

Management of Common areas & Factoring information sheet



Highwood, Croy

1518 Revision 1
July 12, 2019

STATEMENT OF INTENT

Vision

To create and sustain Scotia's neighbourhood developments for the benefit of all.

Aims

Scotia will provide a structure for owners which will enable them by way of legal framework (DMS: Development Management Scheme) to maintain all common areas for the benefit of all.

Delivery

The structure provided to owners through which they will be empowered to maintain common areas will be as follows:

1. The Owners' Association is created on registration of the Deed of Conditions in respect of the development.
2. Each owner will automatically become a member of the Owners' Association and will be bound by the rules set out in the DMS when they buy their house. The Owners' Association will have specified powers, including the ability to own land within the development and to maintain the common areas within the development.
3. The development and an owner's use of their property will be regulated by the rules set out in the DMS. The DMS will define the common areas (referred to as "scheme property" in the DMS) which will be maintained in common. The rules contained in the DMS are enforceable by the Manager appointed by the Owners' Association. The Manager acts as agent for the Owners' Association and must exercise his powers for the benefit of the Owners' Association.
4. All development areas which are not conveyed to individuals may be transferred to the Owners' Association and such areas will thereafter be owned by the Owners' Association and, unless adopted by the Local Authority or a Statutory Undertaker, will be managed for the benefit of the owners within the development.
5. Scotia will appoint the initial Manager of the development who will manage the scheme property until the earlier of: (i) 5 years after registration of the Deed of Conditions; or (ii) the date on which Scotia no longer own any part of the Development. Following this, the Owners' Association must appoint a Manager at the next annual general meeting of the association. Thereafter, the Manager can be replaced or re-appointed by the Owners' Association at an annual general meeting. The Manager will manage the scheme property for the benefit of the owners. The Manager should be an established firm of Property Managers/Factors.
6. The Owners' Association will be entitled to elect an advisory committee for the purpose of providing advice to the Manager as to the effective management of the scheme property.

7. Scotia will collect for the Manager a deposit (referred to as a "float") equivalent to the estimate of one-year Management/Factoring charges from each owner at handover.
8. Prior to completion of the development, responsibility for share of maintenance charges will follow the phased completion of common areas. The cost of maintaining common parts in blocks of flats will be paid for only by the owners of the flats within those blocks. Scotia will be liable to meet the share of maintenance that is attributable to any properties that have been completed and passed as fit for habitation by the Local Authority, but remain unsold.
9. The Manager will be responsible for ensuring the effective management of common areas based upon the initial instruction from Scotia and thereafter from the Owners' Association. The management services to be provided will include, but not be limited to:
 - o Inspection, maintenance and repair of the scheme property and the common parts of any flatted blocks within the development.
 - o Accounting i.e. advance budgeting and accounts.

Your factor

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Web: www.newtonproperty.co.uk

Factor's responsibilities

The factor is responsible for the management of maintenance and repairs of the common property areas only. For more information please refer to your factoring pack which is available in summary form below and also on the Newton Property Management Ltd. website. Alternatively, you can contact your Factor directly using the above contact details.

Newton Property Management – factoring summary information



We are delighted to confirm that Newton Property Management have been appointed by Scotia Homes as factor for the 'Highwood' development in Croy. As factor for the

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development, our role is to maintain, repair or replace the common open space areas on behalf of the owners.

Property Owners' Liability Insurance

The Deed of Conditions for the development burdens the factor with ensuring that property owners' liability insurance is in place. This provides third party liability insurance cover for the common grounds within the boundary of your development.

Ground Maintenance Contract

All common areas will be maintained under a ground maintenance contract with two visits per summer month (April – October inclusive) and one visit per winter month (November – March). Maintenance of the SUDS system is included in the ground maintenance specification.

Independent Play Area Inspections

An experienced play area inspector will undertake quarterly inspections of the play area and equipment. They will be instructed to attend to any repairs as and when the equipment or surfacing is damaged.

Additional Services

As well as all routine services as detailed above, we will address all non-routine common services as and when required. This could include maintenance of the street lighting (until adoption), infiltration trenches, the retaining walls etc. We will also initiate a snow clearing and gritting contract on behalf of the owners with a company specializing in winter maintenance. Costs are calculated per visit and visits are only carried out when required.

Financial Arrangements

We will issue invoices to owners in respect of common charges on a quarterly basis; in February, May, August and November for actual running costs of the development. At this stage, we anticipate annual costs for routine services to be £142.00 per property. The routine annual cost includes our management fee for all the administration and associated services. Costs for non-routine services will be invoiced to each owner at cost.

Management Float

As per the Deeds for your property, you are required to pay a one-off float payment of £100.00. We retain this sum on your behalf and it allows us to pay out on goods and services in advance of accounting to you in arrears.

Once we have adopted areas of common space, we will send you a welcome pack which will include a copy of our Written Statement of Services as well as other general information pertaining to our involvement within the property.

Should you wish to discuss any of the above at the purchasing stage, please do not hesitate to contact us, we would be delighted to talk through our responsibilities with you. Our contact details are factorinv@newtonproperty.co.uk or 01463 572 633.

May we take this opportunity to wish you every happiness in your new home and we look forward to working on your behalf.

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Everything [below](#) is provisional information from Newton Property Management relating to the factoring service and costs and may be subject to change. Updated information will be available from the final factoring pack which will be issued directly from the factor after handover and adoption of factored spaces.

An introduction to Newton

As one of the largest factoring companies in Scotland, Newton Property Management, founded in 2001, is an established firm with a drive to deliver outstanding property management services North of the border.

Originally a Glasgow based company, Newton expanded to the North after a merge with 'Watt & Co' from Aberdeen and most recently the acquisition of Inverness based Allied Souter & Jaffrey.

Today, Newton stands with an expansive portfolio that covers Central and North of Scotland. Our presence across the country is supported by our head office in Glasgow City Centre as well as our fully staffed offices in Aberdeen and Inverness.

Newton was established after identifying a gap in the market for a fresh client orientated factor. To this day we merge the same customer focused approach with traditional values that have been implemented in the company since day one.

We manage over 20,000 units derived from a combination of new build developments direct from the house builder and 'transfer of business' acquired from factors or residents' committees.

We tailor our services to suit the requirements of our developer clients, both the volume builders and independent firms.

In all cases, we strive to ensure handover is as smooth as possible, adopting the common areas promptly to remove the burden from the builder. We implement meticulous care of a completed phase 1 element to ultimately assist in sales of phase 2.

We are experienced in consulting with developers over the Deed of Conditions and if required can offer advice and recommendations on Deeds writing.

We aim to be forward thinking and constantly review our procedures in an attempt to stay ahead of our competitors. We have presence on the board of directors of PMAS underlining our dedication to ensuring best practice in the factoring industry.

At Newton we concentrate our efforts in managing properties at the better end of the market, not just high value, but simply developments of a good standard. With this in mind, we are delighted to have been considered by Scotia for the Highwood development in Croy and are confident in our abilities to ensure the development is maintained to a high standard.

Apportionment and summary of costs

The development consists of 102 units in total; 100 residential and 2 commercial. All owners bear an equal 1/102nd share of costs for services common to the full development, inclusive of ground maintenance and property owner liability insurance.

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The estimated annual costs are for planned maintenance only and excludes any general or reactive repairs. Costs for reactive repairs would be obtained as and when required and invoiced to each owner at cost.

We estimate the development annual charge for all planned maintenance to be £141.18 per unit per annum. We would recommend a management float of £100.00 to assist in funding on-going maintenance costs.

Management costing breakdown

	Estimated development per annum	Estimated per unit per annum	
Ground maintenance	£10,200.00	£100.00	Inc. VAT
Play area inspections	£360.00	£3.53	Inc. VAT
Property Owner Liability Insurance	£168.00	£1.65	Inc. Insurance Premium Tax
Management fee	£3,672.00	£36.00	Inc. VAT
TOTAL	£14,400.00	£141.18	
Recommended Monthly Direct Debit Amount	-	*£13.00	*Rounded up

Service detail

Grounds Maintenance	<p>All common hard and soft landscaping costs have been obtained in accordance with the 'Landscape Strategy Structure Planting No. 198.02.01' plan provided. Costs are for routine Summer and Winter grounds maintenance; fortnightly visits throughout summer and monthly winter visits.</p> <p>Maintenance of the SUDS basin has been incorporated into the ground maintenance specification and will ensure the area is cut and maintained when required (minimum twice per annum to prevent weed growth).</p> <p>Routine infiltration maintenance will be included in the grounds specification. This is inclusive of litter and debris removal and removal of weeds from trench surface.</p>
Independent Play Area Inspections	<p>An experienced play area inspector will undertake quarterly inspections of the play area and equipment. They will be instructed to attend to any repairs as and when the equipment or surfacing is damaged.</p>

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Property Owners Liability Insurance	Our policy limit has been increased and will ensure that the development will be insured for liability purposes to a value of £10,000,000 each. This covers all common open space within the development and includes the play area.
Management Fee	Our management fee covers all of our time in managing the development on behalf of the owners and includes: Regular site visits Collection of client funds Production of quarterly itemised statements Management of contractors Arranging repairs (both proactive and reactive) Annual General Meeting with owners Managing building insurance cover

One-off services & maintenances

We arrange and oversee a number of maintenances that we would describe as one-off as they do not form part of the planned service agreement and are not recurring throughout the year. These include: street light bulb replacement, snow clearing and gritting, repairs to retaining walls, maintenance of infiltration trenches, power-wash hard standing areas etc.

Due to this, we do not include incorporate these costs into the annual 'management costing breakdown' as outlined in section 3. Instead, we provide a cost per visit and instruct the works as and when required then invoice each owner at cost. For maintenances of a larger nature we would obtain quotes from no less than three contractors to ensure best value for money.

A number of our clients increase their monthly direct debit payments in order to build a credit on their account which can assist in off-setting future potential repairs although this is not compulsory and we would discuss this with the owners directly.

Required one-off services are below:

Street Light Maintenance	We have been advised owners are obliged to maintain the common street lighting until the point of adoption by the local authority. We note from the road lighting proposals the power supply will be arranged by The Highland Council through Scottish & Southern Energy. Common street lighting requires minimal maintenance, particularly when fitted with LED bulbs. The development property manager will carry out periodic development visits noting general observations and advise of any misdemeanours/bulb replacements.
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	We expect replacement light fittings to be in the region of £70.00 each.
Snow & Grit Clearing	<p>We will initiate a snow clearing and gritting maintenance contract with a company specialising in winter maintenance. Costs are calculated per visit and the visits are triggered by the road surface temperatures (RSTs). The contractor keeps track of weather conditions within the area that the development is located and will automatically carry out gritting when RSTs falls to zero degrees or below. If there is 2cm or more of snow on the ground at the time of gritting, the snow will automatically be manually cleared from key pedestrian routes, footpaths, fire exits etc. Mechanical snow clearance is activated by mid-day weather forecast when 5cm or more of snow is forecast to fall in the period between 1200hrs and 0600hrs the following day.</p> <p>Costs are below:</p> <p>Gritting - £124.00+VAT per visit (£1.21+VAT per unit)</p> <p>Manual Snow Clearance - £80+VAT per visit (0.78p+VAT per unit)</p> <p>Mechanical Snow Clearance - £250+VAT per hour (£2.45+VAT per unit, per hour)</p>
Maintenance of infiltration trenches	All infiltration trenches will be visually inspected by the development property manager to ensure they are operating effectively. If an issue is raised a contractor will be instructed to clear the blockages or remove the build-up of sediment as required.
Maintenance of retaining walls	We would instruct repairs to the common retaining walls as and when required using an experienced contractor. As with above, the property manager would inspect the walls during their development visit but would also rely on feedback from the owners if the wall has become damaged out-with their visit.
The Team	<p>Our fully staffed local office allows us to proactively manage all developments and respond to enquiries promptly.</p> <p>We allocate a specific property manager to each site which ensures continuity and accountability. The property manager will be the clients first point of contact and will be on hand to offer support and advice as and when is required.</p> <p>All property managers are backed by our 'support department' and our 'accounts department' depending on the enquiry.</p>

Handover	We make every effort to ensure handover is as smooth as possible by adopting areas promptly to remove the burden from Scotia. Our property manager will work closely with the site manager, meeting regularly to ensure we are constantly up to date with daily or weekly activities.
Services and Maintenances	<p>Cleaning and grounds contractors are constantly reviewed to ensure consistent high standards are met. Unless a contractor is performing exceptionally well, we retender all cleaning and grounds contracts to ensure good value for high levels of service.</p> <p>Any works out-with the standard services and over an agreed sum are tendered for by at least three contractors.</p>
Contractors	<p>Over the years we have formed a list of reliable contractors, all approved via our strict vetting process. The process is based upon our company criteria, quality checks, the Property Factor Code of Conduct, first-hand evidence of their work and if we deem necessary, references.</p> <p>We implement transparency across the board. All original contractor invoices are available on request. We resolutely do not take commission from any contractor as we feel it risks serious conflict of interest.</p>
Adhere to Regulatory Authorities	We are registered with the PFSA (registration number PF000108) and ensure that we carry out our duties in full compliance with the Code of Conduct as laid out by the Scottish Government.
Accounting	We implement a simple accounting process, issuing straightforward accounts to owners every quarter (February, May, August, November) for actual expenditure in arrears and offer a variety of payment facilities including Direct Debit. Accounting details are provided to owners within their Welcome Packs.