, we saw individual freeholders who withheld their payment for no clear reason, got fined and spiraled into drawn out arguments which they didn't win because they didn't build a cohesive case.

4. Communicate clearly to all your fellow freeholders

It can be difficult dealing with lots of people. You will get the negative people, the doubters, etc. That's human nature and people have all sorts of things going on in their lives. We communicated very clearly with the freeholders, every step of the way. We had 100% buy-in out of 23 freehold properties. When that happens it can be tremendously rewarding and also build a sense of community which enhances where you live.

HOW IT ALL STARTED - 2000

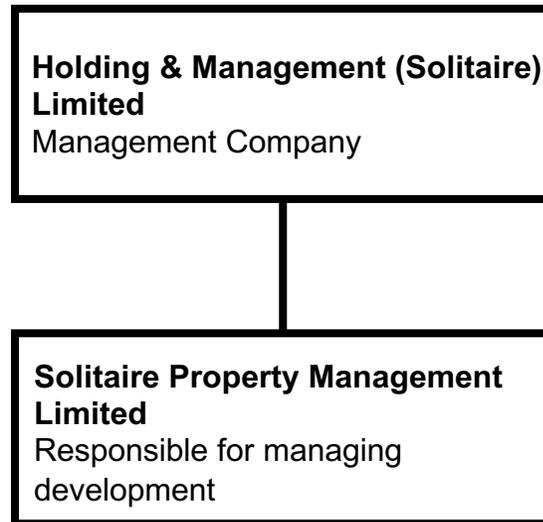


3 parties on each freeholder's deeds

In the deeds, Holding and Management (Solitaire) Limited as the Management Company was responsible for a fixed rent charge of £40 and a variable rent charge for the maintenance of the communal areas surrounding the properties.

Countryside Residential (South Thames) Limited was the original developer of the site and kept the freehold of the communal areas.

THE MANAGEMENT COMPANY STRUCTURE 2000



From the very beginning we had no contact at all with Holding and Management (Solitaire). They appointed a subsidiary company of the Solitaire Group, Solitaire Property Management to handle the collection of the two rent charges.

All the residents dealings were with Solitaire Property Management

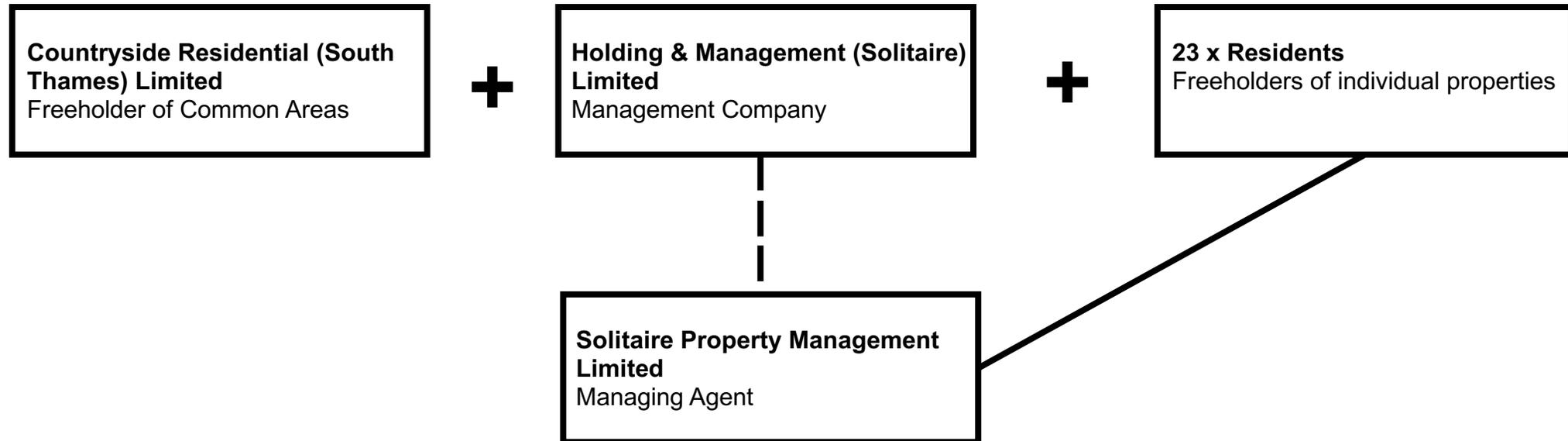
They billed us twice a year. It included both the fixed and variable charges although they never broke them down as separate items in the invoices.

Holding and Management (Solitaire) Limited
Alistair Desmond Barham Taylor
Harvey Barry Shulman
Margaret Mary McCormack
Graham Ashley Shapiro
Christopher John Burton

Solitaire Property Management Limited
Alistair Desmond Barham Taylor
Harvey Barry Shulman
Margaret Mary McCormack
Graham Ashley Shapiro
Christopher John Burton

Both companies shared the same directors.

THIS IS HOW IT LOOKED TO RESIDENTS – 2000-2009



We didn't even think about Holding and Management (Solitaire)

FIRST CHANGE 24/07/2006 NEW OWNERS



This event was unknown to the residents, but on checking Companies House we found all the directors of both Holding and Management (Solitaire) and Solitaire Property Management resigned on 24th July 2006 and new ones were appointed.

Residents were not notified of the change.

A company called the Consensus Business Group owned by Vincent Tchenguiz had bought out the Solitaire Group. CBG then bought the Peverel Group which became the overall owner of the Management Company for the residents.

We carried on as normal, paying our money to Solitaire Property Management, unaware there had been a change of ownership. They collected both the variable and fixed rent charges.

Holding and Management (Solitaire) Limited

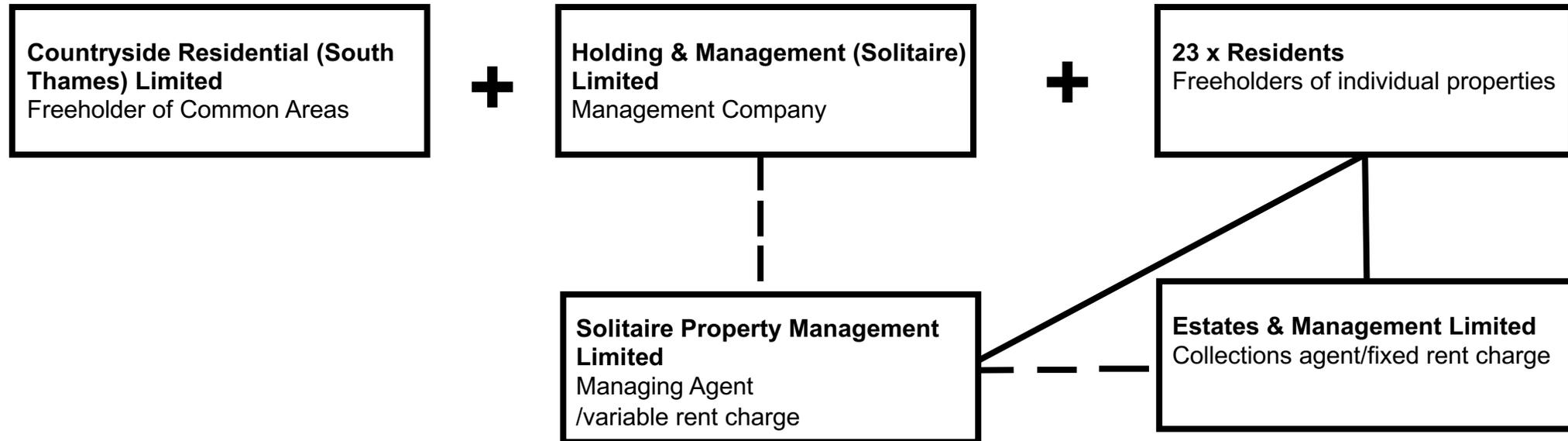
Alan Wolfson
Ian Rapley
Michael John Gaston
William Kenneth Proctor

Solitaire Property Management Limited

Ian Rapley
Michael John Gaston
William Kenneth Proctor

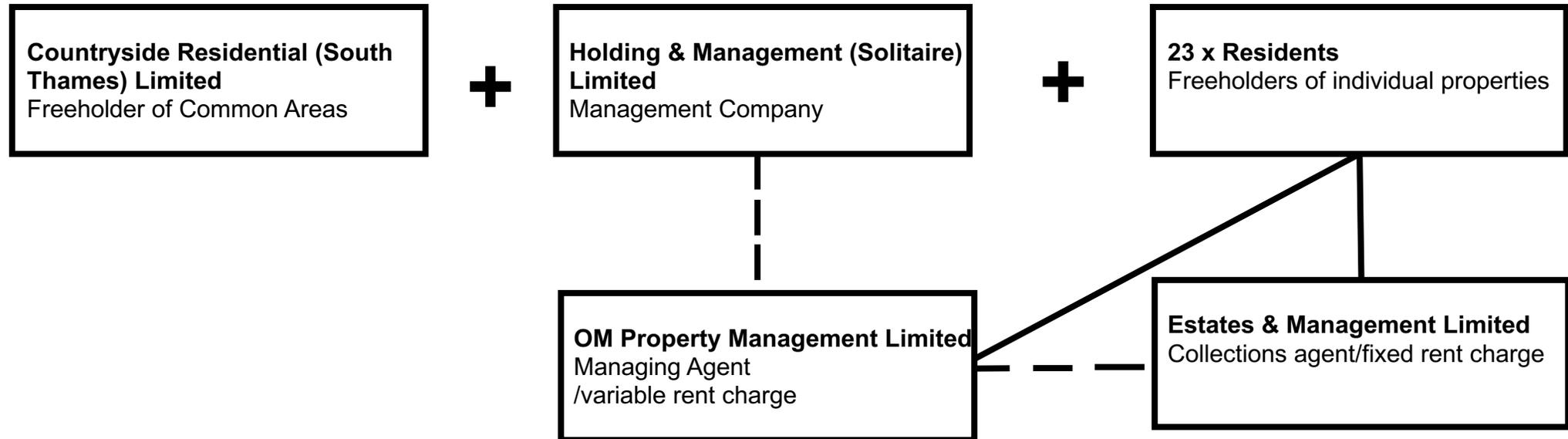
All new directors from 24th July 2006. These are all well-known Tchenguiz people appearing on hundreds of companies

SECOND CHANGE – 10/09/2009



Residents receive a letter from Holding and Management (Solitaire) Limited telling them that Estates & Management Limited has been appointed to collect the £40 a year fixed rent charge. This was a sign of a restructuring of the Peverel Group which ultimately was to lead to it going into administration. In hindsight we think this is a key piece of evidence that the splitting of the fixed and variable rent charge was a breach of the contract residents signed on their deeds. Estates and Management are a well-known Tchenguiz backed company with William Kenneth Proctor and Michael John Gaston – directors. They were also directors of Solitaire Property Management and Holding and Management (Solitaire)

THIRD CHANGE – late 2010



Solitaire Property Management stopped invoicing us at the end of 2010. We then started paying our money to OM Property Management, the trading name of a company called Peverel OM Limited (2061041). This was the second sign of the restructuring of the Peverel Group which had become insolvent, we believe in 2009. OM Property Management is now FirstPort Property Services Limited. See next slide.

OWNERSHIP CHANGED 06/03/2012



SPLITTING OF FIXED & VARIABLE RENT CHARGES

Vincent Tchenguiz apparently had borrowed £300m off the Icelandic bank Kaupthing. When they went bust, the creditors called in the loan and Peverel Group couldn't pay.

Peverel had debts of £125m. Merrill Lynch had lent Peverel £100m and got £60m back in a buy out deal.

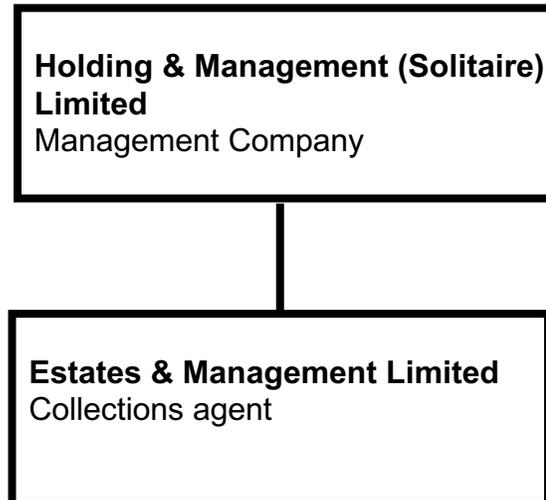
It was widely reported in the press around 14/03/2011 that the Peverel Group was in administration. We don't know how long this had been going on for. In March 2012, two private equity companies (Chamonix and Electra) came in and bought all the assets, cutting debt to £25m and saving 4,000 jobs and taking control of 190,000 properties and retirement homes. We are pretty sure they just bought OM Property Management Limited as the original directors of Holding and Management (Solitaire) Limited were the same until March 2011 and beyond.



FIXED & VARIABLE OWNERSHIP CHANGES 06/03/2012

Several directors for Holding and Management changed around 2011/2012 although two directors remained throughout...

....William Kenneth Procter. He has a staggering 459 company directorships to his name. It turns out he is Vincent Tchenguiz's property manager. Another is Michael John Gaston – so Tchenguiz still owned this company.....as he did Estates and Management.



Another private equity company, Epiris, which was something to do with Electra seems to have been involved in the deal as well. Together they formed a joint venture called Knights Square which owned various retirement services and they renamed the management company part of the business FirstPort.



SANNE GROUP ENTERS – 10/2014

Sanne Group Secretarial, a publicly listed investment company took secretarial control of Holding & Management (Solitaire) in October 2014 as there was a change of directorship. Kenneth William Procter left around this time, as did several other directors.

Today, all three director, Coral Suzanne Bidel, Christopher Michael Warnes and Adrian Leslie Jeffrey work for the Sanne Group. It would appear they are involved with other companies associated with Vincent Tchenguiz.



ANOTHER NAME CHANGE- 14/04/2015



Holding & Management (Solitaire) Limited
Management Company

Estates & Management Limited
Collections agent



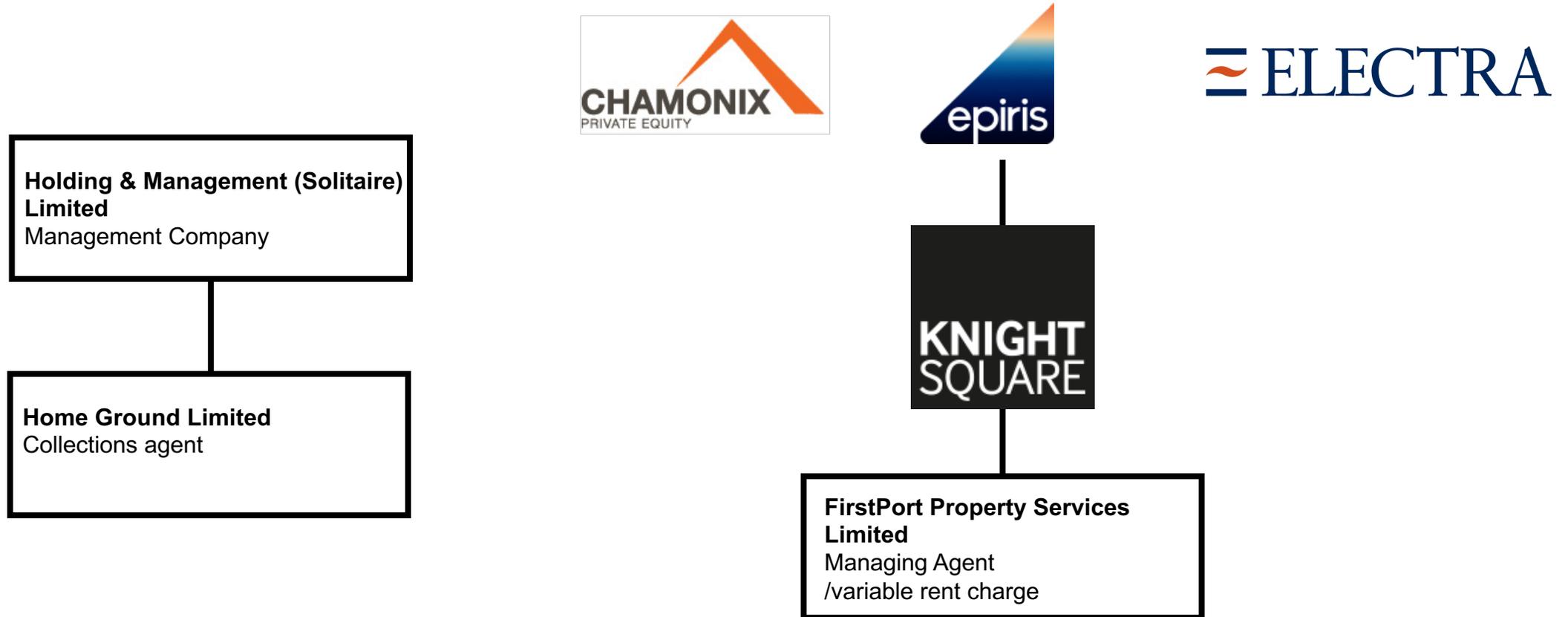
FirstPort Property Services Limited
Managing Agent
/variable rent charge

OM Property Management became FirstPort Property Services on 14th April 2015. Same company with same company number.

FIXED RENT CHARGE COLLECTOR CHANGES 01/09/2019

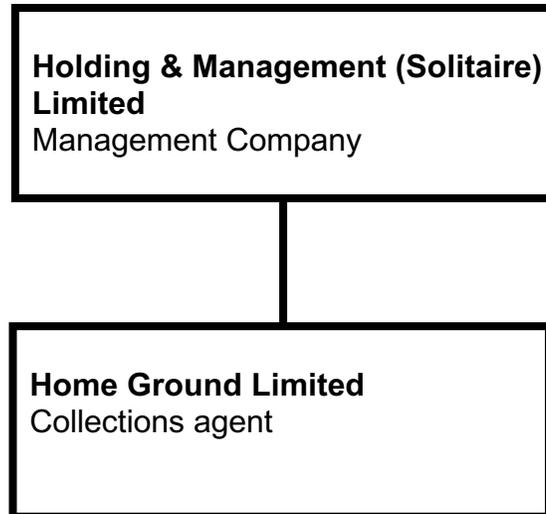
Holding & Management sack Estates & Management Limited and appointed HomeGround in September 2019 to handle the collection of the fixed rent charge. The Sanne Group appear to have a stake in HomeGround. Estates & Management failed to contact the residents and transferred our details to another company infringing GDPR regulation. We have proof of this as amazingly HomeGround sent us a copy of the letter from Holding and Management (Solitaire) Ltd instructing Estates and Management to notify the freeholders after the change was completed.

This is where we are completely lost. The ownership is massively complex and is all involved in various offshore operations such as Jetty Finance and Longharbour.



FIRSTPORT SOLD – AUGUST 2019

In July 2019 another private equity company, Equistone, buys FirstPort, stumping up £81.7m.

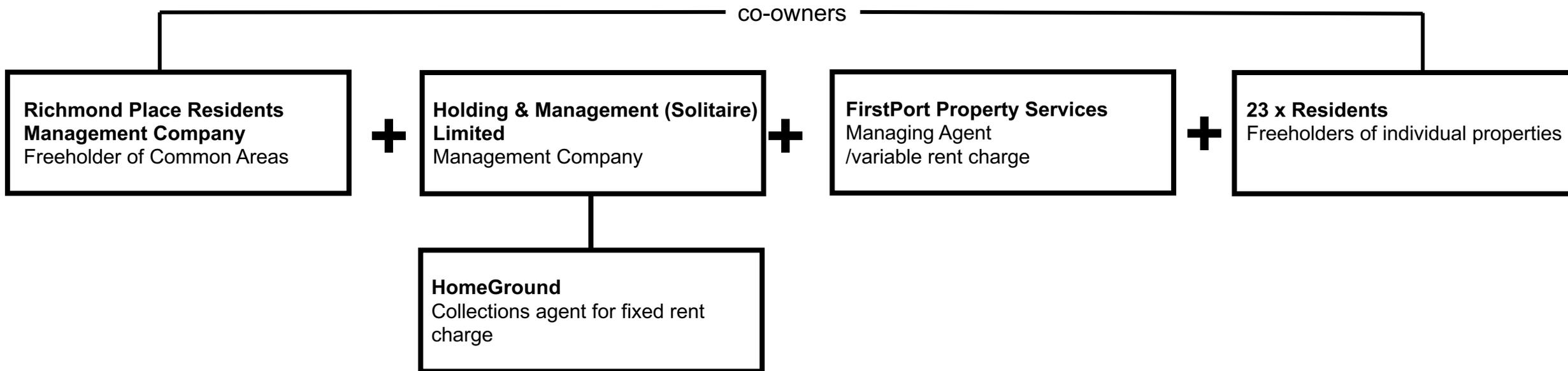


EQUISTONE



FirstPort Property Management becomes FirstPort Bespoke Property Services, trading as FirstPort Property Services. Residents are not informed of changes despite the transference of our data contravening GDPR guidelines.

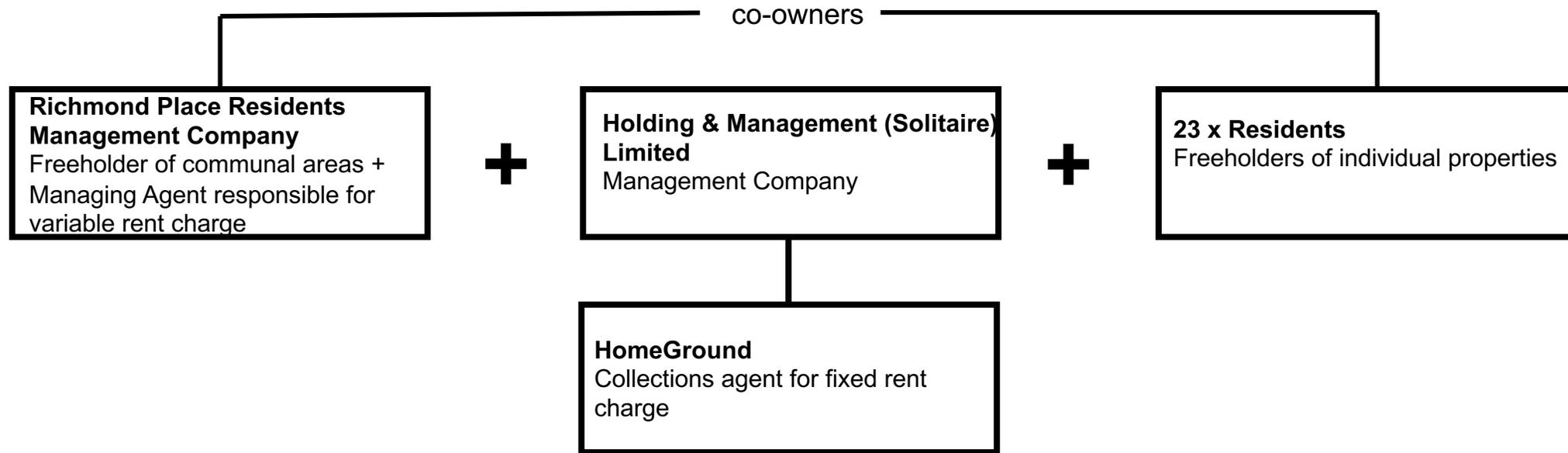
RESIDENTS ACQUIRE FREEHOLD AUGUST 2020



In August the 23 residents acquired the freehold of the common land from Countryside Residential (South Thames) Limited. We just wrote to the CEO in January 2020 and said something to the effect that the arrangement they had set up in 2000 was a failure and would they give us the land so we could manage it ourselves. Slightly surprisingly they said yes – we could have it for £1. All the residents threw in £100 each and we set up our own Management Company, Richmond Place Residents Management Company Limited. The solicitor advised us it should be a company limited by guarantee. This has members instead of shareholders and makes it a lot easier to administer as if a house is sold, you can just update the Member's Register with the new freeholder(s) details. If it's share capital, then if they don't transfer the shares for whatever reason you're in all sorts of administrative trouble. The total cost for the transfer, setting up the company, getting some nice letterhead, etc. was less than a thousand pounds, which left us with some working capital, some of which we were to subsequently spend on legal advice on how to remove the Management Company. We also created a business bank account. We used Starling Bank which is mobile based bank, and has zero bank charges.

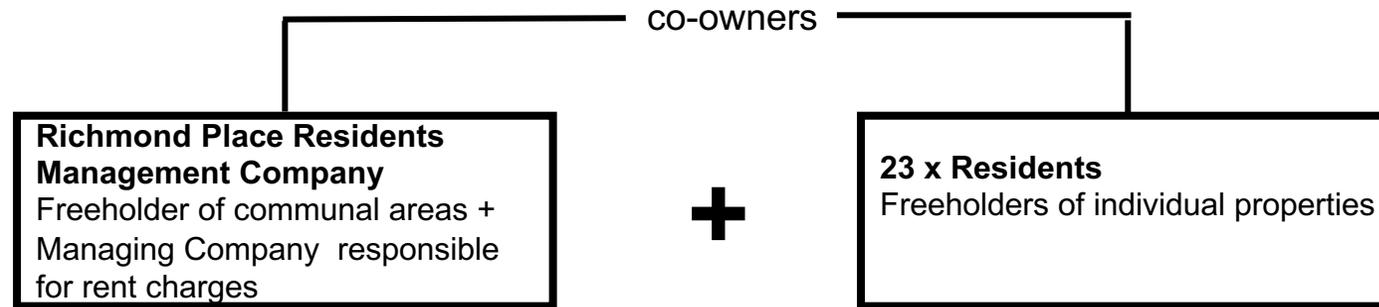
The land transfer took a while because Countryside Residential (South Thames) Limited was a dormant company....and there lies another risk. The original owner of the common land can cease to exist and then someone else acquires the land. We know a case where this happened and the new buyer applied for planning permission. So ownership of the common land should be a goal. After all, your paying to maintain it.)

FIRSTPORT SACKED JANUARY 2021



On 1st January 2021 Richmond Place Resident's Management Company took control of the variable rent charge for the management of the communal areas from FirstPort. We had noticed that in the small print of our 6 monthly invoices from FirstPort, any enquiries were to be directed at the 'landlord' which was Countryside Residential (South Thames) Limited, the original owner of the common land. There was no mention of the Management Company, Holding and Management (Solitaire)Ltd. As Richmond Place Residents Management Company Limited owned the land, we were now the landlords and we wanted control. In hindsight First Port should probably have notified the Management Company, but as the Managing Agent, they had effectively 'decoupled' from the Management Company several years previously – another example of the sham way these arrangements operate with the 'Management Company' performing no management duties. We didn't care about that as we had liberated ourselves from FirstPort who did not deliver what we expected from a Managing Agent. For instance, they were supposed to visit the site 4 times a year, but some years they didn't even come at all. In hindsight that caused us problems as one resident had moved their fence and subsequently put in an adverse possession claim. This should have been spotted if we had had a vigilant estate manager. Fortunately, FirstPort stores all the visit information in each freeholders online account, so it's a great stick to beat them with when they don't do what they promise. Another example of how you can catch out these companies with a bit of due diligence.

AFTER RENT CHARGE BUYOUT – ‘FREEHOLD PLUS’



Throughout 2021 we were working how we could get rid of the Management Company, Holding and Management (Solitaire) Ltd. We found a document a freeholder had which was to do with the agreement between Countryside Residential (South Thames) Limited, the developer, saying we had the right to remove not only the Managing Agent, but the Management Company. We went back to Countryside and asked for a copy of the original agreement. They said that they had destroyed all their documents. This is something that shouldn't have happened in our view. This was a legally binding agreement and all freeholders should have had a copy at the time of the purchase. Another fail of the original sales process.

So we just kept on at Holding and Management (Solitaire) Limited, asking them to release us. We considered getting a heavyweight property barrister on the case as we felt the Management Company had failed in its job to manage the arrangement. However, we were just about to explore that and we got an email from HomeGround, who handle the rentcharge collection saying we could buy ourselves out the deal. We settled on a buyout fee of 16 years x £40 (the fixed rent charge - £640 per freeholder). This is a standard multiple. They wanted slightly more, but we haggled them down based on a fee quoted to another development in Essex we had been in contact with that had the same Management Company. They had been offered a 16x buyout – but they chose not to do it for some reason.

HomeGround's legal fees were not excessive and we negotiated a fixed price with our solicitors. The total fee for buyout, Management Company's solicitors and our solicitors was a shade under £1400 per freeholder. This also included fee for writing a deed of variation to remove an onerous clause that often exists in these arrangements allowing the rentcharge owner to place a lease on the property and evict the freeholder if the rentcharge is unpaid. Mortgage companies are getting more aware of these arrangements and often want the amending as this can happen without the lender being informed which potentially puts their loan at risk. This is quite an involved procedure, but worth doing to clean everything up and make future sales a breeze.

DEED OF VARIATION

The final step of the process for us was to get a Deed of Variation which in effect removed the reference to the Law of Property Act 1925. It is quite involved as it involved two signatures from the directors of the new Management Company as well as the freeholder(s) signatures plus witnesses – typically 8 signatures per document. We offered to manage the whole process and the forms were sent to the directors who went round each freeholder and got them to sign and witness the deed of variation and we sent them all back in one block. This avoided the solicitor having to deal with individual freeholders. It also meant the new Management Company knew everyone had done the paperwork as sometimes people forget for one reason or another and these things go unnoticed for years, only surfacing when the house comes up for sale.

The Deed of Variation is then registered with the Land Registry along with the change in Management Company and it's job done. Three years from start to finish in our case.

THE FUTURE

We have kept the variable rent charge the same as it was under FirstPort – frozen again in 2023. It now includes the £40 fixed rent charge, so the residents are paying less than they would under the old arrangement.

We have used the money we used to pay FirstPort for accounts, management and other stuff to invest in improvements to the common ground. We now have a local maintenance company who we deal with direct. It's a bit of work, but we have already made substantial improvements to the surrounding areas – all at no extra cost. If at some time in the future the arrangement does not work, we always have the option to appoint a Managing Agent...of our choice.

Residents are starting to see the benefits and appreciate the improvements to the area with estate fencing, new planting, etc. It's made a lovely place to live a really beautiful place to live and will improve property values and make them easier to sell and more attractive to buyers. It's been worth the effort, but in reality as buyers we should have been aware of these arrangements at the time of purchase.

If you choose to take control, we wish you the best of luck and hope this document is of help in your journey.