

help and advice for owners of apartments

_ leaseholder guidance



_ make the move

Block & Estate Management
Estate Agents
Residential Lettings
Property Management
Buy to Let
Mortgage Services

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What is a Managing Agent?



A Managing Agent is employed by the Management Company and/or Landlord of a development to collect service charge, ground rent and to deal with all day to day issues. Andrew Louis are employed as Managing Agent for your development. We are not the Management Company. We charge a fixed fee for our involvement in the running of your development. Our fee is paid out of service charge in the same way as any other expenditure on your property such as communal electricity bills, lifts etc.

Andrew Louis is regulated by ARMA (Association of Residential Managing Agents), the only regulatory body in England and Wales dealing exclusively with matters relating to the management of leasehold of flats. Our extensive experience of block & estate management means we are able to professionally deal with all leaseholders issues and concerns.

What is a Management Company?



A Management Company is a company limited by share or guarantee whose members are residents of a development. These companies are run by Directors elected from amongst the residents who in turn usually appoint Managing Agents to administer the company and manage the development.

What is a Lease?



A lease is a contract between the leaseholder and the landlord giving conditional ownership for a fixed period of time. It is an important document and leaseholders must ensure that they have a copy and that they understand it. The landlord and/or Management Company will be required to manage and maintain the structure, exterior and common areas of the property, to collect contributions from all the leaseholders and keep the accounts. The lease will confirm if a ground rent is payable.

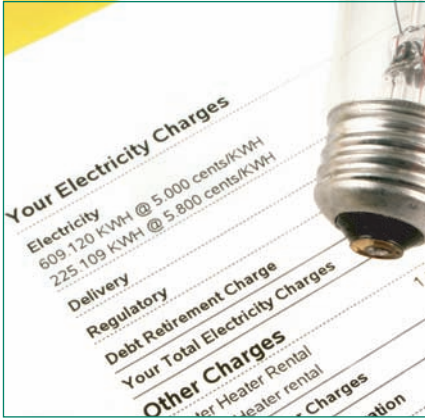
What are the Leaseholders rights?

Firstly, the right of peaceable occupation of the apartment for the term of the lease, usually referred to as 'quiet enjoyment'. In addition, the leaseholder has the right to expect the landlord and/or Management Company to maintain and repair the building and manage the common parts - that is, the parts of the building or grounds not specifically granted to the leaseholder in the lease but to which there are rights of access, for example, the entrance hall and staircases.

What is Ground Rent?

Ground rent is a contractual rental payment to the owner (Freeholder or Head lessee) of the land on which your development is situated. Unlike service charge, ground rent is not related to the provision of any services and must be paid on the due date subject to the issue of a formal and specific demand.

What is Service Charge and what does it pay for?



Service charges are payments by the leaseholder to the Management Company for all services provided. Service charge covers the cost of a wide range of items which will vary depending on the individual development.

Typically these will include the following:-

- Repair and maintenance of common areas, car park, footpaths, roads
- Cleaning common areas, windows, carpets/mats, gutters and drains
- Lift repairs and inspections
- Electricity and lighting for common areas
- Landscape and gardening, pest control
- Security – all communal internal locks and doors, intercoms, external doors and gates
- Safety – smoke alarms, fire extinguishers, health and safety inspections
- Refuse collection and recycling
- Professional charges (e.g. the Management Company's legal/auditor fees)
- Block Building Insurance
- A 'sinking fund' provision is money set aside each year to cover major long term expenses.

Service charge does not include costs relating to the original design, construction and snagging of the development.

How is your Service Charge calculated?



The Managing Agent usually sets the level of service charge in conjunction with the Directors of the Management Company based on estimated expenditure. Service charge can vary from year to year. They can go up or down without any limit other than they are reasonable.

The sum applicable to each unit/flat will be calculated on an apportioned basis. The relevant proportion is often fixed within the lease.

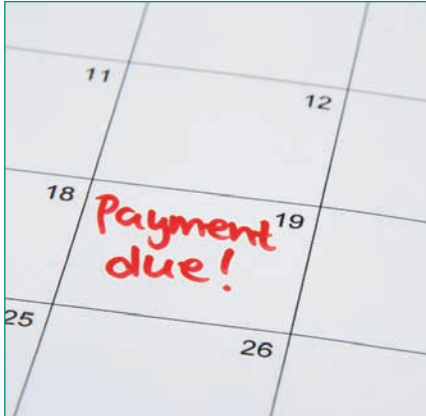
In some circumstances it may be necessary to issue a one off levy to ensure the efficient management of the block. Circumstances which may lead to this might include a case where unexpected emergency repairs arise or where the Management Company decides it wishes to undertake substantial capital expenditure.

Paying your Service Charge & Ground Rent



We offer a range of payment methods to enable you to pay your charges in a way that is convenient for you, including on line. Please refer to your payment request for further details, as we have listed all appropriate payment methods on the request. You will receive service charge demands in accordance with the Lease. If you do not receive demands please contact us immediately.

Late Payment of Service Charge and Ground Rent



Payments in respect of Service Charge Expenditure are due to be paid on the dates specified in your lease. We will invoice you at least 14 days before the payment date. It is important that payments are made promptly, otherwise there simply will not be funds to pay for necessary expenses. We must remind you that we are collecting monies due to the Service Charge Account of your property, and as the Agent for the Management Company, it is our duty to ensure that all contributions are collected in full and in a timely manner.

If any payments are late we will send you an overdue statement. If payment is still not received, we will send you a firm reminder, which will incur an administration fee. Some Leaseholders object to receiving such a communication and we regret its necessity. However, a minority of Leaseholders take a somewhat casual approach to Service Charges and make payment when they feel like it. This is clearly unfair on the vast majority of other Leaseholders who do pay on the due dates. We retain the right to add interest on late payment in accordance with the terms of the lease.

If we receive no response to our reminder we will have no alternative but to place the debt with our solicitors for collection and seek to recover not only the outstanding sums but also interest and legal costs. Failure to pay Service Charge Accounts could lead to an action for forfeiture of your lease after we have obtained a certificate from the Court. If you are going to have difficulties making a payment on time, please tell us promptly. It may be possible to work out a sensible payment regime. However, if you do not communicate with us we will pass the papers to our solicitors and you will then become liable for legal costs as well as the amount outstanding.

Implications of non-payment of Service Charge



If leaseholds do not pay service charge the Management Company may run short of funds necessary to carry out services. This will have negative impact upon quality of life and may also impact negatively on the value and saleability of your property.

Apart from the above, not paying could leave you open to legal action and any outstanding debts will be tied to the property. Any monies owed may in this event be deducted from proceeds if the property is subsequently sold.

You should always remember that not paying service charge is likely to be a breach of your contractual obligation. We try to ensure through efficient management and open communication with leaseholders that problems are minimised wherever possible.

How to report a repair



As Managing Agents, we are responsible for the repair and maintenance of the communal areas of your Block. If you have identified a problem that needs to be drawn to our attention then please contact us either by

Email: repairs@andrewlouis.co.uk

Online: www.andrewlouis.co.uk/noticeboard

Repair line: 0845 803 0015

What happens if I want to sell?



In the event you wish to sell your apartment, you will be required to get permission from the Management Company or Landlord. As part of the transaction your solicitor will be required to complete leasehold enquiries which Andrew Louis as the managing agent will assist with.

Andrew Louis offer estate agency services and are pleased to offer preferential rates to existing leaseholders under block management. For a FREE market appraisal please contact our sales team on **0845 803 3039** or visit us on andrewlouis.co.uk/sell

Can I sublet my Apartment?

You may have certain restrictions within your lease agreement about subletting, so if you are considering renting your apartment please ensure that you contact us first so we can advise you of the terms of your lease relating to subletting.

Andrew Louis offer residential letting and property management services and are pleased to offer preferential rates to existing leaseholders under block management.

For a FREE rental appraisal please contact our sales team on **0845 803 3039** or visit us on andrewlouis.co.uk/landlord.

Andrew Louis Online



In today's world Andrew Louis believes that transparency is vital for good customer service practice and we have been developing a miniature website for each development we manage, which enables clients to obtain online access to their development account. Our online services include budgets, building insurance certificate, newsletters, a payment section, financial accounts, ordering of fobs and reporting a repair.

Complaints Procedure



We aim to do our best to provide a good service, in a polite, efficient and fair way, but we understand that sometimes the best laid plans can go wrong.

We take all complaints about our service very seriously indeed and will endeavour to deal with your complaint promptly. To ensure that we have all the facts necessary to investigate your complaint, we ask that you follow a simple step-by-step procedure, which will enable us to expedite your complaint to a mutually satisfactory resolution. A full copy of our complaints procedures is available on request.

Please contact your property manager should you wish to initiate a formal complaint and we will endeavour to resolve any problem as quickly as possible

We are, of course, also happy to receive your compliments and any comments about how we can improve the services we offer you.

If you have any further questions that are not covered within this Leaseholder Guidance booklet then please visit us on andrewlouis.co.uk/blockmanagement

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