Remus

Homeowners Estate Management Handbook

Remus Management

The Professionals in Residential Block & Estate Management

Index

Introduction

This brief guide has been prepared for the benefit of Leaseholders & Freeholders where estate management services are provided by Remus Management Ltd (Remus). It is intended to give you basic information concerning the management of your Estate.

This guide is not comprehensive and is only intended to give a general outline of how we perform our management functions. If there are any points that you do not understand or if you have queries about the management which are not covered in this guide, please write to us and we will do our best to respond to you promptly.

Who Are We?

Remus is a professional property management company that provides Management Services to over 25,000 residential properties. We are usually appointed by your Management Company (or freeholder) to deal with all matters relating to the administration, repair and upkeep of the Estate which are the responsibility of the Management Company (or freeholder) under the terms of the TP1 (house-owners) or lease (apartment owners or leasehold house owners).

Our management functions are governed by the provisions set out in your lease or TP1, and the Law (specifically the Landlord and Tenant Acts 1985, 1987 and 2002 and the Housing Act 1996).

Our staff are trained in all aspects of property management based on both good practice and current legislation. They are either Members of the Institute of Residential Managing Agents or are studying for Membership. Remus is a member of The Association of Retirement Housing Managers (ARHM) and abides by the code of practice of that Association. We also abide by the code of practice of the Royal Institute of Chartered Surveyors (RICS). The Codes of Practice of both organisations have received approval from the Secretary of State for Communities and Local Government (formerly The Environment).

What Do We Do?

We are responsible for the general upkeep of managed areas of the estate. We are not responsible for the repairs to your individual property.

Certain parts of the Estate can be shared by some or all of the other owners and obviously someone has to be responsible for the proper upkeep of these areas. Under the terms of your lease/TP1 these functions are the duty of the management company (or Freeholder), who has appointed Remus to act on its behalf. The costs of such maintenance are recovered from the individual Leaseholders & Freeholders in the proportions detailed in the lease/ TP1 (or management covenants).

Our exact duties will vary according to the individual lease or TP1 and the Estate and may consist of:

- Soft Landscape Maintenance
- Hard Landscape Maintenance
- Maintenance of un-adopted roads
- Maintenance of SUDS ground water drainage systems
- Maintenance to the street lighting on un-adopted roads and pathways
- Maintenance of Play Equipment
- Maintenance of electronic entrance gates

As well as actually organising all the above, we will visit the Estate on a regular basis to ensure that work is being carried out satisfactorily and to see if further work is needed. We also maintain records of all payments and receipts for each Estate, deal with individual homeowners' queries and also liaise with your solicitors when a sale is anticipated.

We allocate to each Estate an individual Manager who is familiar with the particular Estate, creates a liaison with Owners and the Management Company (where applicable) and is generally responsible for the day to day activities relating to the upkeep of each Estate.

Why Is This Necessary?

Your lease/TP1 will stipulate the areas that we maintain on behalf of the Management Company or freeholder. The Estate benefits from regular maintenance because:

- A well maintained Estate is more pleasant and comfortable to live in,
- A property in a well-maintained Estate will generally sustain its value better than one in a badly maintained estate, and will generally be easier to sell or let,
- Regular preventative maintenance will usually limit serious deterioration of the Estate and long-term reduces the cost of maintaining the Estate.

Types of Work

The upkeep, maintenance and repairs that can take place at an Estate can range in size and complexity. We are responsible for ensuring that such items of upkeep that fall to the Estate are properly identified and carried out.

Firstly there will be ongoing day to day items such as gardening. Where there are gates we will arrange for a specialist firm to service them on an annual maintenance contract. On larger Estates there may be a full or part-time caretaker.

Repairs will usually fall under three types:-

(i) Day to day minor repairs. These will usually be noticed by your Property Manager during a visit or may be reported by an Owner.
(ii) Repairs of an emergency nature which may possibly form the basis of an insurance claim.
(iii) Planned maintenance such as roadway resurfacing (where applicable).

Notification of Repairs

Although we make regular property inspections, we cannot be present at your Estate all the time. If an item of maintenance becomes apparent to you, please contact us and we will arrange for it to be dealt with. Please bear in mind that for small cosmetic items it may be more economical to let them accumulate until there are a number of repairs which can justify the costs of a visit by a contractor. Equally if you are not happy about standards of gardening, please notify us in writing so that we can specifically consider them at our next property inspection.

Minor Repairs

In the case of repairs, we will deal with emergencies as quickly as possible. Other repairs will be dealt with as soon as it is practical to do so. We will usually instruct a local contractor to undertake the works and occasionally you may be asked to confirm whether the works have been completed satisfactorily.

We have no interest, whether direct or indirect, in any firm of builders or contractors and our primary concern is to ensure that work is carried out in a thorough manner at an economical cost.

Public Liability Insurance Cover

Public Liability cover is specifically to provide indemnity to the Policyholder in the event that a claim is made against them for loss, damage or injury to a third party (a third party is anyone other than the Policyholder), whilst they are on or adjacent to the policyholders insured property. The damage, loss or injury must be caused by the property owner or his agent not having kept or made the premises safe, and a failure to uphold the high level of 'duty of care' can be proven. This cover will be put in place to cover the communal areas for all estates that Remus manage

There is no cover under Public Liability sections of a policy for damage of any sort caused to individual properties. This has to be covered by a Buildings Insurance policy. Whatever type of the property and whatever type of injury or loss, property owners are liable when they are caused by hazards associated with their property.

Tradesman, or a business working in the estate communal areas require indemnity in the event that they accidently cause injury, damage or loss in the course of their work and will have a separate Public Liability policy in place.

The Service Charge Account

Remus maintains a designated "Client Bank Account" separate from our own business accounts. This Client Account is used to hold all of the Service Charge monies relating to an individual property. All contributions from homeowners are paid into this account and all expenditure that is undertaken on behalf of your property is paid from this account.

Payments on Account

Items of maintenance and repair clearly involve the expenditure of money. Most leases or TP1s provide for advance payments to be made in order to ensure that we are in funds and able to meet bills as they fall due.

As soon as is possible, prior to the beginning of each year, we will send you an estimate of likely service charge expenditure. It is important to appreciate that where we give an estimate of the likely service charge for a particular year, this is only an estimate based upon experience in prior years and known items of current expenditure. We are not clairvoyant and we cannot always anticipate unexpected items! We will then invoice you for advance payment at least 30 days before the advance payment must be made (where practical). Please ensure that your payment reaches us in time. Payment can be made by cheque, direct debit and by debit or credit card via our website http://www.remus.uk.com or by contacting our Head Office.

All cheques should be made payable to "Remus Management Limited Clients Account".

All such advance payments will be credited to a separate Client Account from which service charge expenses will be paid. (See previous paragraph).

Year End Service Charge Account

The final figure of service charge expenditure will not be known until after the end of the year and may vary from the estimate we have given earlier.

As soon as possible (usually 3-6 months) after the end of each year we will produce a "Service Charge Account" which will summarise all the expenditure incurred in relation to your property for the year in question, including our own fees. Where the expenditure exceeds £300, we will arrange for the Service Charge Account to be inspected by an independent firm of Chartered Accountants, who will report on the Account, and their fees will be charged to the Service Charge Account.

The Service Charge Account will be forwarded to each contributor together with a summary detailing advance payments and showing the balance due (if any) in respect of each individual property. Any balance due is payable upon presentation of the Service Charge Account. (Where there is a credit balance this will be carried forward to the next accounting period).

Under the provisions of the Landlord and Tenant Act 1987 any homeowner may, upon giving reasonable notice, visit our offices and inspect the books and records relating to the management of his or her property.

Late Payments

Payments in respect of Service Charge Expenditure are due to be paid on the dates specified in the lease/TP1. As previously mentioned, we will invoice you at least 30 days before the payment date (where practical). It is important that payments are made promptly otherwise there simply will not be the funds to pay for necessary expenses. We must remind you that we are collecting monies due to the Service Charge Account of your Estate and as Trustees of that account, it is our duty to ensure that all contributions are collected in full and in a timely manner.

If any payments are late we will send you an overdue statement. If payment is still not received, we will send you a final reminder, which will incur an administration fee. Some contributors take objection to receiving such a communication and we regret its necessity. However a minority of contributors take a somewhat casual approach to Service Charges and make payment when they feel like it. This is clearly unfair on the majority who do pay on the due dates. We retain the right to add interest at 4% over Bank's Base lending rate (usually LIBOR) or such rate as may be allowed by the Courts on any sums that are overdue.

If we receive no response to our reminder we will have no alternative but to instigate recovery action and seek to recover not only the outstanding sums but also interest and legal costs (where Solicitors are instructed).

IF YOU ARE GOING TO HAVE DIFFICULTIES MAKING A PAYMENT ON TIME, PLEASE TELL US PROMPTLY. It may be possible to work out a sensible payment regime. However if you do not communicate with us we will pass the papers to our Solicitors and you will then become liable for legal costs as well as the amount outstanding.

Interest

Where cash held for a property exceeds £2,000, interest will be credited at a rate equivalent to the rate you would receive on a no-notice business deposit account, held with Nat West, net of any charges. All interest will be subject to UK taxation at the applicable rate.

Deficit Funding

From time to time there may be insufficient monies held for a particular property to meet current expenditure. This may arise for a number of reasons including:-

- Unexpected items of expenditure occur,
- Several contributors do not make their payments on the due dates

In such circumstances, and at our sole discretion, we may pay such expenditures from our own funds. If we do so we may make an appropriate interest charge at the rate of 4% over our Bank's Base Rate (usually LIBOR) on any such funds so advanced.

If, again at our sole discretion, we do not choose to fund such expenditure, all services will be suspended until such time as the service charge fund has sufficient monies available to pay its debts as they fall due.

Our Charges

All the work we do obviously involves staff time and overheads which we recover in the form of management fees. These fees basically fall into two categories:

First of all there is a fixed annual fee for day to day management which principally covers the following:

- Arranging for the regular maintenance of the Estate
- The payment of bills as they fall due.
- Collection of service charge contributions from owners.
- Maintaining the Service Charge books and records, and providing reports to owners.
- Making property inspections from time to time in connection with day to day maintenance.
- Dealing with your queries on day to day maintenance matters.

Secondly, in addition to all the above functions we are sometimes required to spend additional time on other matters; for instance, in relation to major works we will obtain quotations from contractors, serve consultation notices on owners and generally organise the necessary work.

For this and any other work outside the scope of normal day to day management, we will keep a record of our time and charge at our current rate. For a more detailed description of how our fees are calculated please see our web-site www.Remus.UK.com.

The general fees for a property are charged to the Service Charge Account.

Contact with Owners

If we are to be successful in our role, we must develop and maintain a good working relationship with the individual owners in a particular Estate. We will always deal with individual owners on day to day matters and we will write formally to you when issuing Year End Service Charge Accounts or when complying with legislation governing Planned Maintenance.

Your Property Manager can always be contacted by telephone, but do bear in mind that there will be occasions when they will be out of the office on property visits, so we may ask you to leave a telephone number so that your call can be returned. If it is a matter that cannot wait, then either an Assistant Property Manager or another Property Manager will be happy to take your call and try to deal with the problem.

Property Managers do visit your Estate regularly and are quite happy to meet with individual owners on site during normal working hours by prior arrangement. From time to time our Property Managers are prepared to attend meetings of the owners which are held in the early evening.

However, if the Service Charges have not been paid and your file has been passed to our Solicitors / debt recovery agents, we may not be able to correspond or talk to you. Instead any such contact will have to be made through our Solicitors/ debt recovery agents. This is not because we are trying to be deliberately difficult on these occasions it is a **legal requirement** for us to act in this way.

Residents' Associations

We try to work in close co-operation with owners and we encourage the formation of active Residents' Associations which can represent the views of all owners. If you wish to form a Residents' Association we can provide a specimen set of Rules and Bye-laws. It is important to appreciate that co-operation is a two-way process and we can do our job more efficiently if we receive constructive input from you. However, even if a Residents' Association is in existence we will still maintain our formal contact with each of the individual owners as well.

Sales and Conveyancing

When you come to sell your property please remember that many leases and TP1s may prohibit the erection of Agents signboards. You should make this clear to any Estate Agent you instruct.

You should provide your Solicitor with as much information as possible (e.g. copies of Service Charge Accounts for the last 3 years, current budgets, consultation letters etc.). Your Solicitor should contact us at the earliest opportunity and we will provide, free of charge, a statement of your account. Where your Solicitor needs more information we are happy to provide same but will make a small administration charge, these charges will be in line with the recommendations of the local law societies.

Complaints Concerning Other Owners, Tenants, Visitors Etc.

From time to time we receive complaints, usually from one or more owners in relation to another. We do look at all such complaints sympathetically whilst at the same time trying to remain impartial and objective. Such complaints usually concern excessive noise, parking inconsiderately.

Upon receiving a complaint which we consider serious we will write to the owner concerned asking that they should cease the actions giving rise to the complaint.

If complaints continue we will consider further action and ultimately this may involve recourse to the Courts. In our experience the Courts are unwilling to intervene in trivial matters or matters which cannot be substantiated. It is therefore important that any resident making a complaint provides a proper file of evidence of the matters complained about. Wherever possible get other residents to support the complaint and be prepared in the last resort to give evidence in Court.

Thankfully most complaints are resolved amicably but every year we do have two or three cases where further action is necessary.

Can Expenditure Be Controlled?

Leases or TP1s do not usually set out any actual limits on expenditure. However, the Landlord and Tenant Act 1987 provide that Service Charge expenses must be reasonable and the Housing Act allows owners to challenge unreasonable costs.

Our aim is to provide an efficient service at an economical cost. We wish to work in friendly co-operation with individual owners and we want to consider your views. Equally, it is important that you understand what we are doing and the problems we face. On an Estate of 20 houses there may be 20 different points of view and it becomes impossible for us to please everybody all of the time.

There are a number of ways in which Service Charge Expenditure can be kept under control:

(1) Look after your Estate - A substantial proportion of repairs and maintenance can be avoided; for instance if there are residents who let their pets foul and residents who park their cars on grass verges damaging flower beds etc. All these and many other common examples can be avoided with care and consideration.

(2) When it becomes apparent that a repair is necessary, advise us promptly. A small repair which is left unattended can develop into something larger and more expensive.

(3) Consider the formation of a Residents' Association which can put forward the views of the owners. It is obviously much easier for us to liaise with a single Residents' Association rather than many individuals. The risk of misunderstanding is lessened and there is usually a substantial saving in management time.

Performance Assessments

From time to time our customer service team may call you to ask about the service being provided by the regular contractors such as gardeners. This enables us to bring defects in performance to the attention of the contractor. If you have any complaints or criticisms please identify these during the call giving specific details of those matters you are unhappy about.

Resident Management Companies

Where we have been appointed by a Resident Management Company, we will normally provide a full company secretarial service. This will entail the production and filing of the Management Company Accounts and the Company's Annual Return. Where applicable, we will maintain the Company Share Register, and issue new shares to purchasers. We will also arrange and attend the Company's Annual General Meeting.

Complaints Procedure

We maintain an established procedure for complaints. If you are unhappy with our performance:

<u>Stage 1</u> – In the first instance you should raise your complaint with your Estate Property Manager. They should endeavour to resolve the issue, or at least identify a solution, within 10 working days. When raising such a complaint it is useful if in any written communication or email you use the word "complaint" in the subject area and when making the complaint by phone please identify that you are raising this matter as a "complaint" and that it should be logged as such.

<u>Stage 2</u> – If for any reason your complaint is not satisfactorily dealt with by your Estate Property Manager, or it is about your Estate Property Manager, please either write or telephone the Regional Manager at your local Remus office to discuss what has gone wrong. You should also feel free to make an appointment to come and meet with the Regional Manager if this is more convenient.

<u>Stage 3</u> – In the unlikely event that Stage 1 and 2 do not resolve your issue (or your complaint is about a Regional Manager) please write to the Directors (this can be done by email) explaining your complaint. It is very important that you mark your letter or email as a "Formal Complaint" so that it may be dealt with quickly and at the appropriate level. The Directors will ask the relevant Senior Manager to investigate your complaint and respond within 10 business days. The Directors will then follow up the satisfactory resolution of the complaint. All Formal Complaints are logged and monitored by the Directors and reviewed at Board Meetings.

<u>Stage 4</u> – Remus are a member of The Property Ombudsman (for Property). If you are not satisfied with the outcome of our procedure, once you have followed it fully, you have the right to raise the issue with The Property Ombudsman Service (www.tpos.co.uk.) who will resolve the case.

Conclusion

We hope that you find this Guide useful and informative,we do try to co-operate with individual owners and provide a good service at an economical cost. However, co-operation is a "two-way street" and we can only do our job efficiently if we receive co-operation from you. We are happy to listen to any suggestions to improve the service we give.

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