



VISTRY GROUP POLICY

User Guide: Managing Agent Process and Management 2023

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What is a Management Company and why is it required?

Kingston Council will be responsible for management at your development (the Management Company) and will 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 Council 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 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 Kingston Grove is part of the regeneration of Cambridge Road Estate and is situated close to Kingston Town Centre. Phase 1 comprises of 452 new homes across 3 development blocks, along with a range of public, semi-private and private open spaces for residents and visitors to enjoy. A new community centre will also be delivered as part of Phase 1.

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 Cambridge Road Estate 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 1 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 the role of the Managing Agent?

The Managing Agent has been appointed by the Management Company to maintain the communal areas of the development/buildings. In the Cambridge Road Estate development, Kingston Council will be both the Management Company and Managing Agent.

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.

Whilst initially appointed by the developer, before any homes are handed over, the Managing Agent is employed by the Management Company and therefore by the residents. The residents can challenge the Managing Agent on their performance and on the service charge and, if necessary, replace them with a different Managing Agent.

What is a service charge and how is it calculated?

When you legally complete, you will become a member of the Management Company and 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.

SERVICE CHARGE ESTIMATE DETAIL	Cost Estimate
Communal Block Cleaning	£ 12,480
Communal Window Cleaning	£ 2,000
Communal Electricity - block	£ 2,750
Access Control System Full System & CCTV	£ 500
Lift Servicing	£ 250
Estate Management	£ 4,050
Legionella Testing	£ 447
Fire Safety and AOV Inspection	£ 671
Routine Maintenance Inspection	£ 224
Heating Filter Annual Check	£ 2,240
Roof and Man Safe System Inspection	£ 224
Building Insurance	£ 3,353
Reserve Fund Communal	£ 21,283
TOTAL	£ 50,471

No. of homes in building		59
Estimated service charge per household per year	£	855

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, usually every two weeks and generally monthly in the Autumn and Winter.
- b) **Electricity and Lighting to Communal Spaces** – lighting in communal areas and in the surrounding external areas require power and maintenance, which will be covered in the charge.
- c) **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.
- d) **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.
- e) **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.
- f) **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.
- g) **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 has to have proper accounts prepared and audited and has to register with Companies House. This will all be arranged by the Managing Agent.
- 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) **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, in order to cover the months between your completion and the end of the service charge period.

The Managing Agent will then send you an annual service charge invoice. 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.

The Managing Agent will provide you with details of how to pay when they send the invoice as there are options to spread the payment by Direct Debit, if you need to.

Who maintains the communal areas from the start?

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

For a period of time, Vistry will maintain everything and only when the communal areas are complete, can they be handed over to the Managing Agent 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 Vistry 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 Managing Agent 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 Kingston Council, acting on behalf of the residents will refuse handover. Handover will only take place when the Council 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:

Email: rentandservicechargeteam@kingston.gov.uk

Phone: 020 8547 4781/6508

(Kingston Grove details to be confirmed)