

You and Your Residents Management Company

A helpful guide for residents on Preim-managed estates

Handovers

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INTRODUCTION

Moving onto a new estate raises lots of good questions. This guide explains:

1. **When your communal areas** (like parks, paths and open spaces) will be handed over by the developer to your Residents Management Company (RMC)
2. **When control of the RMC itself** will pass from the developer to you, the residents

It also answers common questions about service charges and maintenance.

If you'd like more detail on anything here, please speak to your solicitor who helped with your property purchase — or get in touch with Preim. We're always happy to help.

Notes on wording:

1. When we say '**RMC**', we mean your Residents Management Company – though on some estates it might be called a Community Interest Company (CIC).
2. When we say '**residents**', we mean all the property owners (or leaseholders) on your estate.
3. When we mention '**members**' or '**membership**', this could also be 'shareholders' and 'shareholdings' depending on how your RMC is set up.

How estates are managed during construction — and how you can have your say

If you live on a large estate that's still under construction, you might be wondering who makes the decisions and how you can get your voice heard. The answer is straightforward — and actually more inclusive than you might think.

Why the developer is still running the RMC

When you buy a home on a development that's still being built, the Residents' Management Company (RMC) is usually still controlled by the developer. That's because the estate is still being finished, and decisions often affect parts of the estate where no one lives yet.

This setup is **standard** and **temporary**. It ensures:

- A joined-up approach during construction
- Oversight of infrastructure works and estate completion
- Decisions that are consistent across all phases
- And importantly, it means there's someone in place — the developer as Director — to sign any legal documents required for the estate while it's still under development

But that doesn't mean residents have no say

Just because the developer might be the ultimate decision maker — as the Directors of your RMC — doesn't mean you're powerless. In fact, it's quite the opposite.

From early on, we help residents set up residents committees or steering groups. These are made up of homeowners on your estate who meet regularly to discuss priorities, budgets, maintenance and future plans.

At Preim, we manage the day-to-day upkeep on behalf of the RMC. We work closely with these resident committees, treating them much like we would a board of resident directors. In practice, developers almost always support what residents want — unless there's a strong reason not to — because they want happy communities and a successful development too.

Looking ahead

Later on, once construction is complete and all communal areas are formally handed over, control of the RMC passes to residents. This means homeowners elect their own directors to make the key decisions for the estate.

But until then, your voice still matters. Through steering groups, direct feedback, and close work with Preim, you help shape how your estate looks and runs right from the start.

Find out more in this guide

This guide explains:

- How communal spaces are handed over from the developer to your RMC
- When and how residents take over direct control of the RMC
- What responsibilities come with this
- And how Preim helps every step of the way

Section 1

Handover of communal space from the developer to the RMC

When will external communal areas be handed over?

Communal areas only pass to your RMC (for Preim to manage) once:

- They've been properly built and finished to the approved standard
- The developer has formally handed them over

Until then, your service charge won't be used on those areas. Timescales can vary widely, depending on your developer's progress. Neither your RMC nor Preim controls these construction times.

Will all external communal areas come under the RMC?

Not necessarily.

- Main roads, paths, verges and some streetlights may eventually be adopted by your local council.
- Until then, they stay under the developer's responsibility — your RMC and service charge do not cover them.

If you'd like a clear list of what's adoptable on your estate, please ask Preim.

What is the process for the handover of areas from the developer to the RMC?

Here's how a typical handover goes (times are just a guide — each estate is different):

Time from commencement	Action
-	Developer finishes an area and does their own internal quality control.
Developer contacts Preim	To confirm an area is ready for inspection.
~ 4 weeks	Preim inspects the area, carries out a detailed snagging check, and checks that it appears to have been installed as intended.
~ 5 weeks	Preim sends the developer a list of any defects requiring remediation in advance of handover.
~ 8 weeks	Developer to remediate and notify Preim once complete.
~ 10 weeks	Preim reinspects to ensure the snagging items have been resolved, and accept handover of the area

Sometimes we accept areas with minor issues if the developer has committed in writing to return and remedy them. For example, if trees need replanting in Autumn, but this doesn't warrant delaying the handover. If that happens, we'll let residents know through our Places App.

What happens if the developer is not finishing the areas to the required standard, or within a reasonable timeframe?

If things seem slow, it's worth contacting your developer for updates. Preim will also keep trying to get timescales and share them with you.

In rare cases where the developer isn't meeting obligations, your local authority's building control team can step in and enforce action.

What happens to our service charge money during the construction phases, whilst there are no or very few areas of amenity space which have been completed and handed over to the RMC to maintain?

From completion, each property pays an apportioned annual service charge, based on the date you bought.

In early phases, there may be little to maintain. So at year end, there could be a surplus — more income than spending. Most transfer documents (TP1) or lease set out that this is credited back to you on your account, offset against future bills. This is done when service charge accounts are finalised, usually about 6 months after the year end.

Bear in mind that some admin costs (like managing agent fees, insurance, audits) start from day one.

Please note that the method for handling any surplus is determined by your property's transfer document or lease, not by Preim. Any credits will be applied in line with this and included with the service charge accounts, which are typically issued around six months after the financial year end.

Why am I paying for the maintenance of public areas, which other non-estate residents use?

Because these areas, though publicly accessible, are privately owned by your RMC. They haven't been adopted by the local council. That means they're maintained to a higher standard than typical council-run spaces — which is one of the benefits of your estate.

Why aren't the RMC areas adopted by the local authority?

Usually, during the planning stage, your local council decided **not to adopt** these communal areas — often due to a lack of resources. That's why your developer set up an RMC to own and manage these spaces, with Preim appointed as the Managing Agent to manage them on behalf of the RMC.

Will all external communal areas be handed over at once?

- **On large estates**, handovers happen in phases, so completed areas can be enjoyed even while other phases are still being built.
- **On smaller estates**, everything might be handed over at the same time.

Why am I paying towards areas that aren't near my home?

Your service charge covers the entire estate, not just the areas nearest your home. From the day your property completes, you pay your fair share toward maintaining all communal spaces already handed over, along with essential costs like insurance, management, and accounting fees, which apply from the start. On larger developments, it's normal for areas to be finished in phases, so while spaces by your home may still be under construction, your contributions help keep the completed parts well maintained, ensuring a consistent standard for the whole community.

Are there guarantees for these communal areas?

Yes. Typically there's a 12-month developer warranty from the date an area is handed to the RMC. Some items (like play equipment or streetlights) might have longer manufacturer warranties.

What is a Section 106 Agreement?

This is a legal agreement between your developer and the local council, used to secure things like parks, play areas, or contributions to local services. It sets out what the developer must deliver, and by when.

Your local council planning portal should have details of your estate's Section 106. The council can enforce this if obligations aren't met.

Section 2

Handover of control of the RMC
from the developer to the residents

What is your RMC?

It's a private UK company set up by your developer to:

- Maintain all the communal areas that aren't adopted by the council. This could include:
 - Public Open Space (POS)
 - Soft landscaping
 - Play areas
 - Private roadways and footpaths
 - Trees
 - Streetlights
 - Litter bins
 - Street furniture
 - Where applicable, the common areas and superstructure of apartment buildings.
- Collect the service charge to pay for this upkeep

Each person that buys a property on your estate becomes a **member** of your RMC automatically.

The RMC raises funds for its maintenance and administration through the residents' service charge.

If residents are members of the RMC, why is the developer the Director and in control?

The RMC was set up well before construction on your development began. At that stage, there were no residents yet, so the initial Directors had to be representatives of the developer. This is the standard approach for all new build RMCs.

The developer continues to control the RMC during the construction phase to ensure that:

- The RMC meets its obligations while the developer acts as Director and carries the associated liabilities
 - The developer can fulfil its commitments under the planning permission for the development
- The estate is maintained as originally planned throughout the sales phase
- The intended use of areas owned by the RMC — such as public open spaces, plots for future development, or community facilities — is properly protected

Can residents still have a say before handover?

Definitely. Because large developments can take many years to complete, Preim works to set up a residents committee (sometimes called a Steering Group) once enough homes are occupied.

This committee:

- Is a place for residents to get updates and raise questions
- Gives input on budgets, contractors and handovers
- Helps build community spirit

Preim attends meetings and supports the group. It's a great way to be involved early.

What needs to happen before residents take full control?

- The whole development is finished
- All properties are sold
- Communal areas are legally transferred from the developer to the RMC (or local council if adopted)

Preim will recommend to the developer when it's time — but the final decision rests with the developer. In our experience, developers are usually keen to hand things over once their role is done.

How do residents become Directors?

Once handover starts, Preim will help recruit resident volunteers to become Directors.

These Directors must be residents and legally allowed to run a UK company.

How long does it take to hand control of the RMC to residents?

Once everything is in place for handover, the timeframe can still vary. It depends mainly on:

- Land Registry timescales for transferring ownership of the communal areas to your RMC. This is outside the control of both your developer and Preim.
- How quickly we can recruit enough resident volunteers to become Directors. Preim will handle this promptly, but it does rely on residents stepping forward.

As a general guide, the full handover process usually takes between 6 and 18 months from start to finish.

What does the handover process look like?

The exact process can vary from one development to another, but here's a typical outline. Please note these timescales are just a guide and may differ on your estate.

Time from commencement	Action
-	Developer tells Preim that handover can commence.
~ 6 months	Developer transfers land ownership to RMC (this can take 6-18 months due to Land Registry)
~ 7 months	Preim writes to residents, explains the process and invites to an initial meeting
~ 8 months	Preim invites residents to volunteer as Directors
~ 10 months	Once volunteers have come forward, Preim will arrange another meeting (an EGM) where residents can vote on a resolution to appoint the new resident Directors. The invitation to this meeting will include a short introduction from each potential Director, along with a postal vote form so that residents who can't attend in person still have the opportunity to vote.
~ 11 months	Preim updates Companies House, appointing the new resident Directors at Companies House, and removing the developer Directors.

~ 11.5 months	Residents notified of new Directors
~ 12 months	First meeting held with new resident Directors

What if control of the RMC is handed to residents, but then a construction issue comes up?

Even after the RMC is handed over to residents, your developer's responsibilities for building the development don't simply end. Their obligations are **separate from their role as initial Directors** of the RMC.

So if a construction-related issue or defect comes to light later on, the developer may still be legally responsible for putting it right. The fact that residents now run the RMC doesn't remove the developer's liabilities.

What is Preim's role in handing over control of the RMC to residents?

Preim is not a formal stakeholder in your development nor your RMC. We're appointed as the Managing Agent, working on behalf of your RMC to take care of its maintenance and administration duties.

However, we play a key part in the handover process. Preim helps set up and manage the meetings needed to move control from the developer to resident Directors. We also often act as Company Secretary, which means we handle important legal steps — like updating Companies House when the old Directors step down and the new resident Directors are appointed.

As Directors of the RMC, what risks or liabilities will residents take on?

Becoming a Director of your RMC means taking on legal and fiduciary responsibilities under the Companies Act 2006. You'll need to act in the best interests of the RMC, avoid conflicts of interest, and exercise reasonable care and skill.

Directors can be personally liable for issues like mismanagement, misuse of funds, or failing to comply with key obligations such as health and safety or fire regulations.

To help protect against these risks, it's important to keep proper records, maintain good governance, consider Directors' & Officers' insurance, and seek professional advice when needed.

Having a professional managing agent like Preim in place makes this much easier. We handle the day-to-day running of your estate in line with all relevant laws, reducing the risk of errors, supporting compliance, and helping protect individual Directors by ensuring the RMC fulfils its duties effectively.

Can other residents still have a say?

Yes. While Directors make most day-to-day decisions, major matters often go to a residents' vote at an AGM or EGM. Each property has one vote.

On large estates with thousands of members this can be complex, but Preim helps arrange and administer all meetings and votes.

With so many members and different views, the RMC Directors may not be able to meet everyone's preferences every time — but they'll always aim to make fair decisions for the benefit of the whole community.

Any questions?

If you'd like to know more, please get in touch. We're here to help you enjoy your home and community, every step of the way.