

Bovis Homes | The Crescent



Contents

Page 2: What is a Management Company and why is it required?

Page 2: Which parts of the development are covered by the Management Company?

Page 3: What is the role of the Managing Agent

Page 3: What is a service charge and how is it calculated?

Page 5: What do the elements of the service charge cover?

Page 6: How and when is the service charge levied?

Page 6: Who maintains the communal areas from the start?

Page 6: What happens when the development is finished?

Page 7: Who should I contact with any queries?

What is a Management Company and why is it required?

A Management Company called First Port 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 some or all residents and therefore have to be held in a separate entity.

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 Homes are responsible for making sure that happens. Once the communal areas are ready, Bovis Homes 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 Bovis Homes have left the development.

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

The development known as Bovis Homes The Crescent is situated in Kidderminster and comprises of 2, 3 & 4-bedroom homes.

The areas which are planned to fall to the Management Company to manage and maintain are highlighted indicatively on the plan below, which includes the insurance, management, and maintenance of these areas. The plan included below, also details the development as a whole, including its boundaries which are detailed with red lines.



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.

SERVICE CHARGE ESTIMATE DETAIL	COST ESTIMATE
Landscape maintenance	£138,500
Play Areas maintenance	£740
Waste and Dog Bins emptying and maintenance	£1,500
General maintenance	£5,000
Contribution to Reserves	£25,200
Public Liability Insurance	£3,500
Accountancy and Legal Fees	£1,500
Audit Fee	£850
Company Secretarial Fees	£1,000
Health & Safety Requirements	£720
Managing Agents Management Fee	£36,000
TOTAL ESTIMATED COST	£214,510
Number of units on the development	600
Estimated Service Charge per Household per year	£357.52

The above estimated cost is based on the whole Lea Castle development, which includes both Bovis Homes The Crescent and also its sister development, Linden Homes Park Gate.

The Estimated Service Charge per Household, per year is an average cost of the total annual fee. But please note that each specific plot will have its own dedicated budget, depending on the phase it is built in. Your Sales Consultant will be able to provide you with a specific cost for the home you reserve. This fee ranges from £358.00 to £633.00 based on April 2024 costs.

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) **Waste and Dog Bin emptying and Maintenance** – the bins around the communal areas are emptied and disposed of every two weeks.
- c) **General Maintenance** – this includes general repairs to estate areas only, which includes items such as broken fence, removal of large waste items, damaged trees, planting etc.
- d) **Contribution to Reserves** – this is a collection of monies saved for when items such as play equipment, benches, major tree works etc is required.
- e) **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.
- 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 has to have proper accounts prepared and audited and has to 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 wants to use those 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 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 first 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 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?

First Port

Contact telephone: 0333 321 4080

Email: help@firstport.co.uk

Website: www.firstport.co.uk

You can register for an online account by visiting the First Port website.