



Crown Management UK Limited

Leaseholder Guide



Crown Management UK Limited

Meadow View House,

191 Queens Road,

Norwich.

NR1 3PP

Crown Management UK Limited

Foreword

As a Property Management Company with decades of experience we attach great importance to effective communication and consultation with leaseholders regarding matters of the utmost importance. This information pack is provided to make you fully aware of your rights as well as your responsibilities set out within the lease, as well as other parties involved namely the Landlord and their Managing agents, the services that we provide and the way in which we deal with any of our Customer concerns. This Purchaser Information Guide will answer many of these points, but if you have any further queries please do not hesitate to contact us at the address listed on page two of this document.

Neville Watts
Managing Director

Table of Contents

1.0	Buying a Property and Key Terms	8
<hr/>		
2.0	Introduction	9
2.1	Your Landlord	9
2.2	Your Management Company	9
<hr/>		
3.0	The Communal Facilities	10
3.1	Car Parking	10
3.2	The Grounds	10
<hr/>		
4.0	Your Management Agency	10
4.1	Emergencies	10
4.2	General Duties	10
<hr/>		
5.0	Security and Safety	11
5.1	Door Entry	11
5.2	In the Event of a Fire	11
5.3	Other Options	12
<hr/>		
6.0	Insurance	12
<hr/>		
7.0	Money Matters	13
7.1	Service Charge	13
7.2	Emergency Alarm System Costs	13
7.3	Maintenance and Running Costs of Common Parts, Including	13

Table of Contents (Continued)

7.4	Maintenance Contracts, Including	13
7.5	Insurance, Including	14
7.6	Redecoration Fund	14
7.7	Contingency Fund / Contingency Fee	14
7.8	Income	15
7.9	Miscellaneous Charges	15
7.10	Management Fee	15
7.11	Audit Fee	15
7.12	Ground Rent	15
7.13	Transfer Fee	16
7.14	Service Charge Account / Balance Sheet	16
7.15	Your Personal Costs	16
<hr/>		
8.0	The Budget	17
8.1	How does Crown Calculate the Service Charges	17
8.2	Invoicing the Service Charges	17
8.3	Payment Methods	17
8.4	Audited Accounts	18
8.5	Bank Accounts	18

9.0	Communicating with Crown Management UK Limited	19
9.1	Procedures	19
9.2	Maintenance and Repairs	19
9.3	Consultation	19
<hr/>		
10.0	Improving Customer Service	20
10.1	Our Commitment to you	20
10.2	Making a complaint	20
10.2.1	What you should do if you have a complaint	20
10.3	Timescales	21
10.4	General	21
10.5	Building Defects	21
<hr/>		
11.0	Your Responsibilities	22
11.1	Absence from your Development	22
11.2	Pets	22
11.3	Alterations	22
11.4	Security	23
11.5	Mobility Aids	23
<hr/>		
12.0	Your Legal Rights	24
12.1	Service Charges	24
12.2	Reasonableness of Service Charges	25
12.3	Getting Information about Expenditure on Services	26
12.4	Insurance	27
<hr/>		

13.0	Your Right to be consulted about Repair Work	28
13.1	Long Term Agreements	28
13.2	Consultation on Qualifying Works that are not the Subject of a Qualifying Long-term Agreement	30
<hr/>		
14.0	Your Statutory Rights	31
14.1	Legal Costs	31
14.2	Right to a Management Audit	32
14.3	Right to Appoint a Surveyor	32
14.4	Right to Appoint a New Manager	32
14.5	Your Rights to information about your Landlord	33
14.6	Your Rights of First Refusal upon Transfer of Freehold	33
14.7	Your Rights to Purchase the Freehold	33
14.8	Management Organisations when acting as Managers for a Landlord	34
14.9	Non-Payment of Ground Rent and Service Charge	34
14.10	Nuisance	34
14.11	Legal Priority	34
<hr/>		
15.0	Your Lease	35
15.1	The Term	35
15.2	Ground Rent	35
15.3	Charges for Management Services	35
15.4	Contingency Fund / Contingency Fee	35
15.5	Rights and Easements	36

15.6	Your Covenants with the Landlord	36
15.7	Subletting and Resale Conditions	36
15.8	Transfer Fee	36
15.9	The Landlords Covenants	37
15.10	Development Rules and Regulations	37
<hr/>		
16.0	The Charter	38

1.0 Buying a Property and Key Terms

If you are thinking of buying a property there are a number of key points you should consider:

1. You should arrange a survey prior to purchase.
2. You should satisfy yourself that you can afford to meet the payment of service charges, ground rent and other outgoings associated with living in a retirement property. This Guide helps to identify the costs you should expect.
3. You should be aware in most leases there is a requirement for the owner to pay, on every sale or sublet of the property, a contingency fee of 1% of the sale price or open market value of the property to assist the long term maintenance and repair of the developments as a whole. In addition most leases contain a requirement to pay the Landlord a Transfer Fee of 1% of the sale price or open market value on the sale or sublet of the property.

Your conveyancer will be able to advise you on the precise terms and the effect of any transfer fee in respect of your property.

In the event that the person from whom you are purchasing or subletting the property fails to pay the transfer fee and/or contingency fee to the Landlord within seven days of the completion of the sale or sublease, you may be responsible for paying these fees to the Landlord.

We strongly recommend that you arrange to get legal advice before you buy, so that you are aware of the services offered and the commitments you will be entering into.

2.0 Introduction

2.1 Your Landlord

Please note that the address on your demand for ground rent/service charge is also the address at which any notices may be served upon the Landlord.

Your property is owned on a long lease, usually for up to 125 years. The Lessee and the Landlord are both bound by the terms of the lease and by relevant legislation. It may be that a relative or another party is the lessee but that you live in the property. We endeavor to treat all Residents as if they are the lessees.

The lease will usually provide that your Landlord has a legal obligation to insure, repair and renew the fabric of the building, including communal areas, and provide certain services. The lessees have the obligation to bear the reasonable costs of all such works and services.

Crown Management UK Limited manages numerous dwellings all over the UK. Growth of the business has been supported by the creation of a network of locally based Area and Technical Officers.

2.2 Your Management Company

Under the terms of the lease the Landlord has the right to appoint a management company to look after its interests. Crown Management UK Limited has been appointed by your Landlord or management company to provide the management services laid down in the lease and summarised in this Guide. The Administration Centre for Crown Management UK Limited (called 'Crown' in this guide) is at the following address:-

Crown Management UK Limited

Meadow View House,

191 Queens Road,

Norwich, Norfolk.

NR1 3PP

Tel: 0843 289 5543

Email: crownmanagementuk@me.com

3.0 The Communal Facilities

Although not an exhaustive list, the following communal facilities and services may be provided at a development.

3.1 Car Parking

Car parking is normally available at the developments although parking spaces may be limited. You should contact the Managing agents for details of the arrangements at any individual site. Where provided, relatives and visitors should use spaces marked especially for visitors. At some developments parking is limited for leaseholders only, in which case visitors may pick up and drop off Residents but are required to park off site.

3.2 The Grounds

Any communal gardens and external areas are maintained for the quiet enjoyment of all Residents and their visitors

4.0 Your Management Agency

Your Management agency is a very important part of your development. They are a reassuring presence.

- 4.1** Your Management agency will be the first point of contact in the event of an emergency. Arrangements are always made to ensure leaseholders are informed if alternative help has been arranged.
- 4.2** The Managing agent will generally supervise the communal facilities and grounds of the development to ensure a safe, secure and well-maintained environment. In particular, their duties will include (as appropriate) the following:-
- **Assisting & Actioning** — When informed of an emergency the House Manager will summon the appropriate assistance.
 - **Administering** — Encouraging and administering the proper use of the communal facilities and equipment provided. They may also do other administrative tasks such as authorizing invoices etc.
 - **Monitoring** - Monitoring the efficient working of the communal communication systems, fire alarms and fire appliances.
 - **Maintaining** - Supervise the cleaning and maintenance of the communal areas of the building, garden and grounds. This may include taking any neces-

sary action to remedy any difficulties or deficiencies found in either the equipment or the premises.

- **Overseeing** - Supervising contractors appointed by Crown.
 - **Reporting** - Completing report forms for use by the freeholders in respect of the appearance and condition of the buildings and grounds. Investigating and completing a report on any complaint received.
 - **Supervising** - Supervising other contractors as appropriate.
 - **Regulating** - Taking appropriate steps in relation to breaches of the rules and regulations set out in the lease or made by Crown.
 - **Fire Training** - Ensuring that fire alarms are tested as and when required by procedures.
 - **Payments** - Collecting and banking monies in respect of Service charges, Ground Rent and insurance as required by the lease.
 - **Securing** - Supervising security arrangements and ensuring that lighting and heating standards are maintained.
 - **Managing** - Informing the freeholders of all changes of occupation by leaseholders at the development.
 - **Organising** - Supervising the appropriate use of the communal and car park areas (where applicable).
-

5.0 Security and Safety

The following features may be provided in your home for your benefit and to improve your security and safety.

5.1 Door Entry

You may be provided with a door entry unit which will allow you to speak with your visitors who are waiting at the entrance door to the development. If you know who they are and their reason for visiting you, then you have the ability to allow them entry into the development by operating the door entry system from your home. It is crucial for your own security and for the safety of others that you only allow your personally known visitors into your development.

5.2 In the Event of a Fire

Your home has been checked to conform with the current building regulations and other requirements relating to fire containment and safe controlled evacuation.

All fire control equipment is regularly tested and serviced by a specialist contractor.

5.3 Other Options

At some developments further security systems have been installed. All security systems are regularly inspected and tested to ensure they remain in full working order.

Please remember that your Management Company is not entirely responsible for security at your development. This is a joint responsibility shared between all Residents, Leaseholders and Crown. If you open a door or window, then close it when you leave.

6.0 Insurance

The development is usually insured by the landlord. Insurance covers the building for fire and accidental damage, including decorations and any fittings or furnishings within the communal areas.

This insurance does not cover the contents of your property and you will need to insure these separately.

You also need to bear in mind that certain measures have to be taken if your home is to be unoccupied for a period of time e.g. Regularly inspected and heating on low.

A copy of the Buildings Insurance Policy booklet is available to all Leaseholders on request to Crown Management UK Limited for a small administration fee.

Household Contents Insurance is not covered within the service charge.

It is therefore strongly recommended that you make your own arrangements for the insurance protection of personal valuables and the furniture and contents of your home.

7.0 Money Matters

7.1 Service Charge

The service charge is the amount you pay for the upkeep of the fabric of the development and to cover the cost of services provided in accordance with the terms of your lease. As noted previously, you must refer to and rely on the terms contained in the Lease of the property you intend to buy, but the costs which make up your service charge may include the following:-

7.2 Emergency Alarm System Costs, including

Telephone link from your development to Care-line central control. Maintenance and repairs.

7.3 Maintenance and Running Costs of Common Parts, including

Cleaning of communal parts (labour and materials).

Maintenance of garden / grounds (labour and materials).

Window cleaning of communal areas and exterior of Residents' windows.

Lighting, power and heating.

Water (calculated from a meter) and sewage charges collected on behalf of the water authorities, where applicable.

Light bulbs and sundries.

7.4 Maintenance Contracts, including

Lift.

Emergency lighting.

Fire prevention equipment.

Door entry system, emergency call and security systems.

7.5 Insurance, including

Buildings.

Communal equipment including furniture and carpets, etc.

Lift (engineering).

Public and Employer's Liability.

Terrorism.

(As previously stated the insurance does not cover the contents of your own home).

7.6 Redecoration Fund

A sum of money will be set aside each year from your service charges for a redecoration fund which is used to meet the cost of internal and external redecoration of communal areas.

7.7 Contingency Fund/Contingency Fee

The development will have a Contingency Fund (sometimes called the Sinking Fund) to finance longer-term repairs, renewals or improvements.

These costs can be assessed by calculating the cost and lifespan of items which may need major repair or renewal in the foreseeable future. You may be required to contribute to the fund as part of your service charge and/or as a deduction upon resale or sublet, according to the terms of your lease.

If the person from whom you are purchasing or subletting the property fails to pay the Contingency Fee within seven days of the completion of the purchase or subletting, you may be responsible for paying this fee.

Provision will be made in the fund for items of which the following are examples:-

- Maintenance of the structure i.e. the roof.
- Resurfacing of road/car park.
- Renewal and maintenance of communal window frames and maintenance of doors.
- Replacement of communal internal and external light fittings.
- Renewal of fencing and gates.
- Replacement of communal heaters.
- Renewal of roof coverings and recovering of asphalted areas.

Replacement or renewal of such items as:-

- Alarm systems.
- Entry phones.
- Lifts.
- TV aerials.
- Communal carpeting, furniture and fittings.
- Emergency lighting.
- Refuse equipment.

All Contingency Funds are held, within the service charge monies, in a client account nominal fund for the development.

7.8 Income

Where we receive income from a development this may be credited to your development's service charge account, although the Landlord is legally entitled to keep this income if it chooses to.

7.9 Miscellaneous Charges

All other costs which may be particular to your development and which are covered by the terms of your lease.

7.10 Management Fee

This represents the fee payable to Crown for the management of your development.

7.11 Audit Fee

Payable to independent qualified accountants to audit the development annual accounts.

7.12 Ground Rent

Ground Rent is collected by Crown on behalf of the Landlord in accordance with the terms of the lease.

7.13 Transfer Fee

You should be aware that in most leases there is a requirement to pay on every sale or sublet of the flat a transfer fee of 1% of the sale price or open market value to the Landlord.

Your conveyancer will be able to advise you on the precise terms and the effect of any transfer fee in respect of your property.

If the person from whom you are purchasing or subletting the property fails to pay the Transfer Fee to the Landlord within seven days of the completion of the purchase or subletting, you may be responsible for paying this fee to the Landlord.

7.14 Service Charge Account/Balance Sheet

A Balance Sheet will be produced at the end of the development's financial year. This will reflect the status of the Reserves (Redecoration Fund and Contingency Fund) and show how these are reflected by way of Assets (Bank Balance, Debtors, Pre-payments) less Liabilities (Creditors and Accruals).

7.15 Your Personal Costs

You are likely to be responsible for the payment of the following items in respect of your own flat or dwelling:-

- **Internal decoration, repairs and maintenance.**
- **Electricity.**
- **Gas heating (where installed).**
- **Television licence.**
- **Council tax.**
- **Telephone.**
- **Contents insurance.**
- **Internal window cleaning.**
- **Charges for false call-out to intruder alarms, where installed.**
- **Any charges for renting a garage/undercover parking at the development.**

Sometimes water and sewage costs are paid as part of the service charge costs. You will need to check the arrangements at your development. You may however have to pay a separate charge for environmental services.

8.0 The Budget

8.1 How does Crown Calculate the Service Charges?

In the case of a new development a first budget is produced for the sales brochure and is based on the anticipated costs at the date of the brochure. Every attempt is made to ensure the first budget is as accurate as possible but at this stage some charges, for example water, will only be estimated as the amount depends on usage.

In subsequent years the service charge budget will be based on actual expenditure in the previous periods taking into account inflation and allowance for planned expenditure.

Monies paid in advance for service charges are protected and deposited by Crown in a nominal Client account held for each development.

Some costs in the service charge are beyond Crowns control - e.g. the level of any future increases in the cost of electricity, VAT, etc. - and so we can only anticipate any rises or reductions that may occur.

During the finalising of the annual accounts a budget is prepared of the estimated service charges for the next financial year. This draft budget will be presented to the leaseholders in order that any representations may be considered prior to the budget being finalised.

8.2 Invoicing the Service Charges

The budgeted costs for your development are divided amongst the lessees in accordance with the terms of the lease. Some developments have different shares for smaller and larger apartments.

You will receive demands for service charges in accordance with the terms of your lease. Demands will generally be quarterly, six monthly or annually in advance. Ground rent is usually payable at the same intervals. However it will be shown separately on the invoice.

Payment should be made promptly. Delayed payment of invoices may mean that implementation of works or services could be delayed. Leaseholders paying promptly may be subsidising late payers. Interest and fees on late payments may also be added.

8.3 Payment Methods

Payment can be made either by cheque, or Direct Debit. As mentioned previously service charges are normally payable in advance.

8.4 Audited Accounts

At the end of the financial year accounts are prepared and audited to identify any over / under spend against amounts invoiced to leaseholders. You will be sent a copy of these accounts within six months of the financial year end. If requested, a file containing all supporting invoices / documentation can be made available for inspection.

The resultant over / under spend (deficit / surplus) will be charged/credited by way either of a debit/credit on your next invoice or by way of an additional invoice/credit note for this balancing charge.

8.5 Bank Accounts

Monies paid for service charges are protected and deposited by Crown in a nominal client account for each development.

9.0 Communicating with Crown Management UK Limited

9.1 Procedures

You can write to us at the Administration Centre as detailed at page 2 in this booklet. We will aim to reply to your letter within seven working days of receipt. Whenever possible, Crown will try to deal with any issues raised in your letter within the seven day timescale. If, however, the queries raised in your letter are complex or involve a lot of research, it may take longer to deal with the matter. In such cases, we will acknowledge your letter and endeavor to deal with this promptly. This will be the exception rather than the rule.

You can also telephone us during normal office hours — 9.00 am to 5.00 pm, Monday, Wednesday or Friday. Please give the name of your development so that our receptionist can direct your query to the correct person.

For emergencies out of office hours, you may contact us by email which is constantly monitored.

9.2 Maintenance and Repairs

Crown is usually responsible for the maintenance and repair of the building and communal areas of your development. To report a problem relating to these areas please ring the Administration Centre in normal office hours or, for out of hours emergencies, contact us by email.

If you have an emergency within your own home Crown will offer advice and guidance.

9.3 Consultation

Crown will comply with any legal responsibility it has to consult with leaseholders in relation to the services it provides in fulfilling its obligations under the terms of the lease.

- We welcome comments on the quality of services provided.
- We may invite representation from developments to attend Residents' Forums at which wider policies and procedures are discussed.
- In addition, we aim to consult on any matter which is likely to have a significant effect on the quality of services, level of service charges, or which will otherwise significantly affect some or all leaseholders.

10.0 Improving Customer Service

10.1 Our commitment to you

At Crown we aim to provide the best possible service and to treat all Leaseholders in a polite, fair and efficient way. However, we recognise that occasionally things can go wrong. When this happens we would like you to let us know so that we can try to rectify this and improve the way we work.

We would like to know if you are not happy with the service you have received, if we have done something wrong or if we have not done what we said we would. We are always receptive to new ideas and we take all complaints seriously. We will investigate any complaint fully and if we feel we have done something wrong we will apologise and put it right.

This guide tells you how you can complain and how we will deal with your complaint. It also sets out how you can appeal if you disagree with our response to your complaint.

10.2 Making a complaint

Anyone who feels let down by Crown can make a complaint, whether you are a leaseholder, or have been affected in some other way by something we have done. We will also accept a complaint from anyone representing you.

10.2.1 What you should do if you have a complaint

Please use the following three stage procedure to tell us about your complaint and how you think we may be able to put things right.

Stage One

If you have a complaint the first thing you should do is to contact us in writing.

We hope that your complaint can be resolved at this stage. However, if for any reason you are not satisfied you can appeal under Stage Two. You should make your appeal within 14 days of receiving the response to your complaint.

Stage Two

If you are not satisfied that your complaint has been dealt with properly, you should write to the Regional Manager Administration Centre, setting out details of your complaint and why you are not satisfied. The Regional Manager will look into your complaint and the way it has been handled.

10.3 Timescales

The timescales for responses to complaints are set out under each stage of this procedure.

10.4 General

If the matter involves another department of Crown, then we may refer you to another person. We will tell you who you should contact and give you a timescale for response.

We encourage you to follow the stages of this Complaints Procedure. If you write directly to the director without having used the earlier steps in the Complaints Procedure, your letter will be referred back to the appropriate person for action. In most cases, Crown will respond to your complaint in writing, but in certain circumstances, we may arrange a personal visit.

NB: If you are a sub tenant renting accommodation, then you need to refer your complaint to your own landlord first.

10.5 Buildings Defects

Please note that defects, which are the responsibility of the builder, and not Crown as a management company or freeholder, cannot be resolved through this complaints procedure. If you would like the details of who to contact in this case, please telephone the Administration Centre, and they will be able to provide the relevant information.

11.0 Your Responsibilities

You will be responsible for items such as the internal decoration, maintenance and repair. In order to ensure the safety and comfort of other leaseholders there are some simple guidelines to be followed. Most are obvious, such as respecting your fellow Residents, their privacy and keeping noise to a reasonable level.

11.1 Absence from your Development

If you are going to be away for a period longer than 6 weeks you should notify Crown. Not only will this save time and worry in the event of an emergency, but will enable us to offer advice about protecting the property.

11.2 Pets

Please consult your lease on this matter. However in general pets are not permitted. If the lease permits, Residents may keep a pet dog, cat or caged bird, subject to two conditions. Firstly, prior permission must be obtained in writing from Crown and a pet agreement entered into. A fee is payable for this purpose. Secondly, the pet must not cause a nuisance to neighbors, other Residents or to the Landlord. If such a nuisance occurs Crown has the right to ask you to remove the pet from the development.

Dogs must be kept on leads in communal areas, exercised off the development and not foul communal areas or grounds.

11.3 Alterations

Normally your lease will prohibit alterations to the fabric or structure and fittings of your property. The Landlord's consent will be necessary. A permission form is available from Crown and an administration fee will be payable. You must not commence any work until you have received the Landlord's consent.

11.4 Security

Security is vital to any development. To help protect yourself and the interests of other Residents you should observe a few simple rules:

- Secure entrance doors after use.
- Do not give access to anyone waiting for admission.
- Do not allow any visitor in because they look respectable or friendly.. Always ask 'official' visitors to produce their identity pass.
- Do not keep name tags or address labels on your keys.
- Use the door entry security system; it is there for your protection.
- Fire doors should only be used in an emergency.
- Do not leave ground floor windows open at night or when you are out unless they have appropriate security.
- If you do not recognise a caller on the door entry system, then do not let them in.

11.5 Mobility Aids

You will need to obtain Crown's permission to use and store a mobility aid within the common parts of the development. Prior permission must be obtained in writing and a Mobility Aid Licence entered into. A permission form can be obtained from Crown and an administration fee may be payable. You must not use mobility scooters on the development until the Licence has been issued.

12.0 Your Legal Rights

This section sets out your legal rights as a lessee, principally those relating to service charges.

If you occupy your property but someone else owns the lease (perhaps someone else in your family), it is they who have the legal rights. However, Crown will agree to give the same information to residents to participate in the same way as owners where appropriate.

12.1 Service Charges

Your Landlord provides a range of services for which you pay through a service charge. There may be other additional periodic charges for which you will also pay.

The law defines a service charge as any amount payable in addition to ground rent, or as part of that rent, in respect of services, repairs, maintenance, insurance or management costs and which varies according to the changes in costs in respect of those matters. It does not matter whether the charge is made as part of the rent or in any other fashion. The law controls the way in which service charges are raised and how they must be used.

A service charge can only be demanded for the items which are specified in the lease.

The lease may provide that a "contingency fund" or "sinking fund" be set up and run for the benefit of your development. The purpose of this fund is to finance long term repairs, renewals and improvement. It will be raised by periodic contributions from lessees and/or by making a levy on the value of the property when it is sold or sublet if required by the lease.

12.2 Reasonableness of Service Charges

The law states that service charges must be reasonable.

A Leasehold Valuation Tribunal can be asked to determine what is "reasonable". Before taking legal action lessees should have sought to challenge the service charge in a meeting with the Landlord.

Lessees may use this right to ask the Leasehold Valuation Tribunal to decide whether:

- Costs incurred as services, repairs, maintenance, insurance, management and administration charges were reasonably incurred.
- Costs which are proposed to be incurred for services, repairs, maintenance, insurance or management would be reasonable.

You have the right to inspect all accounts, receipts and documents relating to the summary of costs of services you received.

12.3 Getting Information about Expenditure on Services

If you want to question or challenge service charges you have the right to obtain details of costs of services and charges and to inspect and take copies of accounts and receipts for which a reasonable charge will be made.

Lessees have the right to demand from their Landlord:

A summary of the costs of services provided for the last accounts period split into:

- Costs for which the Landlord has not yet received an invoice.
- Costs for which the Landlord has received an invoice but has not yet paid.
- Costs for which the Landlord has paid the bill.

The first two categories should make you aware of likely future costs and so prevent Landlords later presenting unexpected bills for costs incurred in previous years.

The summary of costs should:

- Show how the costs are reflected in the service charge.
- Show the total amount of money received from lessees on account and the amount still outstanding in credit to lessees.
- Be signed by a qualified accountant.

You can refuse to pay the cost of any service incurred more than eighteen months before any demand for payment was made, unless the Landlord had already notified you in writing that the costs had been incurred and that Residents would be expected to pay.

12.4 Insurance

Where the Landlord arranges some insurance as part of the service charge on behalf of lessees, the costs must be "reasonable". Any lessee can request details of the insurance policy from the Landlord.

Within one month of the request, the Landlord must supply a copy of the policy or a summary and must state the amount insured and the name of the insurer. Failure to produce this information can lead to prosecution.

Lessees who have asked for details of the policy have a further right to inspect the policy and a receipt of proof of payment of the premium. Residents have the right to take copies for which the Landlord may make a reasonable charge.

Finally, lessees have the right to notify the Landlord's insurers of a possible claim up to six months after the event which has led to the claim, even if there is a shorter time limit for making claims in the policy. This does not mean that a lessee may make a claim on a policy but it does mean that the claim would not fail because the Landlord has failed to notify the insurers in time.

Where a lease requires the lessee to insure the dwelling with an insurance office nominated by the Landlord and the insurance available from that office is unsatisfactory in anyway or the premium is excessive, the Leasehold Valuation Tribunal has the power to deal with the problem.

13.0 Your Right to be consulted about Repair Work

The Common-hold and Leasehold Reform Act 2002 provides that lessees must be consulted before the Landlord carries out works above a certain value or enters into a long-term agreement for the provision of services.

The general rules are:

13.1 Long Term Agreements

1. Where a Landlord proposes to enter into an agreement for the provision of works and/or services for a period of more than 12 months, and the cost to any Lessee is more than £100 a year, the Landlord must consult before proceeding.
2. Contracts of Employment are exempt from the consultation procedure as are contracts where the landlord and contractor are connected.
3. The Landlord must serve notice on each Lessee which:
 - Must describe in general terms the proposed agreement (or specify the place and hours where a description of the proposed agreement can be inspected).
 - Sets out the Landlord's reasons for considering it necessary to enter into an agreement.
 - If the agreement consists of or includes qualify!no works. sets out the Landlord's reasons for considering it necessary to carry out those works.
 - Invite observations in writing from Lessees and states where the observations should be sent.
 - States the date by which observations should be delivered to the Landlord or its agent.
 - Invites the Lessee and the Residents' Association to nominate a person from whom the Landlord should try to obtain an estimate.
4. The consultation period should be at least 30 days from the date of the notice. The Landlord shall, after considering any observations received, proceed to obtain estimates from its chosen contractors. If the Lessee nominates an alternative contractor. the Landlord must attempt to obtain an estimate from that contractor.
5. Upon receipt of the estimates, the Landlord must then serve a further notice on the Lessees, setting out those estimates and include a statement which:

- Identifies the contractor.
 - Identifies any connection between the contractor and the Land lord.
 - Where reasonably practical, includes an estimate of the relevant contribution for each Lessee, and where that is not reasonably practicable, an estimate of the Landlord's expenditure as regards the building or other work.
 - Includes a statement as to the provision (if any) for the variation of any amount specified in, or to be determined under, the proposed agreement.
 - Summarises previous observations made by the Lessees of the Landlord and sets out the Landlord's response to them.
6. Again the notice must invite observations in writing and state the address and timescale (a minimum of 30 days) for the receipt of these observations.
 7. Where the Landlord has entered into the agreement, within 21 days of such date, it must write to each Lessee stating its reasons for making that agreement or specify a place and the hours at which the statement for those reasons may be inspected. Where the Landlord received observations, to which he was required to have regard the notice must also provide a summary of the observations and the Landlord's response to them.
 8. The Landlord is not required to write to each Lessee when entering into an agreement with either a nominated person, or the person who submitted the lowest estimate.
 9. The Landlord will not be able to recover charges beyond the amount of £100 per Lessee in the case of a long term contract or £250 in the case of a short contract if it fails to carry out any part of the consultation procedure, unless the Landlord received special dispensation from the Leasehold Valuation Tribunal.

13.2 Consultation on Works that are not subject to a qualifying long term agreement.

- 1 The Lessee and Residents' Association must be given a period of 30 days in which to send observations to the Landlord and, if they choose, to nominate an alternative contractor of their choice.
2. After this the Landlord must obtain at least two estimates for the work. At least one of these must be from a contractor not wholly connected with the Landlord and, where a contractor has been nominated by the Lessees or Residents' Association, the Landlord must try to obtain an estimate from that contractor as well. Having obtained the estimates he must supply, free of charge for at least two of the estimates, a statement setting out both the amount specified in the estimates as the estimated costs of the proposed works and a summary of the observations to which he is to have regard and his response to them. An estimate obtained from a person nominated by the Lessees must be included in the statement that is provided free of charge.
3. Again the Landlord must invite observations and it must have regard to any observations made.
4. If any observations are made or alternative contractor nominated, the Landlord must within 21 days of the date of the contract, serve a further notice on all previous recipients stating its reasons for awarding the contract.
5. Serving notice, the Landlord can specify the place and hours at which a statement may be inspected. This requirement will not apply where the person to whom the contract has been made with was nominated by the Lessee or submitted the lowest estimate.
6. There may well be certain long-term agreements, and some contracts for works that come within the rules for tendering within the European Union Procurement Rules which require public advertisement in the official journal of the European Union. In these cases different rules apply.
7. If the Landlord fails to carry out the consultation process in the correct form and does not arrange a dispensation from the Leasehold Valuation Tribunal, it will be unable to recover the cost of the works from the Lessees beyond the statutory limit of £250 per Lessee. In urgent cases, for example a leaking roof, or in cases where the Landlord wants to proceed quickly the Landlord can apply to the Leasehold Valuation Tribunal for an order to

dispense with the consultation procedure. However in doing so it must notify the Lessees of its intention to make that application.

14.0 Your Statutory Rights

Legislation gives Lessees a variety of rights including making an application to the Leasehold Valuation Tribunal, appointing the Lessees' own manager in place of the Landlord's managing agent or compulsory acquisition of the freehold of the development thereby extinguishing the former Landlord's function in relation to the property.

14.1 Legal Costs

If Lessees do go to a Leasehold Valuation Tribunal or the Lands Tribunal (because they are unable to reach agreement with their Landlord about a service or a service charge) and the Lessees win, the Tribunal may prevent the Landlord from charging his costs to the Residents from the Service Charge account.

14.2 Right to a Management Audit

Lessees (the majority required is generally two thirds) can have an audit carried out by a qualified accountant or surveyor of the way in which the Landlord is managing the estate. Lessees who want the audit must pay for it and there is no power to recover these costs from the Landlord. The audit does not give any power of redress.

14.3 Right to Appoint a Surveyor

A recognised Residents' Association can appoint a qualified surveyor to advise on any service charge matter. The surveyor has rights to inspect documents and to have access to premises. The Association is responsible for all the surveyor's professional costs.

14.4 Right to Appoint a New Manager

The Commonhold and Leasehold Reform Act 2002 gives Lessees the right to take over the management of a development from the Landlord without the need to show fault on the part of the Landlord or any manager. The requirements to exercise the right are set out in the legislation and the right is exercised through a right to manage company (RTM Company) that Lessees are required to form for the purposes of taking this right forward.

Lessees may also seek the appointment of a manager from a Leasehold Valuation Tribunal if:

- The Landlord is in breach of its obligations to the Lessee under the terms of the Lease.
- The Landlord has demanded, or is likely to demand an unreasonable service charge (by which the amount is unreasonably high in relation to the work involved, other work has been carried out to an unnecessarily high standard, or that the work is substandard with the result that additional charges are or may be incurred).
- The Landlord has failed to comply with the relevant provision of an approved Code of Management Practice.
- Where the Leasehold Valuation Tribunal is satisfied that other circumstances exist which make it just and convenient for the order to be made.

It must, in all cases, be just and convenient to make the order. Lessees exercise this right on their own or with other Lessees at the development. The right does not exist if your landlord is a public body or is a registered social landlord.

14.5 Your Rights to Information about your Landlord

If a Lessee puts in a written request, the Management Organisation must supply the name and address of the Landlord within 21 days. If the Landlord is a company then a Lessee has the right to know the names and addresses of the Directors and Secretary of the company.

In addition a Lessee of a property has the right to make a search at the Land Registry to find the name of the Freeholder of the property.

If there is a change of Landlord then the new Landlord must inform Lessees of his name and address and of any rights the Lessees have following a transfer of the freehold (see next section).

14.6 Your Rights of First Refusal Upon Transfer of Freehold

If a Landlord proposes to sell the freehold of flats then it must notify Lessees. It is a criminal offence for a Landlord not to comply with this legislation. Lessees have the right to first refusal to purchase the freehold. What this means is Lessees collectively can buy the freehold at the same price which the freeholder would sell to another party. At least 51 % of Lessees have to support the wish to buy.

14.7 Your Rights to Purchase the Freehold

The Leasehold Reform, Housing and Urban Development Act 1993 as amended by the Housing Act 1996 and the Commonhold and Leasehold Reform Act 2002 give Lessees the right to collectively buy the freehold of the development or to extend the term of their Lease. If Lessees are considering exercising such rights they should seek professional advice particularly in relation to collective enfranchisement. There are rights to apply to the Court for compulsory acquisition of the freehold. A majority of the Lessees may apply to a County Court to require the Landlord to transfer its interest to the Lessees on the following grounds. Either:

- The Landlord is in breach of any obligation under the Lease in relation to the repair, maintenance, insurance or management of the development: or
- The breach is likely to continue or that an order for the appointment of a manager which has been made by a Leasehold Valuation Tribunal has been in force since at least two years before the date of the application

An acquisition order (which is made on terms agreed between the Landlord and Lessees or determined by the Leasehold Valuation Tribunal) cannot be made unless the Court considers it appropriate to do so in the circumstances.

14.8 Management Organisations when acting as Managers for a Landlord

The Landlord must, if requested by a Residents' Association, put in writing the duties of an existing Management Organisation and give the Association a reasonable period in which to comment on the Organisation's performance. Before the appointment of a new Management Organisation the Landlord must advise the Residents' Association of the Organisation's name, address and its proposed duties. The Association has at least one month in which to comment.

In both cases the Landlord must take the Residents' Association's comments into account.

14.9 Non-Payment of Ground Rent and Service Charge

The Lease will give the Landlord power to take legal action if ground rent and service charges are not paid. The Landlord cannot bring the lease to an end for non-payment of service charge unless either the Lessee has agreed the amount due, or the Court or Leasehold Valuation Tribunal has decided how much is due.

A Lessee may withhold payment of service charges if the Landlord has not supplied a document to them or if the form or content of such document does not "conform exactly or substantially" with the requirement of regulations. For example if no written statement of account had been supplied to the Lessee six months after the end of an accounting period or if the statement was defective or it did not deal with any of the matters prescribed in Government regulations.

14.10 Nuisance

The Lease will almost certainly contain a prohibition on Residents causing a nuisance. The word 'nuisance' has a special legal meaning. It relates to unacceptable conduct on a Resident's part that severely affects the Landlord and /or other Residents - for example, making loud and persistent noise late at night over a period of time. Where a 'nuisance' occurs the Landlord will have the right in the lease to bring the lease to an end prematurely, known as forfeiture. However, a Lessee cannot be deprived of his / her home without special Court procedures being followed and it is extremely unusual for a Court to bring a Lessee's possession to an end unless that person has willfully broken the promises made in their lease and has made no effort to remedy the situation by improving their behavior.

14.11 Legal Priority Where there is a conflict between this guide and the lease then the lease will take precedence.

15.0 Your Lease

Your conveyancer will be able to advise you on the precise terms and effect of the Lease in respect of your property. These notes are provided only for the purpose of helping you to understand your lease and to draw your attention to some of the more important points. Leases will vary from development to development and this summary cannot cover them all.

15.1 The Term

Your title is leasehold and the full term of the Lease will normally be 99.125 or 999 years. If you have bought your property since the Lease was first granted, the term remaining will have reduced.

15.2 Ground Rent

The initial rent payable is specified in your Lease and a schedule normally contains provisions for its review, often in line with any increase in the Retail Price Index. Such reviews are carried out upon the anniversaries set out in the lease. Normally after 21 years from the date the Lease term commenced.

15.3 Charges for Management Services

Crown charges a management fee for its services. As Managing Agents, as detailed in your Lease.

15.4 Contingency Fund/Contingency Fee

The lease may contain provisions for a Contingency Fund be built up to meet major items of repair, replacement or renewal. In most leases contributions to the fund are collected each year through the service charge.

In others a contingency fee is also payable on any sale or sublet of the flat which is paid into the fund. The level of the fee may vary. But the typical amount is 1% of the sale price or the value of the flat. Some leases contain a combination of both of the above.

If the person from whom you are purchasing or subletting the property fails to pay the Contingency Fee within seven days of completion of the purchase or subletting, you may be responsible for paying this fee.

If the Contingency Fund becomes greater than needed, monies from the fund can sometimes be used towards other service charge expenditure. Conversely, if the Contingency Fund is inadequate, contributions can be increased or specific

levies charged. If the principles of good estate management are followed, adequate funds should always be available.

15.5 Rights and Easements

Your property is sold with the benefit of rights (often referred to as easements) set out in the lease. Similar rights are reserved for the benefit of the owners of other properties as set out in the lease. The grant and reservation of rights is an essential feature of a leasehold development because of the various communal facilities and the extent to which rights necessarily overlap.

Your attention is drawn in particular to the right to use the access road, the forecourt and the various passages, landings and staircases leading to your flat and the lift, if appropriate. You also have the right to use paths and gardens laid out at the development.

If there are Communal facilities such as the Residents' Lounge, guest suite, refuse store, you will have the right to use them but their use is regulated by the managing agents.

15.6 Your Covenants with the Landlord

The lease contains covenants, these are the 'do's and don'ts' that you must comply with. These are your main obligations which govern your occupancy of the property. They cover the obligation to pay; the rent and service charge; the usual utility charges; to repair the flat; to decorate it; etc. In addition to these covenants there are Development Rules and Regulations (see 15.10).

15.7 Subletting and Resale Conditions

You are not allowed to divide up your property. You may sell, underlet (if the lease permits) or part with possession of the whole of the property, subject to the age restrictions set out in the lease. The age limits will vary from development to development and generally will be in accordance with requirements of the local planning authority. If those age limit requirements are not complied with there would not only be a breach of the terms of the lease but probably also of the planning requirements.

15.8 Transfer Fee

In most leases there is a requirement to pay a transfer fee to the Landlord on every sale and subletting of the property. The fee varies but is normally 1% of the sale price or the value of the property.

A short term letting, e.g an Assured Short-hold Tenancy, is a subletting of the property and the transfer fee may be payable on each letting. If the person from whom you are purchasing or subletting the property fails to pay the Transfer Fee to the Landlord within seven days of the completion of the purchase or subletting, you may be responsible for paying this fee to the Landlord.

15.9 The Landlord's Covenants

These include the important obligations to maintain, repair, decorate, keep clean, lighted and tidy all the common parts and facilities. There is also the obligation on the Landlord to insure. See section 6.

15.10 Development Rules and Regulations

In addition to the covenants you must comply with, the lease often contains some additional rules and regulations which are also covenants.

For example, the normal rules and regulations which apply to you and your flat are:-

- No noise outside the dwelling between 11.00 pm and 7.00 am.
- No washing or banners to be hung on balconies.
- No window boxes.
- No signs or placards displayed on or in any window.
- Not to shake mats out of the window.
- Not to keep a pet that, in the opinion of the Landlord, may cause annoyance to others and without the Landlord's consent.
- Not to decorate the exterior.
- Not to erect any external radio aerial or satellite dish.
- Not to alter the structure, fittings and services of the apartment without the written consent of the Landlord.
- Not to keep firearms or dangerous weapons.
- Not to keep any paraffin or Calor gas heater.
- Not to obstruct common areas.

You are also required to comply with any new rules and regulations that the Landlord makes for the good management of the development and to the benefit of the residents. These are updated from time to time and available at each development.

16.0 The Crown Charter to Residents

- Crown seeks to provide its leaseholders with services of the highest quality.
- Our employees are encouraged to work towards an improved service.
- We treat our leaseholders with respect and dignity.
- We promote equality of treatment for all.
- We ensure our services are easily accessible and available.
- We avoid 'red tape' and use plain English in all our dealings with Residents.
- We will not keep people waiting without explanation.
- We take seriously any complaint made about our service and inform the complainant of the outcome.
- We admit when we have made a mistake and do our best to put things right.