

As a Managing Agent our instructions will come from a landlord/freeholder.

Our role includes ensuring that the landlord meets its obligations and enforcing the terms of leases and the covenants within that lease.

We must do this to protect the landlord and ensure the development runs smoothly for the benefit of all residents.



### WHAT DOES A MANAGING AGENT DO?

A Managing Agent is a professional or company responsible for managing the day-to-day operations of a leasehold property on behalf of the property owner, often referred to as the freeholder, or the collective of leaseholders.

Their role is integral in ensuring the smooth running of residential or commercial properties, particularly those with multiple occupants or units, such as apartment buildings or office complexes.

Responsibilities of a Managing Agent includes providing the following services and information to the leaseholders.

In general terms a managing agent will:

- Set budgets and provide a service charge estimate
- Collect service charge as it becomes due
- Arrange repairs and maintenance of the common parts and the structure of the building
- Arrange for cleaning and lighting of the internal commons part
- Arrange the gardening and upkeep of the communal grounds
- Arrange the upkeep and repair of communal installations at the property, such as lifts, door entry systems and water pumps
- Arrange and manage concierge and partnering services
- Undertake routine inspections to the property in order to check all of the above

## **BENEFITS OF USING AN AGENT**

- **Expertise and Experience:** Professional managing agents have the expertise and experience necessary to handle the complexities of managing a leasehold property. They are familiar with the legal and regulatory requirements and can ensure that the property is managed in compliance with these.
- **Time-Saving:** For freeholders or leaseholders, managing a property can be time-consuming and stressful. A managing agent can take on these responsibilities, freeing up time for other activities and providing peace of mind that the property is being well-managed.
- **Conflict Resolution:** Managing agents are skilled in handling disputes and can act as a neutral party in resolving conflicts between leaseholders or between leaseholders and the freeholder. This can help to maintain a harmonious living environment and prevent issues from escalating.

A leasehold managing agent plays a vital role in the management and upkeep of leasehold properties, ensuring they are well-maintained, financially sound, and compliant with all relevant laws and regulations.

Their expertise and professionalism provide significant benefits to both freeholders and leaseholders, making them an essential component of effective property management.

## **WHAT IS LEASEHOLD?**

A lease is a long tenancy, usually granted for 99, 125 or 999 years and the right to occupy a property under this lease can be sold during this time it is usual for the leaseholder to be responsible for maintaining and repairing everything within the four walls of their property including floors, plastered walls and ceilings.

However, the responsibility for shared facilities and the building structure usually lies with the landlord/freeholder, subject to leaseholds contributing their share of costs.

Individual leases will specify the responsibilities of both the lessee and landlord and this guide is not designed as a substitute to the lease.

### WHAT IS A FREEHOLD HOUSE WITH AN ESTATE CHARGE?

Having a freehold house on an estate means that you have complete ownership of the property and the land it stands on, in most cases. As the freeholder, you have the right to occupy and use the property generally as you wish, with some restrictions under a TP1.

However, in some cases, the estate may have communal grounds or shared facilities, such as gardens, parks, parking areas, or common buildings. These areas are owned by a resident management company or a freeholder, who is responsible for their maintenance and upkeep.

In order to cover the costs of managing and maintaining these communal areas, the freeholder or resident management company may charge a service charge to the freehold property owners on the estate.

This service charge is a periodic payment that covers the expenses associated with the maintenance, repair, and management of the shared facilities.

The service charge usually includes costs for services like landscaping, gardening, cleaning, security, lighting, insurance, and general upkeep of the communal areas.

The amount of the service charge can vary depending on the size of the property and the amenities provided on the estate.

It is important to note that even though you own the freehold of your individual property, you are still required to pay the service charge for the upkeep of the communal areas.

Failure to pay the service charge can lead to legal action or restrictions on the use of the shared facilities.

## **REPAIRS**

Please report any repairs affecting the main structure of the building, communal areas and grounds to us as soon as possible to enable your agent or responsible person to take the necessary actions.

Very occasionally a problem will arise outside of normal office hours which requires immediate attention.

An out of office emergency means:

- Loss of communal heating
- Loss of communal electricity
- Leak from the roof
- Leak from the flat above (although we encourage you to speak to the flat above to resolve in the first instance)
- Making safe dangerous situations
- Communal door lock not working
- Fire
- Floor

An emergency is not:

- Loss of keys
- Noise complaints
- Service Charge enquiries

We would advise you that an individual lessee is usually responsible for dealing with any repairs within their flat or house or any services which exclusively serve their property. The emergency helpline is not available to deal with issues such as these.

### **MAJOR WORKS**

The lease will usually indicate the timing of external and internal redecoration of the building. Where works are reasonably foreseeable, we will endeavour to give lessees as much notice as possible so that the financial impact of these works is not too onerous.

We are required to consult lessees on works which cost in excess of £250 per flat, and will do so by issuing notices advising of this.

We must obtain at least three estimates and provide details of these estimates and the work proposed.

Unfortunately, there are instances where emergency repairs of a substantial nature are required and this may mean that it proves impractical to consult with lessees.

We will always seek to alert the lessees immediately a problem becomes known, but the actions we take will be based on the following judgements:

- Whether delay would cause further deterioration
- Whether the work is required for safety reasons
- Whether deferring the work is likely to result in significantly higher cost being incurred

### **SERVICE CHARGE AND RESERVE FUND**

#### **Service Charge**

Service charge is the money paid by you to fund all the costs associated with running and maintaining your development in accordance with the terms of your lease. Without the payment of service charges there would be no money available to pay day to day bills such as insurance premiums; or to create and maintain a reserve fund.

#### **SOME LEASES DO NOT ALLOW FOR THE PROVISION OF SERVICE CHARGE TO BE PAID MONTHLY.**

#### **Reserve Fund**

We encourage the creation of a reserve or sinking fund, which is money put aside to deal with planned maintenance. By building up a reserve we are able to fund major works when required without having to wait to collect the necessary funds from individual owners. It also means that owners are less likely to receive large and unexpected bills.

#### **PLEASE NOTE - SOME LEASES DO NOT ALLOW FOR A LEVY TO BE RAISED, OR FOR A RESERVE FUND TO BE HELD.**

## **GROUND RENT**

Ground rent is a payment to your landlord that might be included in your lease.

Your landlord does not have to provide a service in return.

### **If your lease was granted before 30 June 2022**

You do not have to pay ground rent unless your landlord has sent you a formal, written demand for it. They can take legal action if you do not pay after you've received the demand.

Your landlord can recover unpaid ground rent going back 6 years and they can ask you for the full amount in one go.

Your landlord can only increase the ground rent if you agree to the increase or the lease says this can happen.

### **If your lease was granted on or after 30 June 2022**

You usually cannot be charged anything more than a 'peppercorn' ground rent after this date. The value of this is zero so you will not have to pay anything, but it forms a legally binding contract with your landlord.

### **If you bought a lease from another leaseholder on or after 30 June 2022**

You will still have to pay ground rent to your landlord if this is in your lease. The changes only apply to new leases granted on or after 30 June 2022.

### INSURANCE

For a leasehold property, the landlord is usually responsible for insuring the property under terms of the lease. This will typically cover such risks as damage caused by storms, floods, fire and subsidence. The policy will also cover consequential damage – for example, if the roof leaks, the repair to the roof may be a maintenance issue to be funded from the service charge, but the damage to a lessee's property may be covered by the insurance policy.

Points to bear in mind are:

- Most policies will be subject to an excess. This will be funded from the service charge account except where the responsibility clearly lies with an individual resident, either through their own act or omission or by virtue of an incident occurred within their own individual property.
- The policy will cover the structure of the property and the communal parts, but will not cover your home contents and items such as carpets and curtains. You are strongly advised to ensure that you have your own insurance in place to cover these items.
- The policy will not cover normal wear and tear.
- Most policies will require any incidents to be reported within a limited period of time.
- Cases of vandalism or criminal damage must be reported by you to the police and you should obtain a crime file reference number.
- Lessees are responsible for complying with all and any conditions set out by the insurer if a property is going to be left unoccupied. Failure to comply may result in the invalidation of insurance cover.

### ACCOUNTING

The service charges that we collect will be held in a separate and identifiable client account, maintained under RICS Member' Regulations. Any interest earned on money in the client account is normally retained for the benefit of the block unless agreed otherwise.

At the start of the financial year we will prepare a budget of anticipated expenditure for the year ahead. This will be based largely on historic cost and as far as possible, will also provide for identified maintenance. In most cases service charges set in the year will be adequate to cover all costs.

However there will inevitably be instances where something unexpected occurs where an additional levy will be required.

At the end of the financial year, service charge accounts will be prepared by independent accountants and lessees have the right to inspect accounting records providing reasonable notice is given.

### **HEALTH & SAFETY**

It is the landlord's duty in law to ensure that the common parts are safe for residents, visitors and contractors.

To ensure those using the common parts of the estate are not placed at risk we arrange for a health and safety risk assessment to be undertaken by independent professionals as required. We also arrange any other inspections and surveys which may from time to time be required by law.

### **BUYING, SELLING AND LETTING**

Many leases prohibit the display of estate agents' boards so please check before allowing your agent to erect one.

Most leases require that a notice of assignment is served on the landlord and some expect that the purchaser shall enter into a deed of covenant to agree to abide by the terms of the lease.

Please ensure your solicitor is familiar with the requirements of the lease.

Prospective purchasers will normally require copies of the past three' service charge accounts and details of the insurance. It is in your interest to keep these documents when we send them to you as we may charge when asked to produce a duplicate.

On completion of a sale or purchase it is usually the responsibility of the solicitors acting for the vendor and the purchaser to deal with the apportionment of service charge and to make a retention or provide an undertaking to deal with any balancing charges yet to be identified.

If you are thinking of letting a property please do not forget to consider the following:

- Checking this is permitted under the lease
- Obtaining consent from the freeholder
- Obtaining consent from your mortgagee
- Informing insurance companies



## **FIRE RISK**

Living in a block of flats requires a collective commitment to fire safety. Understanding and implementing fire safety measures can significantly reduce the risk of fire and enhance the overall safety of your living environment.

**Fire safety is a shared responsibility. By understanding the importance of fire risk assessments, fire door inspections, safe cladding, and keeping communal hallways clear, leaseholders can contribute to a safer living environment for everyone.**

### **Fire Risk Assessment**

A fire risk assessment is a fundamental aspect of fire safety in any residential building. Conducted by a qualified professional, this assessment identifies potential fire hazards, evaluates the risk of those hazards causing harm, and suggests measures to mitigate the risks.

### **The Importance of Fire Risk Assessment**

- **Hazard Identification:** Recognises sources of ignition, fuel, and oxygen that could contribute to a fire.
- **Risk Evaluation:** Assesses how likely a fire is to start and spread.
- **Preventive Measures:** Recommends actions to reduce or eliminate identified risks.
- **Legal Compliance:** Ensures the building meets fire safety regulations and standards.

### **Fire Door Inspections**

Fire doors are a critical component of a building's passive fire protection system. They are designed to withstand fire and smoke for a specified period, preventing the spread and allowing safe evacuation.

### **Importance of Fire Door Inspections**

- **Barrier to Fire and Smoke:** Fire doors help contain fire and smoke, limiting damage and providing safe escape routes.
- **Regular Maintenance:** Regular inspections ensure fire doors are in good working condition, with no warping, damage, or gaps that could compromise their effectiveness.
- **Legal Requirement:** Compliance with fire safety regulations often mandates regular fire door inspections.

### **Cladding and Combustible Materials**

The materials used in the construction of a building can significantly impact its fire safety. Cladding, in particular, has been a focal point in fire safety discussions following notable incidents.

## **FIRE RISK**

### **Importance of Safe Cladding**

- **Fire Spread Prevention:** Non-combustible cladding materials can prevent the rapid spread of fire, protecting lives and property.
- **Regulatory Compliance:** Ensuring that cladding materials comply with fire safety regulations is crucial for the safety of all residents.
- **Regular Checks and Updates:** Regularly reviewing and updating the building's cladding materials can address any potential fire risks.

### **Items in Communal Hallways**

Communal hallways and corridors are essential escape routes during a fire. Keeping these areas clear and free from obstructions is vital for safe evacuation.

### **Importance of Clear Communal Hallways**

- **Unobstructed Escape Routes:** Ensuring hallways are free from clutter allows residents to evacuate quickly and safely.
- **Fire Spread Reduction:** Reducing combustible materials in communal areas can prevent the spread of fire.
- **Emergency Access:** Clear hallways ensure firefighters and emergency personnel can access all areas of the building swiftly.

### **General Fire Safety Tips**

- **Smoke Alarms:** Ensure smoke alarms are installed in your flat and are regularly tested.
- **Evacuation Plan:** Know the building's evacuation plan and participate in regular fire drills.
- **No Smoking:** Adhere to no-smoking policies in communal areas to reduce fire risks.

### COMMON PROBLEMS

**Noise** – Most leases will contain a noise provision, typically stating that noise should not be heard outside the flat between 11pm and 7am. In all cases, common sense must apply and the occasional party will not in itself constitute a problem. However, persistent loud music in the early hours would be classed as nuisance. If you have approached the person concerned without success you should keep a record of the problem you have experienced, complete with dates and times of the incident. You should then contact Fraser Allen to advise them of the problem. You might also consider notifying the environmental health department of the local authority which has separate powers to take action.

Legal action under the lease can only be considered where there is clear and substantial proof that a nuisance exists. A lessee seeking action will have to be prepared to give evidence and may be required to meet all the landlord's costs in bringing the action.

**Floor Coverings** – Solid floors do not absorb noise in the same way that carpet does and some leases specifically require that carpet is laid as floor coverings. If you are thinking of laying solid flooring in your property please check your lease and ensure it does not prohibit this, and if there are no restrictions, consider the effect on neighbouring property. You do not need to have a prohibition on installing solid floor coverings to cause a nuisance to others and be in breach of your lease, and so you are advised to consult Fraser Allen before carrying out any such work.

**Parking** – You should acquaint yourself with any parking regulations or restrictions in force at your block. If you have an allocated space please use this. Some leases also prohibit the parking of commercial and un-roadworthy vehicles.

**Rubbish** – Non-household rubbish is your responsibility and must be disposed of by you and not left in the common parts of the block. The removal and disposal of non-household rubbish can be very expensive and money would be better spent on the maintenance of the building. This may also be a fire hazard.

**Overflows in leasehold properties** – Faulty ball-cocks in toilet cisterns and water tanks are the individual responsibility of the lessee concerned. If your overflow is leaking, please attend to it as soon as possible. Apart from the annoyance to others it can cause damage to the fabric of the building if left unattended.

**Aerials and satellite dishes** – Most leases prohibit the erection of any signal receiving equipment on blocks of flats. You should assume therefore that you are not able to do this, unless with the express written consent of Fraser Allen.

## COMMON PROBLEMS

**Subletting** - If you wish to sublet your flat, you should first check that it is permitted under the terms of your lease and if so what procedures you must follow.

If you do sublet you must be aware that the covenants which you agreed to abide by when you signed the lease will still apply to you and your tenant. This means that if your tenant causes any breaches of the Lease, action can be taken against you. You must ensure for your own sake that your tenant is fully aware of all rules and regulations in the lease and agrees to abide by them.

In particular, you should not grant any rights to your tenant which you yourself do not have under your lease.

You must provide the details of your forwarding address to Fraser Allen in order that service charge demands and correspondence will reach you.

**Pets** – Most leases prohibit the keeping of domestic pets so please check your lease to see whether such ban applies. If your lease allows you to keep pets you must ensure that the pet does not cause a nuisance to your neighbours. If your pet does cause a nuisance or is frightening other residents, permission given to keep it may be withdrawn.

**Bicycles and prams** – Very few blocks have provision for keeping bicycles and prams in a secure location. However, you should not store similar items in common areas of these blocks as these areas must be kept clear for the reasons of safety. If you bring your bicycle into the block in order to take it to your flat please be careful not to mark the walls or floors as it will cause damage to the building.

**Washing** – Most leases prohibit the drying of washing out of windows or from balconies. Once again, knowing the limitations of your lease will prevent any misunderstandings.

**Security** – The installation of a door or gate entry system to a property does not automatically improve the security. The following are some basic rules that should be observed:

- Do not leave doors open when taking rubbish out or carrying shopping in from the car.
- Do not let strangers in the main door if they are waiting outside when you use the door.
- Do not open the door to someone you do not know or were not expecting.
- Always ask callers for their identity cards if you are in any way uncertain as to their identity before letting them into your flat.
- Be a good neighbour and if you see anything suspicious, contact the police.