

## A guide for leaseholders

As we have a responsibility to take care of you and your property, you also have a responsibility to be a good leaseholder. This guide covers the main topics you should be aware of.

### Alterations

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Your lease is likely to restrict you from making any alterations or additions to your property without getting approval. No matter how minor these seem, it's best to let Gateway know your plans as soon as you can and we'll check the details with the Freeholder and, where relevant, against Planning and Building requirements. Please don't start any work beforehand as that could be a costly mistake. Modifications may be seen as unsightly, breaking your lease, or affect the building's structure.

### Charge and payments

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We operate a service charge account for best practice. That means the payments you make are kept in an account that is separate from our trading accounts. The money is used solely to pay for expenditure on your building. Most leases require payment in advance, ensuring we can pay bills as they're due.

At the beginning of each year, we will send you an estimate of likely service charge expenditure (based on the previous year's experience and known commitments). We'll then invoice you, requiring payment in accordance with the terms of your lease. Your prompt payment will ensure we can maintain services. We will not know the final service charge costs until the end of the financial year. The final cost may vary from our estimate, often as we cannot foresee unexpected expenditure. Soon after the end of the financial year, you'll receive Service Charge Account details, listing all expenditure on your building. This will be certified by an independent Accountant. If expenditure exceeds the budget, we'll ask for a balancing payment, which is due immediately. Should there be a surplus, we'll credit this amount into a reserve fund to offset future expenditure. Reserve fund balances will earn interest.

### Condensation & mould prevention

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Condensation and mould growth inside a property can be prevented with a few simple measures. See our Factsheet section for practical guidance.

### Controlling service charges

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An actual limit is not usually set within a lease, but the Landlord and Tenant Act 1987 states that service charge expenses must be reasonable, and the Housing Act allows lessees to challenge unreasonable costs. We'll always try to provide an efficient service at a reasonable cost, cooperating with lessees to achieve this. What we do is a balancing act as we're sure you'll appreciate; we have to try to please everyone in a building, where there are often different points of view. There are several ways in which expenditure can be minimised, as follows:

- many repairs, clean-ups and carpet replacements can be avoided with a little care – for example, if pets aren't allowed to foul common areas, bicycles or motorbikes aren't stored in hallways (resulting in dripping oil and damaged paintwork) and cars aren't parked on grass verges (damaging lawns and flowerbeds)
- advising us promptly of the need for a minor repair often prevents the fault developing into a larger, more expensive problem
- co-operating in allowing access when required saves money – surveyors and contractors who visit a leaseholder at a prearranged time will charge for wasted visits if no one is in.

## Deficit funding

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On rare occasions when there are insufficient funds held for a building to meet current expenditure, perhaps because of unexpected costs, we'll raise additional invoices during the year.

## Emergency repairs

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If an emergency repair is needed, please contact a member of our team looking after your property. If the emergency is outside of the normal office working day, you will have been given an Out-of-Hours Emergency number to call. Provided the repair is to the main fabric of the building or a common area – and you have kept copies of all quotations and invoices – we'll reimburse you for the reasonable costs incurred.

## Estimate & quotations

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For substantial repairs, we'll always try to obtain quotes from a number of contractors. Please note that sometimes it's not possible for contractors to estimate accurately until they have gained full access to the problem (for instance, it's only after erecting scaffolding that the true state of a roof can be assessed). A builder's estimate may subsequently change.

## Handling complaints

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On occasion, we receive complaints about neighbours, typically about excessive noise, parking issues or inappropriate refuse disposal. We endeavour to look at such complaints impartially and objectively. If considered serious, we will write to the lessee (who remains responsible for the actions of any sub-tenant). And if the complaints continue, we may ultimately go to the courts. The law is unwilling to intervene where claims cannot be substantiated, so it's important that complaining lessees gather a file of evidence (for example, photographs or, in the case of excessive noise, a diary of when problems occurred). If you're making a serious complaint, try to get other lessees to support it, and be prepared to give evidence in court.

## Health and safety assessments

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UK Health and Safety Law requires that all blocks of flats have a risk assessment carried out of the common parts, including hallways, stairwells and outside shared space. We'll arrange for specialist consultants to carry out this assessment for your particular property. This may cover a range of matters, from fire and electrical equipment safety to the control of substances hazardous to health and other statutory obligations.

## Improvements

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Occasionally, we are asked by lessees to carry out work that is not within the management service, such as improvements. When this happens, we need all of the lessees in the building to agree to the work, since they will be asked to share the cost.

## Insurance

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The responsibility to insure the building normally rests with the Freeholder, Residents Management Company or Leaseholder, depending on the lease terms. Comprehensive buildings insurance policies will cover damage caused by storm, fire and flood, normally subsidence and other perils. In the case of subsidence, the policy excess is £1,000 and typically £250 for all other claims. In these circumstances, you'll be expected to contribute, probably through your Service Charge Account if the claim relates to common parts, or pay the entire excess if the claim relates to your apartment. If you suffer water damage from another flat, you may be able to recover the excess from the lessee of that flat.

## Insurance claims

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Get in touch and your Gateway Property Manager will arrange a claim against the insurance policy. Insurers may not cover the entire claim if there is an element of improvement work or a policy excess. For example, if the roof needed repairing but was going to be replaced in the near future, it would then be sensible to bring forward the replacement with the insurance company contributing towards the cost of this. Please make sure you follow these steps:

- obtain a claim form from your block management team and complete it, giving as much information as possible. If malicious damage has been caused, for example by a break-in, you'll also need to provide the police incident number
- obtain two estimates for repairs, but unless it is an emergency do not allow the work to go ahead until you hear from the insurers that the claim is approved
- return the form to us, not the insurance company.

The insurance company may appoint a Loss Adjuster to visit you, assess the claim and advise the insurance company before it agrees to pay out. If the claim is agreed, the insurers will advise you that you may proceed with the work.

## Late payments

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As trustees of the Service Charge Account, we have a duty to make sure all payments are collected on time. If a payment is late, we'll send a reminder. We have the right to add interest at a minimum of 8% over clearing bank base rate or the rate allowed by the Courts on any sums that are overdue. If payment is still not received, our Legal Department will seek to recover not only the outstanding sum and interest, but also costs. Failure to pay could then lead to forfeiture of the lease. If you're having difficulties making a payment on time, please tell us promptly. If you do not communicate with us, and do not pay on time, you may incur extra costs.

## Maintaining your property

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As a lessee, you're responsible for maintaining your own property. This usually means its interior, but you may also be responsible for repairs to exterior parts too, such as windows and window frames. If you need any advice or assistance, just get in touch. If you fail to carry out such repairs, we'll write to you asking you to do so immediately. That's because a delay might affect other lessees' interests. For instance, we're unable to redecorate the exterior because an individual property's window frames are rotten.

## Major works

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From time to time, major works are required to best maintain a property or meet lease terms (such as repainting the exterior and communal areas every five years). If you've received a letter from us about this, you'll find useful details in our Factsheets section, which includes how we go about gaining quotes, the notice period you'll have and the ways we keep disruption to a minimum.

## Minor repairs

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These are usually carried out by a local contractor, as soon as it is practical to do so.

## Renewing or changing tenancy

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In these circumstances, you'll need to make a formal application to us. Get in touch and we'll advise you of all the details and next steps.

## Satellite dish installation

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You may need permission to have a satellite dish installed, so please check your lease terms first. Once approved, the dish must be installed in an unobtrusive location that's as out of sight as possible.

## Selling your property

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Your lease may prevent estate agents from putting up signboards outside the property; please check this when instructing agents. Your solicitor should contact us at the earliest opportunity, so that we can provide a legal pack for the sale. This contains essential financial information, buildings insurance details and a draft Deed of Covenant. There will be an administration charge for this service.

## Service levels

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We're always keen to monitor our service quality. Now and again, you may receive a questionnaire from us, asking you to rate the performance of regular contractors, such as cleaners and gardeners. We'd be grateful if you could fill this in and return it to us as it helps us to check and, if required, make changes. We also run our own scheme with contractors to ensure they deliver and raise any additional maintenance issues they notice with us. At any time, you can send your feedback to us at [info@gatewayplc.co.uk](mailto:info@gatewayplc.co.uk) or by calling us.

## Sub-letting

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You'll need to apply for consent if you intend to sub-let your home to a different person. Your application is unlikely to be successful if you are in arrears of ground rent, insurance and/or service charges, or where the information on the prospective sub-tenant is unsatisfactory. Please bear in mind that you'll continue to be responsible for the actions of your tenants and for making sure that your obligations under your lease are met. Consent may be withdrawn if your sub-tenants prove to be disruptive, cause inconvenience to other lessees or breach the lease terms in any other way.

Typically, you'll need to support your sub-letting application with the following information:

- written confirmation from your mortgage lender, if you have one, that it has given its approval for sub-letting
- a copy of the proposed tenancy agreement, which must state that the sub-tenants agree to abide by the covenants and obligations in your lease and should not create a long-term tenancy
- two or more satisfactory references for the proposed sub-tenants (one a financial reference from a bank or building society and the other ideally from a former landlord); we will need to see any references obtained by your letting agents
- the name and address in the UK where future invoices and other information may be sent and, if you are leaving the country, details of who will be responsible for the property and payment of bills
- the name, address and telephone number of a key holder (usually the letting agency) who will be able to provide access in an emergency.

We will make an administrative charge for dealing with your enquiry.

One further note: the buildings insurance company must also know if you sub-let your property; failure to do this could invalidate the policy with serious consequences.

## Surveyor's costs

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When we need to obtain specialist advice or services, such as the support of a Chartered Surveyor for drawing up specifications for major works, their reasonable costs will be charged to the Service Charge Account. If we use one of our own people for normal surveying work, their time will be charged at our current hourly rate or at a percentage of the cost of the project. We'll visit the building at regular intervals to make sure that work is being carried out successfully and to see if any further work is required.

## Water leak prevention

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The damage caused by a water leak – especially to flats – costs money and heartache. See our Factsheets section for details on how to avoid all of this, along with some useful insurance pointers.