

# Owner's Guide





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# Introduction

This guide has been prepared for the benefit of the owners of flats / houses where Burns Property Management provides management services to the buildings.

This guide provides a general outline of how we undertake the management functions. If there are any points which require clarification or if you have any queries about the management of the property please contact us, and we will endeavour to answer your query.

## Who are we?

Burns Property Management is a property management company that presently provides management services to over 3,000 residential properties in the Dorset / Hampshire conurbation. We are usually appointed by the Freeholder or the Residents' Management Company to deal with all matters relating to the administration, repair and upkeep of your property, which are their responsibility under the terms of your lease or transfer document.

Our management function is governed by the provisions set out in your lease, and the legal requirements under law and various Acts of Parliament. Our managers are well versed in all aspects of property management based on both good practice and current legislation. Burns Property Management is a member of The Association of Residential Managing Agents (ARMA), The Association of Residential Letting Agents (ARLA) and the Institute of Residential Property Managers (IRPM) and we abide by the codes of practice of these Associations.

Our lettings department is based at 144 Holdenhurst Road, Bournemouth. This department deals with the letting of properties such as yours, and can be contacted on 01202 553 335.

# What do we do?

In general, we are responsible for the maintenance of the main structure of the building, e.g. roof and external walls, maintenance of the common areas and general upkeep of the site.

Certain parts of the property will be shared by some or all of the occupants in the building (i.e. halls, stairways, gardens etc.), and obviously someone has to assume responsibility for the proper upkeep of these areas. Under the terms of your lease or transfer document these functions are the duty of the Freeholder or the Residents' Management Company, who will have appointed Burns to act on their behalf. The cost of this maintenance is recovered from the flat and / or house owners in the proportion set out in your lease or transfer document.

Our exact duties will vary according to the property but in general will consist of:

- Arranging repairs and renewals as they fall due
- Arranging the cleaning and lighting of the common parts (Hallways, Staircases, etc)
- Arranging the gardening and the maintenance of the communal grounds
- Arranging the lift, intercom, gate and pump maintenance (where necessary)
- Arranging external and internal redecorations as they become due
- Appointing and overseeing wardens / managers / caretakers (where necessary)
- Keeping proper books and records
- Collecting service charge funds
- Arranging major repairs

As well as arranging and monitoring, we will visit the property on an agreed basis to ensure that work is being carried out satisfactorily and to see if any further work is needed. In addition we will maintain records of all payments and receipts for each property, deal with individual owner's reasonable queries, and liaise with your solicitors when a sale is anticipated.

Each building is allocated a specific property manager who will be familiar with your property. This ensures continuity with the owners and our client Freeholder or Residents' Management Company. The manager is generally responsible for the regular activities relating to the upkeep of each property. Your property manager, when the time comes, will see to the necessary arrangements and procedures in relation to any major works required to the property.

## Why is this necessary?

Your lease / transfer will probably stipulate that the roof, foundations and exterior of your property, together with the common parts, must be maintained and redecorated at regular intervals. Your property will benefit from this regular upkeep because:

- A property that is well maintained will be more pleasant and comfortable to live in
- A dwelling in a well-maintained building will generally sustain its value better than one in a badly maintained building, and will probably be more appealing to potential purchasers
- Regular maintenance can limit serious deterioration of the fabric of the building

## Types of work

The maintenance and repairs can range in size and complexity. There will be ongoing items of general maintenance such as cleaning and gardening. Where there are mechanical and electrical installations such as lifts, automatic gates, pumps etc we will arrange for a specialist firm to service them on a regular basis, possibly on an annual maintenance contract.

# What do we do? (cont)

Repairs will usually fall into three categories:

1. Minor repairs that will usually be noticed by the manager during a site visit or may be reported by an owner or caretaker.
2. Repairs of an emergency nature, some which may possibly be the subject of an insurance claim.
3. Major Works such as external or internal redecorations, re-roofing works, foundation works etc.

## Notification of repairs

Although we make regular property inspections, we are not at the property all of the time; if you notice an item that requires attention or a mechanical item fails, please contact us and we will arrange for the repair to be attended to. Likewise, if you have concerns about the standard or frequency of regular maintenance such as cleaning or gardening, please advise us so that the situation can be assessed.

## Repairs

We will deal with emergencies as quickly as possible; all other repairs will be addressed subject to the necessary funds being in place. We will instruct a local contractor to undertake the works and you may be asked to confirm whether the works have been completed to your satisfaction.

## Emergency repairs

Sometimes repairs are necessary immediately and you may be unable to contact us after office hours. In such circumstances, where it is vital that a basic repair is carried out immediately, contact a local contractor to arrange for the repairs to be completed. Please keep copies of all the quotes and invoices you receive. Providing

the repairs are to the main fabric or common parts of the building, and are therefore properly chargeable to the service charge account, we will arrange for reimbursement as soon as possible. Please leave a message and contact number on our answer phone so that we may contact you. Details of our telephone and fax numbers are given on the back of this booklet.

## Improvements

Our principal function is to uphold the covenants under the terms of the lease or transfer document, to manage, repair and maintain the fabric of the building. However, from time to time, we are asked by owners to perform works that are essential improvements to the property. In such cases we will need the agreement of the all owners in the property unless the lease allows for the cost of improvements to be put to the service charge account.

## Estimates and quotations

If quotations are necessary due to the extent of the repair, we will try to obtain firm quotations from contractors. However this is not always possible due to the nature of the work to be carried out. In some cases it is not possible to identify the extent of the work until such time as the problem has been exposed and the necessary work can be assessed. In these circumstances, a contractor will provide an estimate once the extent of the work has been defined.

## Specialist advice

When necessary we will employ the services of a Chartered Building Surveyor, Structural Engineer, Solicitor, Accountant or any other professional to provide specialist advice on the running of your building.

# Major works procedures

Regular maintenance is carried out to maintain the property, however, major works do become necessary, such as the exterior decoration of the property and your lease / transfer document will provide for this work.

In cases, where works are likely to exceed £250 per unit, we may arrange for a formal specification to be prepared. You may nominate a reputable contractor to quote for these works during the initial consultation period.

We will seek to obtain at least two competitive tenders from independent contractors, and details of these will be sent to you in accordance with the provisions of the Landlord and Tenant Act as amended. Once you receive the details of the tenders you will have 30 days to let us have your views concerning the proposed work. When considered necessary we are prepared to attend meetings with owners to discuss the proposed work in more detail.

We will do everything practically possible to reduce any inconvenience during the works but sometimes there will be irritants such as noise and dust that are inevitable. We would ask that you co-operate with the contractors and provide access where it is necessary. This is essential - such as when windows need to be painted, as inability to gain access may lead to windows / doors being painted shut.

During the course of the works, a representative for the owners is welcome to attend site meetings, and if you have nominated a surveyor to look after your interests the surveyor is also welcome to attend all site meetings.

## Phasing of works

From time to time we will receive requests to limit service charges or defer major works, usually because of financial hardship. We view these requests sympathetically; however, we must also consider the views of all owners, our client's instructions and the urgency of the works.

In particular we need to consider:

- Whether work can be deferred without causing further deterioration to the building
- Whether delay could cause safety issues, for instance broken steps or a chimney on the verge of collapse could clearly put owners, visitors or passers-by at risk
- Whether delaying work could result in substantially greater costs that would outweigh the advantages of deferment

Where deferment is not possible, owners will be given as much notice as possible of the likely cost and should make the appropriate payment on the due date in accordance with their lease or transfer document.

Usually your Freeholder / Resident Management Company will have purchased buildings insurance for the buildings, which will cover damage to the building principally against accidental damage, storm, fire, flood and subsidence. Where repairs are necessary because of such an incident, a claim may be made to the insurer. The buildings insurance will usually cover outbuildings but not always fences and walls. Buildings insurance does not cover normal wear and tear; neither will it cover negligence or wilful damage by owners or tenants.

It is important to appreciate that buildings insurance covers the main fabric of the building and the common parts, this insurance will not cover damage to your contents. We strongly recommend that you consult your own Insurance Broker or other professional adviser to arrange contents insurance for your property, if you do not already have cover in place.

If you leave your property unoccupied for more than 30 days, it will be a condition of the policy that the insurers are informed, it is therefore your responsibility to inform us if you are aware that the property will be unoccupied for more than 30 days, insurers may well decline a claim if they have not been notified.

Finally, there is, as in all insurance contracts, an implied duty that the property will be adequately maintained and that owners will not do anything that might put the property at risk. Please therefore make sure that you turn off supplies and generally make the property safe before leaving the property unoccupied.

## Insurance claims

Where your property manager believes that the buildings insurance will cover the cost of repairs, we will make the appropriate claim. \*

It is important to appreciate that the insurers may not bear the total cost of the repairs. There may be an element of improvement in the repair. For instance, if the roof suffers damage in a storm but is considered to be at the end of its life by the insurers, it may only be practical to replace the roof with the insurance company contributing part of the cost.

There may be an excess provision in the policy whereby the first part of any claim is borne by the insured, this is not uncommon. In such circumstances, there will be a requirement to contribute to the difference between the cost of the repairs and the amount actually received from the insurance company. Often this will be through the service charge account, but will depend on the cause of the damage that gives rise to the claim, it may be chargeable to an owner.

If you wish to make a claim in relation to your own flat:

Contact us to request a claim form.

Fill in the form with as much information as possible, you will be required to obtain two estimates for repairs.

*\* Burns Property Management & Lettings Ltd is an appointed representative of Arthur J. Gallagher Insurance Brokers Limited which is authorised and regulated by the Financial Conduct Authority. Registered Office: Spectrum Building 7th Floor, 55 Blythwood Street, Glasgow, G2 7AT. Registered in Scotland. Company Number: SC108909.*

# Ground rent and rent charges

Do not commence the work until you receive notification that the claim has been agreed.

If you feel that you are unable to wait for the insurers agreement you should discuss the matter with us before you commence any work.

If you instruct a contractor to commence work prior to authorisation from the insurers you may be liable for the costs.

Where damage has been caused by a break-in or vandalism, you will need to obtain an incident number from the local police.

Return the claim form to us, not the insurance company.

If your claim is agreed by the insurers, you will be notified and confirmation will be provided that you may proceed with the repairs.

In some cases the Insurance Company may appoint a loss adjuster who will visit you, assess the damage / loss, and report to the insurers as to whether they feel the claim and cost is acceptable.

Where required we will invoice and collect ground rent or rent charges on behalf of the Freeholder or Resident Management Company as required under the terms of the lease or transfer document.

# Service charge bank accounts

Burns Property Management maintains individual client accounts in the name of each property or client with Barclays Bank. These accounts are kept separate from our own trading accounts.

All contributions from owners are paid into the relevant account, and all expenditure relating to the property is paid from the account.

## Payment of account

Items of maintenance and repair clearly involve the expenditure of money. The majority of leases and transfer documents provide for service charge contributions to be made in advance to ensure that there are sufficient funds available to meet invoices as they fall due.

As soon as possible we will send you a budget. This is an estimate of the likely service charge expenditure for the forthcoming year. It is important to appreciate that where we give an

estimate of the likely service charge costs for a particular year, this is only an estimate based upon costs in previous years and anticipated costs in the current year; sometimes unforeseen costs can arise for which no allowance has been made. Your service charge contributions will be based on the budget and your invoices will be submitted in accordance with the lease before the due date. We would ask that you ensure that your payment is made in a timely manner. If it becomes necessary for us to write to you about your outstanding account additional charges will be made to you. You will be notified in advance in writing if a charge is to be made.

You will find at the bottom of your invoice details of the bank account held for your building, your payment can be transferred directly to this account; alternatively if you wish to send us a cheque please ensure that you insert the name of the payee as indicated on the invoice. Payment by any other form will attract additional fees.



## Late payments

Under the terms of your lease you are obliged to pay your service charge contribution on the due date. It is very important that payments are made promptly to ensure that there will be adequate funds to pay for the running costs of the building. We would remind you that we are collecting funds due to the service charge account for your building and, as property managers it is our duty to ensure that all contributions are collected in accordance with the lease, your lease or transfer document will state when the payments must be made by you. If payment is not received we will send you a statement. If payment is still not received, we will send you a firm reminder, which will incur you an administration fee, we will also add interest to an overdue account again in accordance with your lease or transfer document. Please note that the interest that is received on your outstanding balance will be credited to the respective 'trust account' and not our trading account.

If a response is not received we will have no alternative but to instruct a collection agency and seek to recover not only the outstanding sum, but also any interest and costs. Ultimately failure to pay your service charge contributions could lead to forfeiture action.

**If you are experiencing difficulties making a payment, we would urge you to discuss the matter with us as soon as possible**

## Year end service charge accounts

As soon as possible following the buildings financial year end, as stated in your lease or transfer document, an independent accountant will produce a set of service charge accounts, which will summarise all of the income and expenditure incurred in relation to your building for the financial year in question.

You may, subject to arranging a mutually convenient appointment, visit our offices and inspect the books and records supporting these accounts.

## Our charges

The work we do obviously involves staff, time and overheads, which we recover in the form of management fees. We enter into an annual contract with each of our clients which clearly outlines how our fees are charged.

# Contact with owners

If we are to be successful in our role, we must develop and maintain a good working relationship with the owners. We will always deal with individual owners on day-to-day matters and we will write formally to you when issuing year end service charge accounts or when complying with legislation. Your property manager can be contacted by telephone, although please do bear in mind that there will be occasions when they will be out of the office, so we may ask you to leave a telephone number so that your call can be returned. If it is a matter that cannot wait then another property manager will be happy to take your call and attempt to deal with the problem.

Property managers do visit your property and they are more than happy to meet with individual owners on site during normal working hours by prior arrangement. However, we must point out that if a breach of your lease has occurred, such as the non payment of service charges and your file has been passed to our clients' solicitors, we may not be able to correspond or talk to you and therefore you will have to deal directly with our clients appointed legal team; we are not trying to be difficult on these occasions, it is a legal requirement for us to act in this manner.

## Residents' Associations

We try to work with flat owners when we are retained by an independent Freeholder. We encourage the formation of active Residents' Associations, which can represent the views of the owners.

## Alterations

Most leases and transfer documents contain a restriction on making any alterations or additions to an individual property without first seeking the approval of the landlord. If you are considering an alteration or addition to your property, please contact us with full details of your proposals prior to commencing any work. It is important to make sure that any such alterations are not going to be unsightly, do not affect the structure of the building, meet local Building Regulations and that, where necessary, Planning Permission is obtained. Please note that you will also need permission for the installation of a satellite dish or aerial and its positioning will need to be agreed before the item is erected. We will make a charge for dealing with your individual application.

# Sub-letting and Sales

## Sub-letting

Many leases and transfer documents require the permission of the landlord prior to the sub-letting of the property. If you are planning to let your property, please contact us at the earliest opportunity so that we can ask your landlord for approval. We will need:

Confirmation from your Bank or Building Society (if you have a mortgage) that they have given their approval to the sub-letting.

A copy of the proposed tenancy agreement, which should comply with the terms of the lease and which should include a clause requiring the sub-tenants to agree to abide by the covenants and obligations set out in your own lease or transfer document for the property.

At least two satisfactory references for the proposed sub-tenants:

- A financial reference from a Bank or Building Society
- A personal reference preferably from a former landlord.

Name, address and telephone number of someone who will have and will be able to give access in the case of an emergency (usually this will be the Letting Agent).

A name and address in the UK where future bills or notices should be sent and details of whom will be responsible for the property and the payment of all invoices as they fall due, if you are going to be absent from the UK.

We must remind you that you will continue to be responsible for the actions of your tenants so it is imperative that they abide by all of your obligations. If your tenants breach the terms of your lease our client may take action against you as the owner of the property.



## Property Sales

When you come to sell your property please remember that many leases and transfer documents prohibit the erection of agents' signboards. You should make this clear to any estate agent you instruct.

Where your solicitor requires information in relation to the property we are happy to provide this, but we will make an administration charge for providing this information.

# Complaints. concerning ...

# Conclusion

... other owners, tenants visitors, etc.

From time to time we receive complaints, usually from one or more of the owners in a building concerning the occupancy of another flat. We do look at all such complaints sympathetically whilst at the same time trying to remain impartial and objective. Such complaints usually concern excessive noise, leaving rubbish in the common parts or parking in someone else's space.

Upon receiving a written complaint the matter will be referred to our client and if instructed we will write to the owner concerned requesting that they cease the actions giving rise to the complaint. If the owner chooses to ignore the correspondence the matter will be referred back to the landlord who may well decide to instruct their solicitors, but we would add that in many cases unless you agree to indemnify the landlord against any costs that they may incur the Landlord is not necessarily obliged to take action. Please note that where properties are sub-let, the owner remains responsible for the actions of their sub-tenant.

## Resident Management Companies

Where we have been appointed by a Resident Management Company, we will usually provide a company secretarial service within our management duties. This will entail the production and filing of the company's accounts and the company's annual return. Where instructed, we will maintain the company's share register, and transfer shares to new owners. We will also arrange and attend the company's board and general meetings and take minutes.

We hope that this Guide has given you adequate information on the management of your property but if there is a specific query that you have please feel free to contact us to discuss the matter further.

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