

These notes refer to the Commonhold and Leasehold Reform Act 2002 (c.15) which received Royal Assent on 1st May 2002

COMMONHOLD AND LEASEHOLD REFORM ACT 2002

EXPLANATORY NOTES

COMMENTARY ON THE SECTIONS: PART 1

Exercising the right

Section 97: Management functions: supplementary

176. *Section 97* makes further provision in respect of the management functions of the RTM company.
177. *Subsection (1)* provides that any obligation owed by the company to any tenant by virtue of taking on the management functions is also an obligation to any landlord.
178. *Subsections (2) and (3)* provide that any landlord of any part of the premises, any third party to a lease or anyone appointed manager under the 1987 Act is not entitled to carry out any of the management functions taken on by the RTM company without the company's agreement. That does not, however, prevent any party insuring the premises at his own expense.
179. *Subsections (4) and (5)* provide that any function or obligation owed by a tenant to a landlord or to a third party under a lease will instead be owed to the RTM company if it relates to any of the management functions taken on by the company. (For example, where a tenant is obliged under a lease to meet the management costs incurred by the landlord, he or she will instead be required to meet the costs incurred by the RTM company.) This does not, however, prevent the tenant still having to pay any management costs incurred prior to the company taking on the management functions.