

What does the management fee pay for?

Scheme set up and administration:-

- Title research and preparation of grounds maintenance plans
- Calculating shares due by owners
- Obtaining and maintaining software to co-ordinate the scheme
- Set up and monitoring of freephone call centre number
- Creating and updating ownership records
- Maintaining accurate property repair records
- Issuing quarterly statements of account
- Recording payments made and received and recovering charges in relation to each property
- Apportioning charges on sale and correspondence with Solicitors

What is the administration charge for?

The administration charge is for administering repairs, maintenance and improvements:-

- Taking details of repairs
- Instructing contractors to carry out work
- Notifying owners of repairs costing £100 or more per flat/unit
- Tendering and obtaining estimates (where necessary)
- Discussions and correspondence with owners regarding repairs
- Overseeing repairs and ensuring work is carried out satisfactorily
- Overseeing and organising major improvement works

What additional items can the factoring service offer?

- Close cleaning
- Cleaning of bin stores
- Property inspections to create a future maintenance programme
- Improvements
- Any other services requested and accepted by owners

The cost for any additional services will be discussed with you and payable by you only if ACHA is instructed to proceed.

What's the Factor's Float?

Money paid to ACHA at the outset of factoring to cover ongoing repairs without having to invoice you each time minor works are done. The float will be refunded to you on sale, less any accounts outstanding.

What happens if my property is not factored?

- You and your neighbours will need to agree on and arrange repairs
- You will be responsible for paying contractors and collecting money from neighbouring owners
- Your insurance company may refuse to pay a claim if your property has not been regularly maintained
- Your property value could be reduced by lack of maintenance and be less appealing to future purchasers
- ACHA will pay its share but only its share and subject to conditions being met

Contacts:-

For further information please contact:

Factoring Officer, Argyll Community Housing Association, Dalriada House, Lochnell Street, Lochgilphead, Argyll, PA31 8ST.
Tel: 01546 60 4526.
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what is factoring?

A property management service to co-ordinate and carry out work on behalf of property owners.

Note: A copy of Agreements and full terms and conditions can be obtained on request to ACHA, 63-65 Chalmers Street, Ardrishaig, Argyll, PA30 8DX or visit our website at www.acha.co.uk/factoring

What property and ground applies to factoring?

Common property and common ground, ACHA will instruct the following works on behalf of owners:-

- Repairs, improvements and maintenance to common parts of property (eg roof, hallways, stairs, gutters and drains).
- Grounds maintenance to common ground (eg grass cutting and weedkilling to common ground, pathways, shared private parking areas and shared private roads).

How will factoring benefit me as a homeowner?

- Freephone repairs hotline – 24 hrs a day, 7 days a week
- ACHA will instruct common repairs and maintenance works
- ACHA will pay contractors and invoice owners for their share
- Your main investment, your property, will be protected by regular routine maintenance
- ACHA will contact owners regarding major improvement works
- ACHA will assist you to identify grant funding available for major improvements
- ACHA will apportion charges between buyers and sellers on change of ownership
- Future purchasers will have peace of mind by knowing your property has been regularly maintained
- Repairs will be carried out by ACHA's approved contractors

How much will it cost?

The Association will charge a property management fee as follows:-

Property Management fee	Yearly	Weekly
For property with a common close	£80.00*	£1.54*
For property with no common close	£40.00*	77p*

You will also be responsible for your share of the cost of the repair together with an administration charge:-

Administration Charge (on your share of the repair)	5% *
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You will also be asked to pay a factor's float at the outset of factoring which will be refunded to you on sale (less any accounts due):-

Factor's Float	£100
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* Note: At the time of printing ACHA is not registered for VAT and therefore no VAT is payable. In the event of these circumstance changing and VAT being payable then VAT will be due by owners. We will give factoring owners one month's notice of any such change.

Examples:-

Mrs Jones lives in row of four houses, each having their own main door entry. The common pathway serving all four properties was repaired and new slabs. The total cost was £200. Mrs Jones charge for the year would be £92.50 – made up of the £40 factoring fee, £50 for her share of work and £2.50 for the administration charge. The £100 factor's float would cover the charge initially and the next quarterly invoice would ask for £92.50 so that the float of £100 is topped up.

Mr Black lives in a tenement of six properties and shares a common close. A window in the close required to be replaced, repairs carried out to the roof and slates replaced. The total cost of the work is £800. The annual charge to Mr Black is £219.99 - made up from the £80 factoring fee, £133.33 for the share of the repair and £6.66 administration charge. The £100 factor's float would go towards the initial charge of £219.99 and the next quarterly invoice would ask for the amount in full so that the float of £100 was still held.

