

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 96: Management functions under leases

172. *Section 96* sets out the functions, duties and responsibilities taken on by the RTM company by virtue of acquiring the right to manage.
173. *Subsections (2) to (4)* provide that where a landlord, or a third party, is obliged to carry out any of the management functions under any lease of the premises, those functions become functions of the company.
174. *Subsections (5) and (6)* define the management functions to be taken on by the company. They include matters for which the company is to be responsible and matters for which the company is not to be responsible. In particular, the company is not to be responsible for the management of any unit which is not held by a qualifying tenant (e.g. a commercial unit or a flat of a renting tenant). The company will, however, be responsible to all parties for the management of the common parts and the fabric of the building. The company is also not to be entitled to take any forfeiture action.
175. *Subsection (7)* provides a power to further specify by order what is or is not to be a management function of the RTM company.