

## **Lunar Park: apartments and maisonettes only**

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## What is a Management Company and why is it required?

A Management Company called **Lunar Park Vistry (West Cambourne) Management Company Limited** has been set up for your development to manage 4 separate blocks of apartments and maisonettes, where ownership of those areas is not transferred to the residents directly. These are communal areas for the benefit of some or all residents and therefore must be held in a separate entity.

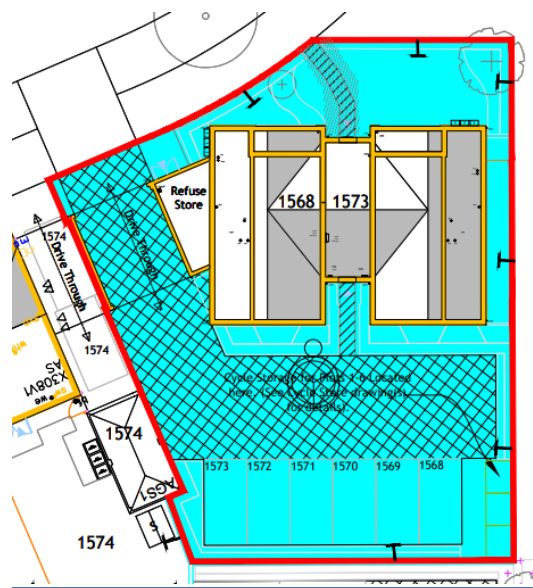
You will be responsible for the maintenance of your home and any land conveyed to you, whilst the Local Parish Council will maintain any areas which are not conveyed to any purchaser or Management Company.

During the initial set up and construction of the development, Bovis Homes provide the directors of the Management Company. This is common practice as it provides time for the communal areas to be completed and Bovis are responsible for making sure that happens. Once the communal areas associated to the apartments are ready, Bovis will hand control of them over to the **Lunar Park Vistry (West Cambourne) Management Company Limited** and when the development is complete, residents of the apartment / maisonettes 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 apartment communal areas are maintained after Bovis Homes have left the development.

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

The development known as Lunar Park is situated in West Cambourne, Cambridge and comprises of both houses and apartment blocks as well as some maisonettes.

The areas which are planned to fall into the Management Company are the Leasehold apartments and maisonettes as highlighted on the plan below. If you are purchasing an apartment or maisonette the structure of your building will be in the Management Company, which will manage, maintain and insure, including the communal parts of the building, for example, the foundations, roof, stairwell, service risers, bin and cycle store.



## 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 apartment and maisonette buildings once they have been handed over to the Management Company.

Their role is to assist the residents of the apartment and maisonettes 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 the building insured, getting accounts and audits done for the Management Company, appointing landscapers, or 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 who are members of the Residents Management Company. The residents can challenge the Managing Agent on their performance and service charge if necessary and appoint a different Managing Agent should they wish once a notice period has been served.

## 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 service and maintenance of the apartment building car park and communal areas.

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 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 buildings.

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.

<b>Service Charge Estimate Detail</b>	<b>Cost Estimate</b>
Landscape Maintenance	£1,100
General Maintenance & Repairs	£300
Common Area Cleaning	£1,500
Communal Window Cleaning	£500
Door Entry System	£75
Communal Electric Costs	£350
Emergency Lighting	£60
Fire Alarm, AOV & Dry Riser Testing	£300
Equipment Repairs	£75
TV Satellite Systems	£75
Car Park Maintenance	£72
<b>TOTAL SOFT SERVICE COSTS</b>	<b>£4,407</b>
<b>Compliance &amp; Risk Assessments</b>	
General Risk Assessment	
Fire Risk Assessment	£250
Fire Door Survey	£250
<b>TOTAL COMPLIANCE &amp; RISK ASSESSMENTS COSTS</b>	<b>£500</b>
<b>Insurance</b>	
Buildings and Terrorism	£1,000
Directors & Officers	£250
<b>TOTAL INSURANCE COSTS</b>	<b>£1,250</b>
<b>Administration &amp; Management</b>	
Accountancy Fees	£229.56
Company Secretary Fees	£83.58
Out of Hours Cover	£72

Management Fees	£1,200
Management Fees VAT	£240
<b>TOTAL ADMINISTRATION &amp; MANAGEMENT COSTS</b>	<b>£1,825.14</b>
Reserves	
Renewals	£500
<b>TOTAL RESERVES COSTS</b>	<b>£500</b>
<b>TOTAL SERVICE CHARGE</b> (apartment block 1568 – 1672)	<b>£8,482.14 (2024 Budget)</b>
Number of apartments in block	6
Per apartment service charge (2024)	£1,413.69

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 car park area maintenance – this includes regular visits to the site to keep down weeds, maintain plants, carrying out any maintenance as required. The visits are more frequent in the spring and summer, than the Autumn and Winter. Electricity and Lighting to Communal and Car Parking Areas.
- b) Cleaning of apartment communal areas – the internal areas of the apartment block will be cleaned every week.
- c) Maintenance of apartment communal areas – all the communal areas will be maintained to ensure they are safe, lit, and presentable, as required. There will be an inspection every month to ensure that everything is in good working order.
- d) Renewals – whilst the equipment around the communal areas is carefully maintained, sometimes there is a requirement to replace items. A fund is built up to pay for these items when such occasions require.
- e) Insurance – Buildings Insurance for the apartment building and for the Management Company itself.
- f) 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 must have proper accounts prepared and audited and must register with Companies House. This will all be arranged by the Managing Agent.
- g) 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 use's the areas. This will include fire risk assessments for apartments.
- h) 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, your TP1 outlines the obligations relating to the Management Company. An amount of Service Charge will need to be paid on legal completion, to cover the first 6 months.

The Managing Agent will send you an annual service charge invoice once they have taken on the management of the building. 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.

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 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 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 do so.

## Who should I contact with any queries?

The details of the Managing Agent are as follows:

A Dandy Wren, 13a Canonbury Yard, 190 New North Road, London N1 7BJ

0345 0340683

[contact@adandywren.com](mailto:contact@adandywren.com)