

## Schedule of estimates of Service Charges contained in the Section 125 Offer Notice

Please make sure you read and fully understand the following information

### Appendix 2, Part A – Service Charges

#### **What sort of service charges do I have to pay for?**

This is set out in the table in Appendix 2, Part A. All leaseholders have to pay a management fee and buildings insurance and insurance tax but you could also be charged for things like concierge, door entry maintenance, lift maintenance etc. depending on what services are provided to your block. The service charge is variable and may *rise or fall* in the future. We may also decide to charge for services not included in this list at a future date.

#### **I live on the ground floor and do not have access to certain services, why do I have to pay towards things like lift maintenance, lighting and door entry systems?**

Your property forms part of a larger block and under the lease terms you must pay a share of the cost of all services provided there, whether you benefit from them or not.

#### **Does the buildings insurance charge cover all repairs and maintenance?**

No. Buildings insurance covers you for certain things like damage from fire, flood or vandalism but does not cover you for normal day to day repairs and maintenance.

#### **How long do I have to pay my service charges?**

You have to pay your service charges within 14 days from when it is issued, usually around the end of March. Payment is due in full in advance of the financial year which runs from April to March. You will not have the option of spreading the cost unless you demonstrate that you are in financial difficulty.

If you genuinely cannot afford to pay you may be able to spread the cost over a number of months. It is important that you really think about the costs prior to buying your leasehold property. The lease is legally binding once you complete your purchase.

### Appendix 2, part B - Major Works

#### **What sort of major works do I have to pay for?**

There is a list of potential major works costs shown in Appendix 2, Part B. The works are estimated and may or may not, be carried out within the first 5 years if you buy your home.

We still own the bricks and mortar of your home, but you have to pay towards the upkeep.

The costs that are shown are not based on a specific survey of your home. They are based on the information we hold (to the best of our knowledge) of the type of property you live in, and the types of work we think might be needed in the future.

With these costs, unlike the forecasted Annual Service Charge, we cannot charge you more than what we have quoted within the first 5 years of you buying your home, but can add an amount for inflation.

#### **How do I pay for major works costs?**

Your Homes Newcastle offers some payment options including interest free payments subject to certain criteria. If you sublet your home you will be required to pay in full on completion of the work. Details of payment options will be issued with the invoices but we advise all leaseholders to seek their own financial advice. Regulations do not allow us to provide any financial advice.

### **Appendix 2, part C – Routine Repairs**

#### **What sort of routine repairs do I have to pay for?**

You have to pay towards the cost of any works that are carried out the communal areas of the block, or to the external structure. This could include repairs to roof tiles, guttering, communal lighting or door entry system or making good structural defects. Any works that are carried out which are not classed as major works would be routine repairs and you are required to pay a contribution towards them.

#### **Who can report routine repairs?**

Any resident within the block is allowed to report a repair as can any of our staff when they carry out visits to the block.

#### **How do I pay for routine repairs?**

We issue repair statements on a quarterly basis which will tell you what repairs have been carried out and how much your share of the cost is. These costs are then added to your actual service charge invoice when it is issued each September.

### **What will happen if I refuse to pay any of these charges?**

Failure to pay will result in recovery action against you and legal costs being incurred which will increase the amount that you owe. You may risk losing your home if you do not keep up with payments

### **District Heating**

#### **How do I pay for my district heating when I have bought my home?**

If your property is connected to a district heating system you are still required to pay for the heating and hot water that your property receives but you will receive a separate invoice for this. You can make your payment by telephoning (0191) 278 8757. If you cannot make your payment in full you will need to discuss your circumstances with the Income Team. The district heating charge is not part of the service charge but you are still required to pay it under the terms of your lease. Failure to pay will result in recovery action through the County Courts.