



VISTRY GROUP POLICY

User Guide: Managing Agent Process and Management 2023

What is a Management Company and why is it required?

A Management Company called Verdica Management Company Ltd (“the Management Company”) 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 residents and therefore must be held in a separate entity.

During the initial set up and construction of the development, Countryside provide the directors of the Management Company. 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 and when the development is complete, residents will take over as directors of the Management Company.

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 Countryside have left the development.

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

The development known as Verdica is situated in the London Borough of Camden and comprises of 115 new homes, of which 89 are private and 26 are affordable.

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.

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.

BELMONT STREET	
CONSOLIDATED	
	£
STAFFING	
Staff Salaries	0
Staff Training and Uniforms	0
Management Office and Concierge Costs	0
	0
CONTRACTS, MAINTENANCE AND SERVICES	
CCTV	400
Cleaning - Communal	4,300
Cleaning - Windows and Facade	4,500
Contribution to Block B Lobby	0
Door Entry System and Access Control	1,025
Drainage Maintenance	2,250
Fire and Smoke Systems	4,030
General Repairs	9,750
Lighting Maintenance	520
Landscape Maintenance	5,000
Lift Maintenance	12,953
Pest Control	480
Plant Maintenance	19,300
Waste Management	590
TV Aerial Maintenance	400
	65,498
UTILITIES	
Communal Heating	800
Electricity	9,000
Water	1,000
	10,800
INSURANCE	
Insurance (Building, inc. excesses)	33,500
Insurance (Engineering)	1,550
	35,050
BUILDING SAFETY ACT COSTS	
Apartments Door Inspection	1,898
Digital tracking of inspections	204
Fire Fighting Equipment Check (including quarterly)	3,960
Fire Risk Appraisal of External Walls	7,000
Safety Case	10,000
Safety Case Report	10,080
	33,142
PROFESSIONAL FEES	
Audit and accountancy	5,000
Legal and professional	2,000
Health and safety	4,201
Building Safety Act Fee	7,740
Company Secretarial	900
Management	37,950
	57,791
	202,280
TOTAL OF ROUTINE EXPENDITURE	
	202,280
RESERVE FUND TRANSFER	70,450
	272,730
TOTAL OF ESTATE CHARGE ESTIMATE	
	272,730

Your service charge is likely to increase, year on year, because prices of labor 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.

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 between your completion and the end of the service charge period.

The Managing Agent will then send you a 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?

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 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 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 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 the sale of 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 Managing Agent, acting on behalf of the residents will refuse handover. Handover will only take place when the Managing Agent is happy to take those communal areas on.

Up to this point, the Directors of the developer will have been acting as Directors of the Management Company, acting on behalf of the residents. When everything is complete, the developer will look for residents who are willing to take on the role as Directors of the Management Company.

Until the resident officers are in place, the developer may ask the Managing Agent to stand in as officer

of the Management Company. However, control of the Management Company remains in the hands of the residents as members. The Managing Agent will support the residents in the running of the Management Company, but the residents always have the right to do things differently if they choose to.

Who should I contact with any queries?

The Managing Agent's contract details are as follows:

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