

## COLLECTING SERVICE CHARGE AND ARREARS POLICY

### How is my service charge calculated?

Service charges are calculated each year using the guidance of the spend for the proceeding year as well as our knowledge on what items are requiring attention for the year ahead such as any health & safety testing due, anything required to meet any new compliance obligations or any decoration or restorative items as detailed in the lease.

The amount apportioned to each unit is generally dictated by the lease on a percentage split. Whereby a lease is not specific in this regard, we as the agent will assessed the split percentage fairly looking at unit size and any other residing factors.

### When is my service charge due?

A new *estimated* service charge budget and invoice for the year will be issued to you once per year and the payments due by instalments are then either collected quarterly in advance or monthly in advance. Your invoice will be clear on this along with the bank accounts details of where you can send payment.

### Is my building insurance included in my service charge payment?

Often it is, however sometimes building insurance may be billed separately on some developments. Your service charge budget will be clear on whether it is included or not. *Please do be aware that you are still required to organise your own contents insurance for inside of your own dwelling.*

### What about ground rent?

Ground rent is invoiced separately to service charge. An invoice will be sent to you for your ground rent along with a notice. Ground rents are collected either as one payment once per year or spit in half for two payments 6 months apart. The invoice you receive will be clear on the period for which is being demanded. Ground rents on the developments that we currently manage range from £10.00 per year - £200.00 per year.

### What if I miss a payment or fail to pay?

It is very important that you make your payments in full and on time as without these funds the services to the block are unable to continue. This will have a detrimental effect on the development, cause lapses in health & safety requirements and lower the value of your property. It is a breach of your lease to not make payment on time and as such your home is at risk.

If you fail to make a payment on time or fall behind, we will contact you on the matter up to three times to find a resolve. If you continue to not make payment thereafter, we will contact your mortgage lender (where one is on place) and ask them to pay us the amount owing directly. Your mortgage lender will then advise you of what action they will take against you for breach of your lending with them. This *may* include fines, higher mortgage payments or ultimately repossession of the property.

Where a lender is not in place, we will instruct solicitors to commence legal proceedings for breach of lease and forfeiture. At this stage, your home is at risk.

Please note: Late Payment Fees are as follows:

<b>Late Payment Administration Charge</b>	Charged after 14 days of missed full or part payment	£55.00
<b>Continuous Late Payment Admin Charge</b>	Charged every 30 days after the initial late payment fee	£40.00
<b>Approach to Lender</b>	Applied if we have to contact lender after 3 <sup>rd</sup> failed attempt to collect in funds	£150.00
<b>Notice of intention to instigate lease forfeiture</b>	When arrears remain an issue	£100.00
<b>Legal costs for collection of debt</b>	Solicitor fees at cost + 10%+VAT agency administration fee	TBA