

RESIDENTIAL BLOCK MANAGEMENT

Q&A

How many staff in your company and how many are involved with block management?

The company employs 15 in total. We manage over 50 residential blocks and estates ranging in size from 5 to 150 units. When choosing us as your agents you would be assigned an exclusive property manager as your key point of contact. We also allocate to you an exclusive finance officer.

Are you able to provide references for the blocks you manage?

Yes. We also have no issue with you personally visiting any blocks under our management.

How comprehensive a contractors list do you have and what is your selection criteria?

A lot of our contractors have worked with us for over 20 years and have a proven track record. We are acutely aware that it is of paramount importance that the service charge demands we send out are seen to be 'value for money' and we look for this in our contractors. We would always seek first to work with the contractors on site and not make changes, for changes sake. Where competitive tendering is an advantage we would involve directors in nominating local contractors. We do not charge for contractor selection and have no issue with using any nominated contractors providing they hold the relevant liability insurance cover for protection.

Does your standard management fee include everything or are there other fees?

Our standard fee includes everything required for full management although we do have other fees considered to be excluded services. To provide an example, this is mainly any section 20 consultation or major works administration. For works where say an engineer is required to specify methods, materials, details, quantities, then a contract administration fee would be payable. Our standard fee also does not include 24/7 emergency assistance cover which is available upon request at £20+VAT per unit, per annum.

How often would you visit the block?

As a standard we would normally visit twice annually to carry out a full report and audit of the property. Given the reactive nature of our industry, we will always attend where necessary to meet contractors, meet with specific residents, or handle more specific issues as required. There is therefore no cap on how many times we will attend per annum, as we manage on a requirement and demand basis. If you do however want more written reporting this can be accommodated.

How do you keep your records?

In some cases we may appear a bit old fashioned because we like to keep some records in paper form. We see little point in making changes, for change sake. We hold meticulous records from accounting to property information. We use our traffic light system to manage key dates, contract renewals and risks. Its operation highlights when a risk needs to be managed and so we manage a zero risk policy. The financial controller personally goes into your designated bank account every day and performs a reconciliation. We manage service charge collection weekly if not daily in some cases.

Where do you keep service charge monies, how are they administered and who receives any interest?

We keep your funds in its very own designated trust account in accordance with Section 42 of the Landlord and Tenant Act 1987. All our blocks have segregated client accounts meaning that your money is never co-mingled with ours, it also means that it is safe in any eventuality, and also means any interest accrues to the block. To provide some added peace of mind we can issue monthly bank statement to the board directors. Where sinking fund or reserve funds are held we also hold these in a separate designated trust account away from the day to day service monies.

How do you deal with unpaid service charges - what procedures are in place to deal with non-paying lessees?

We have a structured cycle for unpaid service charge collection which starts with picking up the phone. However the paper trail is as follows:

- Stage 1 - An original demand for service charges is issued
- Stage 2 - Approximately thirty days after the original service charge demand is issued, a further request for payment is sent requiring immediate payment .
- Stage 3 - Approximately two weeks after, a final legal notice is issued.
- Stage 4 - Approximately two weeks after, the service charge account & property in arrears is passed for debt collection to an external solicitor. Solicitor costs applicable, payable by the defaulting lessee and may result in court action.

We also have a weekly escalation report whereby the estate manager marks up his/her arrears which transfers to the next stage in the collection process. The good news is that we have a great track record for service charge collection and this is almost 100%.

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Do you offer an out-of-office-hours service for emergencies?

Yes. However, this service is supplied at request. This is £20+VAT, per annum. We will provide a designated number to call in the event of an emergency which is well controlled. This operates outside our usual office hours which are 9am-5pm, Monday—Friday excluding bank holidays.

Do you belong to any professional or trade bodies?

Yes. Our block management staff are members of the Institute of Residential Block Management (IRPM) and have suitable qualifications supplied by the same. Our organisation is also registered with the Property Ombudsman, The National Association of Estate Agents (NAEA) & The Association of Residential Letting Agents (ARLA). We also strictly follow our industry Block Management code of practice which is designed and regulated by The Association of Residential Managing Agents (ARMA).

How long have you been in the property management business?

Since 1982.

Do you have any industry recognised awards?

In 2015, we were voted highly commended, London Property Management Company of the year at the 2015-16 Property Management Awards.

Do you and how do you manage your contractors and repairs?

We willingly micro-manage our contractors daily using our contractor's database and order system to ensure swift completion of jobs and invoicing. Each time we engage with our contractors via phone or in person, it's in our DNA to check status updates, completed jobs, invoicing and approved cost levels. This ensures that the contractors are informed and so are we. It ensures the contractors complete jobs promptly and that nothing is left to chance. We also issue official work orders which sets a detailed contract between parties for each job issued and also sets a financial parameter.

How do you communicate with us?

Usually via letter, phone or email. However, we can provide real-

time alerts, which encompass updates to our customers, but mostly repairs notifications as the issues are occurring.

In addition, we prepare and provide a clear Estate Code of Conduct for each of our managed sites. This is broadly based on the lease and has key owner/tenant information which explains when service charges should be paid, who to contact should things go wrong, what is considered internal under the lease, what is considered communal under the lease and the estate regulations and rules. It is this code of conduct that will be the estates general code and bible. Call it a diluted, more practical version of the lease.

Can you help us prepare a financial reserve or sinking fund planner?

Yes. We can help you with future capital planning the right way. We prefer to instruct a surveyor to carry out a condition survey of the property looking at building component vs life expectancy and expected cost. We work closely with a surveying firm to compile a true capital reserve plan whereby we can plan for large expenditure for up to 25+ years. Some managers use their expertise on other blocks they manage to calculate this type of plan. However we prefer to use facts, so the use of a surveyor giving true, practical advice on the actual building components, we feel is essential to building a practical and concise plan.

Can you help us obtain a competitive buildings insurance premium?

Yes. We work with a broker to provide competitive insurance premiums. In 2015, we achieved reduced premiums for 100% of our clients' renewals.