



# Resident's Handbook

Credible and Capable Block and Estate Management Experts



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Disclaimer: the intention of this document is to provide informal guidance and advice. HML cannot be held responsible for any injury or loss incurred through the following of this guidance.

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# About HML

We are property management professionals with more than 30 years' experience.

We manage the communal areas of blocks of flats, mixed used developments, housing estates and more.

If you are reading this, it's likely that your landlord, resident management company (RMC), housebuilder or developer have appointed us to manage the communal parts of the buildings and grounds on their behalf.

Most importantly, we take great pride in helping ensure our clients and property owners live in a well-maintained environment.

## WHERE ARE WE?

With offices across England, we aim to never be more than an hour away from the sites we manage, so we can use local contractors, services and knowledge to provide optimal services to our clients. Visit [www.hmlgroup.com/hml-offices](http://www.hmlgroup.com/hml-offices) to get the contact details of your nearest HML office.

## WHAT DO YOU NEED TO KNOW WHEN READING THIS HANDBOOK?

You'll see that we refer a lot to 'legal documentation' in this handbook. Below is a brief summary of the documents mentioned.

## LEGAL DOCUMENTATION

### Leasehold

Leasehold means that the property owner has obtained a lease from the freeholder/landlord to use the property for a specified number of years. The leases are usually long term, often 90-120 years but can go as high as 999 years.

### Freehold

Freehold means that the property owner is the freeholder or landlord, owning the property and the land it stands on in perpetuity. The type of freehold ownership depends on the transfer held – part or whole.

### Lease

A lease is a contractual agreement between the property owner, freeholder and, in some cases, a management company, outlining the obligations of all relevant parties.

### Transfer of Part (TP1)

A Transfer of Part (TP1) is a contractual agreement between the property owner, the 'transferor' (the original owner of the land) and the management company. It outlines the obligations of all relevant parties.

For example, a TP1 would be the legal document used for a freehold house on an estate; the property owner would own the house and the specified land around it while the original developer or landowner would own all other land not covered by a TP1.

### Transfer of Whole (TR1)

A Transfer of Whole (TR1) is much like the above, but covers the ownership of all land included within the property. This would be held by the developer, freeholder or management company, depending on who the current owner is.

### Management Agreement

The management agreement is the contract held between ourselves as the managing agent and the instructing client – be that the landlord, freeholder, resident management company or developer. It stipulates what services we will perform for the stated management fee, as well as what services will be charged separately.

The agreement will also include details agreed in advance with the instructing client. This includes the number of visits we will make each year, the number of meetings we will hold and the fee we are charging for providing the service. This fee is calculated on a per unit basis plus VAT.

Our standard agreement includes sections for company secretarial services and concierge services, and we have a separate agreement in place for collecting ground rent or insurance premiums on behalf of the landlord.

Our term is one year less a day, with a three-month notice period. Each year we'll issue an updated agreement to the instructing client.

## WHAT EXACTLY DO WE DO?

We act on behalf of our clients to make sure the communal parts of their developments and properties are well looked after. We provide clients with advice and recommendations and act on their instructions. We ensure that our clients are able to fulfil their obligations which are set out in the lease and/or transfer documents for their properties.

Services such as gardening, cleaning and general repairs are arranged by us. We also arrange the relevant insurances for buildings, plant equipment and the wider estate or property. All this is done in conjunction with the clients' instructions.

For many properties we also look after matters relating to the management company, including arranging meetings (like the AGM), filing the annual accounts and keeping the company records up-to-date at Companies House.

Our wide range of ancillary services cover company secretarial services, health and safety, site staff and more. We may provide these services at your development, which allows us to tailor everything to the needs of our clients and residents.

It is important to remember that we only manage communal areas such as lobbies and landings inside, grounds and parking outside, so any issues within the flat or house are the responsibility of the property owner. To see where these boundaries are, please refer to your legal documentation.

While we try to assist where we can, we do not have the legal authority to maintain areas which have been demised to the property owner. For further information on the services that are in place at your property, please speak to your property manager.

## HOW ARE THE SERVICES TO YOUR PROPERTY OR DEVELOPMENT FUNDED?

Residents pay service charges as part of their lease or transfer document. These payments fund the work we do on behalf of our clients. Often this is billed in advance to ensure there is enough money to provide the services required.

Unpaid or late payments can have an impact on the upkeep of the communal areas at your property. To find out more about this topic, refer to the 'Service Charges' section of this handbook.

## HOW DO YOU CONTACT US?

When we take over the management of a property, we will introduce ourselves and our services in writing. This letter will contain the contact information for your local property manager, whom you are welcome to contact during normal working hours.

The property manager will visit the site periodically to inspect the grounds and buildings. They ensure that the property's condition is at a high standard and will make note of anything that requires attention so that it can be addressed. Please let your property manager know if there is anything you would like them to look at when they visit.

Meetings will also be held throughout the year, including the AGM for the management company in place (where applicable). These are good opportunities to raise concerns and discuss what you want to achieve at the property with ourselves and your fellow residents.

To find answers to frequently asked questions, visit [www.hmlgroup.com](http://www.hmlgroup.com). To contact your local office, visit [www.hmlgroup.com/hml-offices](http://www.hmlgroup.com/hml-offices).

## WHO REGULATES HML?

There are independent organisations which ensure that the industry operates well for people who interact with it.

We are members of The Property Institute (TPI), which ensures our services are up to standard. Our accounting procedures follow the relevant laws and statutes, and we are Appointed Representatives of Alexander Bonhill who are authorised and regulated by the Financial Conduct Authority. We are also held accountable by our clients, and of course, residents like you. Feedback is welcomed, so please get in touch if there are areas you feel we could improve.



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# Service Charges

All estates and properties with communal areas must have service charges paid to cover the cost of maintenance and any company matters related to the management of the property.

Your legal documentation, such as the lease or transfer you signed when you purchased the property, will outline how and when these charges are billed and paid. Please refer to it for clarification.

## WHAT IS A RESERVE FUND?

A reserve fund is like a savings account for the management company. Money is paid in annually and the amount is outlined in the budget each year. This money is held until an item of unbudgeted maintenance is required or when large works, which have been agreed at an Annual General Meeting of the management company, are due to be carried out.

The money in the reserve fund will be used to cover these costs.

## WHAT IS GROUND RENT?

Ground rent is a charge due to the owner of the land or building, which is paid by leaseholders. Any ground rent provisions will be detailed in your lease and are typically payable annually or twice a year.

Ground rent is payable for the duration of your lease, and it will either be fixed or escalating. We highly recommend you consult with your solicitor if the ground rent is set to escalate over the term of the lease.

## WHY DO YOU NEED TO PAY THEM?

In order to ensure the property is maintained and serviced, the charges outlined in your lease or freehold document must be paid as agreed.

As an agent, we have no financial or legal interest in the property, and we cannot pay for services ourselves on behalf of residents. Some expenses, such as insurance, must be paid promptly. Your building must have the

appropriate insurance in place to protect you in the case of an emergency or in the event of a claim being made.

Your legal documentation will stipulate that these charges are required from you, the leaseholder or freeholder of your property. By signing the documents, you are agreeing to pay as and when required.

## HOW DO YOU PAY THEM?

Your payment options will be shown on the bill (also referred to as a 'demand') or the Application for Payment that you will receive when the charges are due.

In some areas residents can pay by Direct Debits and Standing Orders, if both the legal documentation and client allow. A small administrative charge will be applied to these methods of payment. You can also pay via electronic transfer or cheque.

Due to the legislative changes regarding charges for using credit and debit cards, we cannot accept payment by card. We are also unable to accept cash or post-dated cheques.

## WHO SETS THE BUDGET?

We prepare an annual budget for each development and submit it to the client for approval. In the case of existing properties, we will review the previous expenditure, the plans for the year ahead and any other necessary factors in order to set a budget to cover the anticipated expenditure.

With new build sites, we will work with the developer to create a budget that encompasses the anticipated expenditure for the year(s) ahead. Once the site is complete and handed over to the residents, the process applied to existing properties would come into force. We will liaise with the client to provide a sensible and realistic budget.

## HOW SECURE IS YOUR MONEY?

It is very secure. The strict codes of practice that we follow ensure that we comply with all relevant legislation and industry requirements

and that we hold service charge funds in separate secure trust accounts.

In accordance with the Landlord and Tenant Act (CLRA 2002) and trust legislation, we open separate bank accounts for service charge monies, reserve fund monies and ground rent monies, where applicable.

All bank accounts are interest-bearing with interest credited to the service charge fund and accounted for in the annual service charge accounts, which are verified independently.

## WHAT HAPPENS IF THERE IS A DEFICIT OR SURPLUS IN THE BUDGET?

This depends on the legal documentation for each development. Some documents stipulate that any surpluses are credited back to the residents, some outline that the money is to be retained, and others will make

no mention of how these funds are handled. We will follow the instructions laid out in the documentation, as well as the wishes of the instructing client.

Deficits are rare but possible, even with the best financial planning. If the deficit means core services cannot be maintained, a call for further funds may be issued by ourselves on behalf of the client. We'll use the legal documentation, the relevant laws and regulations, and the views of the client and residents to find a good solution. Where deficits are caused by a lack of funds due to late payment, we will attempt to recover them as soon as possible. If we need to go down the debt recovery route, we will do so at the request of our client.

In rare situations, and where there are not enough funds in the reserve fund (if one is in place), a call for further funds may be issued in addition to the usual service charge. This will only be done on the grounds of health and safety or security, to protect residents like you.

# Emergencies & Incidents

On rare occasions, a major incident or emergency may occur at any property, including those under our management.

Accidents and incidents can occur at any time of day, and under any circumstance, so it is important to remain as calm as possible. Staying calm will help you make wise decisions to keep you, your loved ones and your neighbours safe from harm.

The following guidance will prove useful should a major incident or emergency occur at your development, so please take the time to read this and revisit it as needed.

## PREPARATION

Always make sure that you, your family and any visitors are aware of the evacuation procedure and the location of all available emergency exits.

It is important to follow all guidance provided regarding the communal areas and fire risks, such as keeping fire doors shut, keeping the hallways clear of personal items, etc.



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## REPORT IT

If there is an imminent threat to life, or of serious injury, either to the residents or the general public, contact the emergency services immediately using 999 or 112.

If the situation is non-life threatening, contact your property manager between 9am and 5.30pm or the Out-of-Hours service at all other times. The Out-of-Hours number is: **0345 601 2422**.

*Please note that properties not subscribed to the service may incur a small administrative charge for using the service.*

## EVACUATION

Where an evacuation is necessary, please do so in a calm and orderly manner as soon as you can. Follow all instructions provided and keep an eye out for any updates coming from us or the emergency services.

## COMMUNICATION

We will do all we can to communicate updates and information to residents when possible. Please ensure you have provided us with all necessary contact information so we can update you as quickly as possible. Refer to our data protection policy on our website if you have concerns about the use of your data. We also recommend accessing your dedicated customer portal HML Connect to access key financial documents, view the latest updates for your property, and to contact your property management team directly.

## REMAIN CALM

Major incidents and emergencies can be stressful, especially if information is not forthcoming. **Our priority is your safety and we will provide updates as soon as practically possible.**

# Here for You

As a resident of one of the properties that the HML manages, we want you to be happy in your home.

Your home is an important asset, and probably the largest investment you will ever make. That is why it is important to make sure it is managed by professionals. You want it to be looked after by people who care and will help protect your investment as if it were their own.

More than anything, we want to have a positive, supportive relationship with our clients and customers for many years to come.

# Notes

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# HML

## CONTACT

9-11 The Quadrant, Richmond, TW9 1BP

0333 032 5955

[info@hmlgroup.com](mailto:info@hmlgroup.com)

[www.hmlgroup.com](http://www.hmlgroup.com)