

Marlow Road Estate

Service Charge

Service Charge

The Service Charge (also known as an 'Estate Maintenance Charge') is the money you pay towards the cost of maintaining the Managed Land (the communal areas of the development).

The Service Charge is always paid in advance so there is a pot of money to pay your development's invoices, for example for the gardening or cleaning, servicing of fire safety systems or insurance invoices.

Your Lease and Management Obligations

The apartments at Marlowe Road Estate have been sold on a 'leasehold' basis. When you purchased your property, you entered into a 'lease' document which contains certain rights and obligations regarding the management of the development.

In simple terms, you have agreed to cover the provision of services which are required to maintain the upkeep of communal areas of the Marlowe Road Estate development.

Who's Who?

Freeholder: the owner of the land the development is built on.

Leaseholder: the owner of an individual apartment.

Management Company: 'Marlowe Road Management Company Ltd' has been set-up to manage the Marlowe Road Estate development.

Management Company Directors: persons appointed to work on behalf of the Management Company. Initially this will be people appointed by the Freeholder while the development is being built. Once complete it is typical that the directors will be replaced by property owners. Encore will facilitate this once instructed to do so.

The Directors' main duties are as follows: manage the development in line with the covenants in the lease, follow the management company rules and ensure accurate management of finances (i.e. approve the annual Budget and Accounts).

Managing Agent: Encore has been appointed by the Management Company to carry out the Management Company responsibilities, including the day to day running of the development.

Service Charge Budget

The Service Charge is based on a budget estimate that is prepared at the start of each year. It includes an estimate of the running costs relating to the communal areas that are due to be handed over for management in that service charge year. The estimate is based on supplier quotes, any historical expenditure and any planned works for the forthcoming financial year.

The first year's budget has been prepared based on information provided by the developer during the construction phase. There will inevitably be changes

to the budget as more information becomes available and actual costs start to be incurred.

Future costs are difficult to predict and are subject to inflation and other external influences outside of the control of the Management Company.

Financial Year-End & Payment Dates

The financial year end for Marlowe Road Estate is 31 December.

Your annual Service Charge will be split across 2 invoices (called 'demands') which are due on 1st January and 1st July each year.

Service Charge Demands & Statement of Account

At the start of the financial year, we will send you information relating to the service charge budget, including the following documents:

Annual Service Charge Estimate – this shows your annual service charge estimate. It is based on your percentage of the budget schedules that you contribute towards.

Service Charge Invoice – this shows your actual service charge for the current period.

Statement of Account – this shows the balance of your account. If your Statement has a *positive* balance, please pay this amount before the due date on the invoice. If your Statement shows a *negative* balance, your account is in credit and this will be off-set against future charges.

Annual Accounts & Balancing Charge

At the end of the financial year, the accountants will produce an end of year statement (annual accounts) which is independently verified.

If more money was spent than originally collected (a deficit), the balance will be recovered from owners via a 'balancing charge'. If less money was spent than estimated (a surplus), the balance will be returned to owners as a credit to off-set a future charge.

How can I pay?

You can pay by bank transfer or direct debit.

If you would like to pay by direct debit, please request a Direct Debit Mandate from our accounts team: service.charge@encoreestates.co.uk.

The client bank account details will appear on the service charge invoice we send you. Please quote your unique customer reference number with any payment to ensure it is correctly allocated to your property.

Insurance

Directors & Officers, Public Liability and Buildings Insurance is included in the Service Charge and shown as separate line items in the budget.

Apartment owners will need to arrange their own Contents insurance.

Managing Agent

About Encore

Encore Estate Management is the appointed Managing Agent responsible for managing your development. As members of ARMA (now the TPI), we manage your development in accordance with your Lease, the RICS Residential Management Code of Practice and all relevant legislation. We service our clients from networked offices in London, Cambridge (HQ), Nottingham and Berkshire.

Managing Agent Contact Details

Website: www.encoreestates.co.uk
Email - General: info@encoreestates.co.uk
Email - Accounts: service.charge@encoreestates.co.uk
Phone: 01223 866980
Registered Office: 2 Hills Rd, Cambridge, CB2 1JP

Emergencies

In the event of an out-of-hours emergency in a *communal* area that requires urgent attention, Encore's main phone number will be connected to an out-of-hours emergency response centre. This centre is in contact with an on-call Estate Manager. Please note the operators can only respond to true emergencies in communal areas – not issues inside private properties. Please inform the operator you live at 'Marlowe Road Estate'.

What does Encore do?

On behalf of the Management Company, Encore organises the management of services as specified within your Lease. The cost of providing the various services is paid for by means of a Service Charge paid by you and your neighbours. This includes a Management Fee for Encore which covers the work we do, which includes:

Financial:

- Preparation of the annual service charge budget
- Issuing service charge demands
- Manage the service charge collection and arrears recovery process
- Accounting for service charge monies and maintaining financial records
- Issuing annual service charge accounts
- Maintaining 'trust status' client bank accounts
- Payment of suppliers and contractors

Maintenance & Services:

- Preparation of a Planned Maintenance Schedule which covers communal areas and mechanical and electrical installations
- Preparation of specifications for services such as cleaning and garden maintenance
- Obtaining quotations for services and appointing contractors for areas including: lift maintenance, fire safety system maintenance, door entry system maintenance, lightning protection system etc.
- Supervision of contractors to monitor standards and ensure compliance with health & safety regulations including fire risk assessments or play area assessments
- Negotiate and arrange buildings and public liability insurance
- Negotiate and arrange utilities contracts
- Handle reactive repairs and buildings insurance claims

Visits & Communication

- Conduct site inspections on a regular cycle
- Meeting with contractors and other agents
- Handle resident enquiries
- General administrative functions and enforcement of the Lease

Your Estate Management Team

There is a team of professionals responsible for the management of your development.

- Estate Management: An Estate Manager will oversee all aspects of the development from planned maintenance to budgeting. An Assistant Property Manager will respond to reactive maintenance issues and deal with customer enquiries.
- Accounting: A dedicated client accountant is responsible for controlling the service charge bank account, issuing demands and preparing the accounts. Separate service charge accounting teams are responsible for collecting payments and processing contractor invoices.
- Legal: The legal team assists with solicitors' enquiries when owners sell their properties and deals with consents.

Your Contact Details

It is important that we hold your correct address and correspondence details for the service of documents and demands. If your contact details change at any time, you are required to advise us in writing by completing the form on our website: www.encoreestates.co.uk

Correspondence Method

We can send documents by post or email. As part of our sustainability commitment, we encourage all owners to choose email as it allows us to communicate more swiftly and reduces cost and paper.