

# Top 4 questions you should ask your Property Manager



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## What is property management?

When a development or estate is being built, the developer is responsible for the general upkeep of the common parts, which may include external areas such as open spaces and play parks as well as internal areas of apartment blocks that are commonly used by residents.

As parts of the development or estate come to completion (as in all homes have been sold), a Resident Management Company (RMC) may be formed to take on the organisation of these responsibilities, and they appoint a Managing Agent to do just that.

Property management is many things, but put simply it involves the budgeting and collection of fees (called a Service or Estate charge) and the organisation of services required to ensure that all common areas on a development or estate are kept clean, safe and in good working order.

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## What is the Service/Estate charge?

The yearly Service Charge/Estate Charge that you pay goes into a fund that, as Managing Agents, we carefully use throughout the budget year, to pay contractors to carry out maintenance works.

Service and estate charges are allocated evenly (or as set out in a lease or transfer document), so that those who have the benefit of the common parts of the building and external grounds contribute to their share of the usage.

A property manager will arrange for contractors to carry out any works required, they will also communicate with residents and home owners to keep on top of any concerns or issues they may have in order to provide the best solution.

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### What does the Service/Estate charge pay for?

When a development is taken on to manage, depending on the needs of the development, a budget is set that will cover everything that is necessary to be carried out over that year, such as the upkeep of grounds and play areas, repairs to broken gates, lifts, roofs and locks. It also covers refreshing the paintwork in corridors, stairwells and hallways and maintaining roads that the council don't want to adopt.

Included in the charges are management fees, for everything you may not see, such as negotiating contracts, arranging insurance, administration and accounting services (for receipts, payables and banking), as well as resolving your concerns. In order to do this of course the managing agent has to know when things are not running smoothly for you, which is why a good managing agent will maintain regular and relevant communications with all residents and home owners.



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### Why do I have to pay the Service/Estate charge as well as council tax?

Council tax pays for a range of general public services. It is charged and collected by local authorities to help fund services such as refuse collections, the police and schools. It is calculated according to the rateable value of a property and the number of people living at the property.

The Service/Estate charge covers services that are not maintained at public expense, and which relate to the lease or title documents.

So, in order to have both the public and private areas of an estate kept in good order, you need to pay both bills, as whilst it may appear that the some of the same services are being provided by your local Council, and the Managing Agent, it will be for different areas of the estate. Without a Managing Agent, the common areas of your estate would not be maintained.