

02 *What does your service charge pay for?*

We believe in being transparent, so you understand exactly where and how your money is being spent.

Having a property manager looking after the areas you share with your neighbours allows you to sit back, relax and enjoy your home, but we understand it's important for you to have visibility of your development's expenditure. This is why we've created 'Property Management Explained' - a series of videos and fact sheets to help you understand what we do as your property manager. From the importance of a healthy reserve fund to how we manage improvements and repairs.

In our second topic in Property Management Explained, we want to explain to you all the things covered by your service charge:

WHY DO I NEED TO PAY A SERVICE CHARGE?

Our job is to keep the areas you share with your neighbours safe, clean, comfortable and in great condition, which helps protect the value of your property.

To do this, we require you and your neighbours to pay an annual service charge. Usually this is paid in advance either once or twice a year, but this depends on what your home's lease or transfer document says.

HOW IS MY SERVICE CHARGE CALCULATED?

While every development we look after is different, our approach is always the same. First, we identify all the jobs we think will need to be carried out during the year to ensure we're able to keep your development safe and well maintained. We'll then calculate what the cost of completing all this work will be, before finally converting it into a service charge amount. This figure is then shared with you in your annual budget.

WHAT DOES MY SERVICE CHARGE PAY FOR?

Your service charge allows us to keep your communal windows clean, lawns tidy and all the plants and flowers cared for. It's also used for all the lighting, heating and cleaning of your development's communal areas both indoors and out. And that's just for starters.

We also maintain the mechanical equipment that keeps your development running smoothly including lift maintenance, water pumps, security gates, communal heating boilers and fire equipment. Plus we organise health, safety and fire risk assessments to make sure your building is safe and sound. Finally, your charge covers general maintenance and repairs, the insurance cover for your building if you're a leaseholder, and the salary cost of any onsite staff.

WHAT'S THE RESERVE FUND FOR?

Every now and then some longer-term maintenance or bigger projects may need to happen. This could be anything from redecorating the outside of your building, landscaping the communal gardens or replacing a lift. To make sure this can be budgeted for, we have a reserve fund in place. This fund is created from the additional contributions we ask for as part of your service charge.

WHAT HAPPENS IF MORE OR LESS UPKEEP IS REQUIRED?

Sometimes, something unexpected happens that wasn't planned for in the budget, like a tree needs cutting down or there's a leak in the roof that needs repairing. If we've spent less than the original budget, we give what's leftover back to you. If the costs

were more than budgeted then you might have to pay a bit extra at the end of the service year.

We'll always be completely transparent about what's been spent throughout the year, and will send you an itemised set of accounts for the annual spend at your development so you can see exactly what's been done and how much it all cost.

DOES MY SERVICE CHARGE COVER YOUR FEES?

When you pay your service charge, a portion of the money goes towards our management fee. This covers the cost of us carrying out site inspections, arranging maintenance and repair work, as well as negotiating competitive rates with suppliers. We also take care of a wide range of regulatory and compliance activities to make sure the communal areas you share with your neighbours are safe. And last, but certainly not least, it covers the cost of the customer service teams helping behind the scenes to support you and your neighbours on a daily basis.

WHERE DOES ALL THE MONEY SIT?

When you and your neighbours pay your service charges, the money goes into your development's very own interest-bearing bank account, which we set up and manage for you. The money you pay into this account – and the interest it earns – can only be spent on your development.

We're always looking for ways to make things better for you. So if you have any suggestions, or need our help with anything at all, get in touch by visiting firstport.co.uk.

*If you live in one of our Retirement Properties, please call **0333 321 4041**.*

*For all other properties, call **0333 321 4080**.*

Lookout for future 'Property Management Explained' topics coming soon.

