

The Frythe, Wilshire Park, Welwyn

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What is a Management Company and why is it required?

A Management Company called Firstport Property Services No.4 Limited has been set up for your development to manage areas of the development and some parts of its buildings, where ownership of those areas is not transferred to the residents directly. You will be responsible for the maintenance of your home and any land conveyed to you, whilst the Management Company will maintain any areas which are not conveyed to any purchaser. These are communal areas for the benefit of some or all residents and therefore must be held in a separate entity.

The Managing Agent (see below) will continue to support the residents in the running of the Management Company so that communal areas are maintained after Linden have left the development.

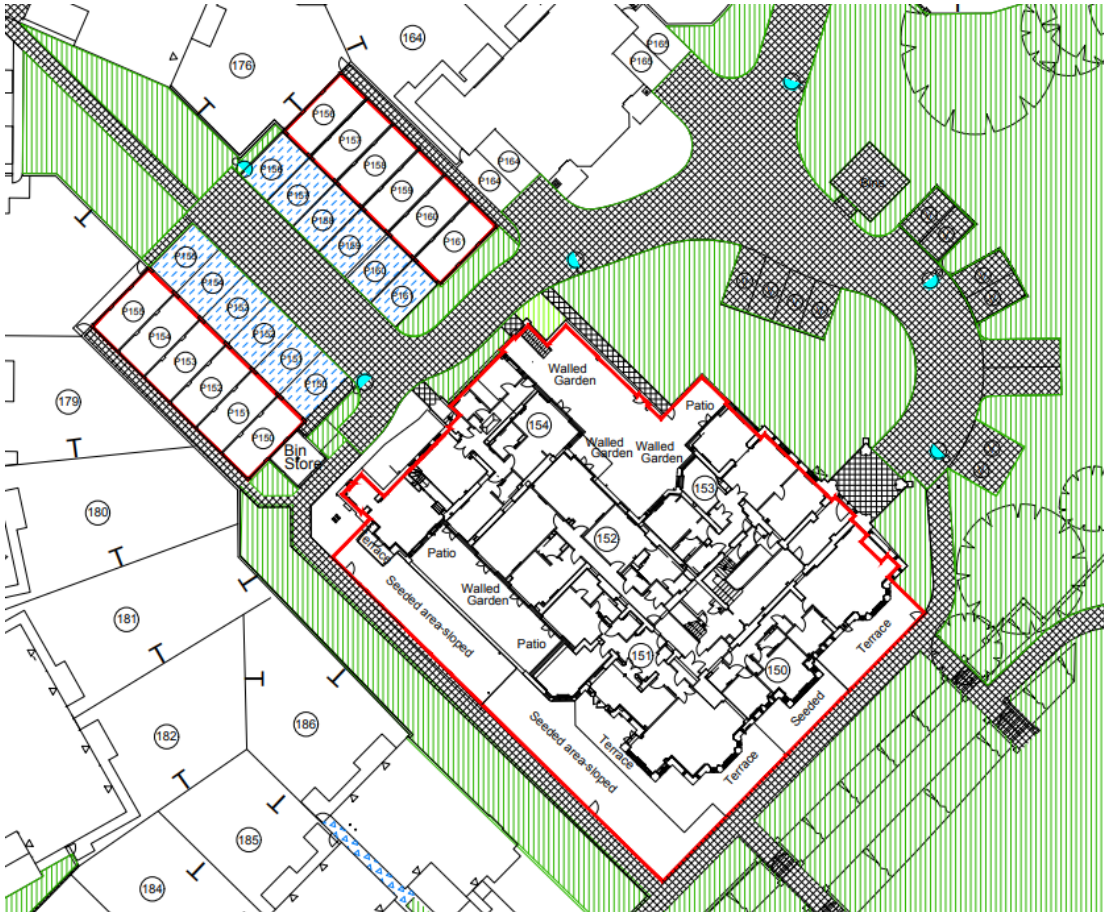
Which parts of the development are covered by the Management Company?

The development known as Wilshire Park, is situated in Welwyn, and comprises of houses, apartments and open space areas including ponds and children's play areas.

The areas which fall to the Management Company to manage and maintain are highlighted indicatively on the plan below, which includes the insurance, management, and maintenance of the Public Open Spaces (POS), the pond, play equipment, footpaths, and established trees. The plan included below, also details the development as a whole, the green areas will be in the Management Company.



As you are purchasing an apartment, the structure of your building will fall to the Management Company to manage, maintain and insure, including the communal parts of the building, for example, the foundations, roof, stairwells, lifts, service risers, bin/cycle store, etc.



What is the role of the Managing Agent?

The Managing Agent is an external company, appointed by the developer, to maintain the communal areas of the development/buildings once they have been handed over to the Management Company.

Their role is to assist the residents of the development in building their community, by maintaining the communal areas to a good standard and ensuring that the administration of the Management Company is professionally handled. This ensures that the residents don't have to worry about getting areas insured, getting accounts and audits done for the Management Company, appointing landscapers to care for public open space and play areas or appointing cleaners to maintain stairwells and other internal communal areas.

What is a service charge and how is it calculated?

When you legally complete, you will agree to pay an annual service charge for the maintenance of the communal areas on the development.

The service charge is paid to the Managing Agent so that they can then pay for all the costs which they incur in managing the estate and buildings on your development. The amount you pay is your share of the total cost, based on the Managing Agents estimate of what they will spend, given their experience of other similar developments.

Below is a schedule of the items which the Managing Agent will maintain on behalf of the Management Company, together with their estimate of the likely cost for the coming year.

ESTATE COSTS ESTIMATE DETAIL	Cost Estimate
Landscape grounds maintenance	£112,000
General maintenance and repairs	£5,500
Plant and machinery	£2,000
Electricity and Lighting to Communal spaces	£1,800
Contribution to reserves for assets owned	£7,500
Public Liability Insurance	£4,080
Accountancy and Audit Fees	£3,572
Managing Agents Management Fee	£27,211
Pest Control	£200
TOTAL ESTIMATED COST	£163,863

Number of units on the development **226**

SERVICE CHARGE ESTIMATE DETAIL [Apartments] Cost Estimate

External General Maintenance	£500
Internal General Maintenance	£1,500
Cleaning of Bin and Cycle Store	£180
Cleaning of stairwell and internal communal areas weekly	£14,040
Cleaning of the Chandelier 6 monthly	£300
Window Cleaning	£470
Maintenance of stairwell and internal communal areas to include	£1,500
Electricity and Lighting for all communal spaces	£600
Reserve fund for assets owned (external)	£750
Reserve fund for assets owned (external)	£3,250
Door Entry System	£300
Lift Maintenance	£1,200
Lift Telephone	£160
Lift Insurance	£400
Fire Systems Maintenance	£920
Gutter Maintenance	£180
Pump Maintenance	£500
Management Fees	£1,512
Accountancy & Audit Fees	£442
Health & Safety Costs	£300
Building and terrorism insurance	£4,835

Number of apartments in the block 12

Plot 152 Estimated Service & Estate Charge £4,412.71 p.a

Plot 154 Estimated Service & Estate Charge £1,729.60 p.a

Plot 161 Estimated Service & Estate Charge £3,868.06 p.a

The above 3 properties have a peppercorn ground rent (if collected) **£1 p.a.**

Your service charge is likely to increase, year on year, because prices of labour and materials are likely to rise in line with inflation. The Managing Agent will keep you informed of any increases each year and provide an explanation of why the increase is necessary.

Typically, what do the elements of the service charge cover?

- a) **Landscape and play area maintenance** – this includes regular visits to the site to mow grass, keep down weeds, maintain trees and plants and make sure that the play equipment is safe, carrying out any maintenance as required. The visits are more frequent in the spring and summer and generally monthly in the Autumn and Winter.
- b) **Waste and dog bin emptying and maintenance** – the bins around the communal areas are emptied and disposed of every two weeks.
- c) **Benches and other street furniture** - there are a number of benches, seats, fences, etc which require maintaining to ensure that they do not get into disrepair.
- d) **Electricity and lighting to communal spaces** – some of the pathways have lighting which require power and maintenance, which will be covered in the charge.
- e) **Cleaning of apartment communal areas** – the internal areas of the apartment block will be cleaned every week and the external bin and cycle store every month.
- f) **Maintenance of apartment communal areas** – all the communal areas will be maintained to ensure they are safe, warm, lit, and presentable, as required. There will be an inspection every month to ensure that everything is in good working order.
- g) **Sinking fund** – whilst the equipment around the communal areas is carefully maintained, sometimes there is a requirement to replace items. This would be particularly relevant to play equipment which becomes unsafe. A fund is built up to pay for these items when such occasions require.
- h) **Public liability insurance** – whilst residents will take out insurance on their homes which they own, there is a need to have insurance for the communal areas and for the Management Company itself.
- i) **Accountancy, legal and company secretarial fees** – because the Management Company is a Limited Company, which provides a level of legal protection for the residents, the Company must have proper accounts prepared and audited and has to register with Companies House. This will all be arranged by the Managing Agent.
- j) **Health & safety requirements** – this is an important element of running the communal areas with the need for periodic risk assessments, advice and action taken to ensure that everything is kept in a safe condition for everyone who wants to use those areas. This will include fire risk assessments for apartments.
- k) **Managing agent management fee** – this is the fee charged by the Managing Agent to act on behalf of the residents in managing the communal areas. All of the items above will need to be arranged and managed, with contractors appointed for maintenance and repair, insurance arranged, and accountants and solicitors appointed.

How and when is the service charge levied?

When you legally complete on your home and sign up to your rights and obligations relating to the Management Company, an amount of Service Charge will be taken, to cover the first 6 months, between your completion and the end of the service charge period.

The Managing Agent will then send you an annual service charge invoice, every year. If you recently legally completed and therefore have just paid an amount on completion, this will be credited against the invoiced amount. You will only pay your share of the Service Charge for the period which you have been in ownership of your home.

Who maintains the communal areas from the start?

Linden is responsible for creating and building any communal areas.

There has been a phased handover over the course of the development, the estate is now in management and The Frythe building is expected to transfer to management in Autumn 2024. Whilst service charge on The Frythe building is not being invoiced until Autumn 2024, the estate charge is payable.

What happens when the development is finished?

Handover of The Frythe will take place when the Managing Agent is happy to take the communal areas on.

Who should I contact with any queries?

The details of the contacts at the Managing Agent are as follows:

FirstPort Property Management Services, Marlborough House, Wigmore Lane, Luton, Beds LU2 9EX

Tel: 0333 321 4080 Monday-Friday 9am–5pm

www.firstport.co.uk/contact-us/customer-services