

Press statement



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ARMA response to cladding confusion for leaseholders

In December 2018, the Government issued Advice Note 14 (AN14) for anyone responsible for, or advising on, the fire safety of external wall cladding systems on residential buildings over 18m in height that do not incorporate Aluminium Composite Material (ACM), such as that found in Grenfell. The emphasis was on combustible systems such as wood and High-Pressure Laminate (HPL) installations. Although only an Advice Note this document is causing issues in the sale and re-mortgage of leasehold flats in affected buildings as some valuers are returning a £0 value on flats, thereby holding up sales.

ARMA (the Association of Residential Managing Agents) has been very active on the matter, taking the issue up with the Prime Minister's Special Adviser, MP's and the Ministry for Housing, Communities and Local Government (MHCLG). It is a member of the cross industry working group on valuations set up by RICS to address the matter.

Dr Nigel Glen, CEO of ARMA, said: "The unfortunate and unintended consequence of Advice Note 14 has meant that people trying to sell or re-mortgage their flats are finding that it is impossible to do so. This obviously causes a great deal of heartache and anguish to people. As the first point of contact with leaseholders managing agents are finding themselves blamed for matters that are not their fault, dating back, as they do, to when the building was first constructed."

"There is a huge cross-industry effort in collaboration with the Government to unblock the valuations process. This week's release of the External Wall System (EWS1) form will serve to help unblock the sales process."

“It may be some small comfort for people to realise that the valuer putting a £0 value on a home doesn’t necessarily mean that a property is considered worthless - it is simply a technique used by valuers to place a hold on a valuation pending further information. Not all valuers and lenders are taking this approach and people trying to sell or re-mortgage would be advised to shop around.”

ENDS

Notes to editors

For more information, please contact Sean Cahill, Communications & Marketing Manager, on 020 7978 2607 or email sean@arma.org.uk.

About ARMA

The Association of Residential Managing Agents (ARMA) is the leading trade association for companies that manage private residential leasehold blocks of flats in England and Wales. ARMA promotes high standards of leasehold management by providing advice, training and guidance to its members. ARMA also produces guidance materials for leaseholders and residents’ management companies whilst campaigning for improvements in legislation governing the leasehold sector. More information on the Association can be found at: www.arma.org.uk

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