



# VISTRY GROUP POLICY

User Guide: Management Company Process 2024

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## What is a Management Company and why is it required?

A Management Company called Metropolitan Housing Trust has been appointed 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 residents and therefore have to be held in a separate entity.

During the initial set up and construction of the development, Countryside (part of the Vistry Group), as the developer, will be responsible for the maintenance of the communal areas. This is common practice as it provides time for the communal areas to be completed and Countryside are responsible for making sure that happens. Once the communal areas are ready, Countryside will hand control of them over to the Management Company when the development is complete.

The Management Company will continue to maintain the communal areas after Countryside have left the development.

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

The development known as Arora, Clapham Park is situated in the London Borough of Lambeth and comprises of 423 new homes, a multi-use games area and podium gardens.

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.

Description of the specific nature of the management and maintenance of communal spaces:

- Estate - to which all homes which form part of the Clapham Park masterplan contribute to on an equal basis for maintenance of the shared external areas of the development and management of the development as a whole etc.
- Block - apartments in Phase C01 (423) will contribute towards their appropriate block charge based upon the maintenance requirements of the block. This will cover structural maintenance and insurance, plant maintenance, internal maintenance, podium landscape maintenance, lighting, cleaning etc. (as applicable).

## What is a service charge and how is it calculated?

When you legally complete, you agree to pay an annual service charge for the maintenance of the communal areas of the block, phased landscaped areas and estate communal areas on the development.

The service charge is paid to the Management Company 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 Management Company estimate of what they will spend, given their experience of other similar developments.

Please refer to your service charge estimated budget for details on what items the Management Company will maintain, together with their estimate of the likely cost for the

coming year.

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 Management Company 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.
- b) **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
- c) **Electricity and Lighting to Communal Spaces** – some of the pathways have lighting which require power and maintenance, which will be covered in the charge.
- d) **Cleaning of apartment communal areas** – the internal areas of the apartment block, the cycle stores, underground bin stores etc. will be cleaned frequently.
- e) **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 a frequent inspection to ensure that everything is in good working order.
- f) **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.
- g) **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.
- h) **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.
- i) **Management Company 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, in order to cover costs incurred between your completion and the end of the service charge period.

Service Charge is likely to be invoiced on an annual basis with payment terms to be agreed. The Management Company will provide you with details of how to pay when they send the invoice and payment available.

## Who maintains the communal areas from the start?

Countryside is responsible for creating and building any communal areas. With apartments, the communal areas form part of the building which is being constructed by Countryside.

For a period of time, Countryside will maintain everything and only when the communal areas are complete, can they be handed over to the Management Company for maintenance. This will vary from site to site; on some developments everything will be handed over at the end, on others there will be a phased handover over the course of the development.

When Countryside are maintaining the communal areas, the residents will not be charged for the maintenance of the communal areas. However, a service charge may still be levied as there are administration costs incurred by the Management Company in order to ensure that insurance is in place and accounts and audits are carried out. This may be covered by the service charge collected on completion (see 6. Above) but if it continues for a long period you may be asked to pay a further service charge.

## What happens when the development is finished?

When the developer has completed all the homes and all of the environment around the homes, the communal areas will be fully handed over to the Management Company. Those areas must be properly completed and be in good condition, otherwise the Management Company will refuse handover. Handover will only take place when Management Company is happy to take those communal areas on.

## Who should I contact with any queries?

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

Phone: 0300 456 2929

Website: <https://www.mtvh.co.uk/contact-us/service-charge-contact/>