

## What is Factoring?

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



### How will factoring benefit me as a homeowner?

- Access to Customer Service Centre  
Freephone number 0800 028 2755 - 24 hours 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 works
- 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 contractors

### How much will it cost?

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

Property Management Fee	Yearly	Quarterly
Tenemental properties (flats)	£99.92	£24.98
Estate properties (detached/semi-detached/terraced)	£49.96	£12.49

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

A factors deposit will be due at the outset of

<b>Administration Charge (on your share of the repair)</b>	<b>5%</b>
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factoring which will be refunded to you on sale (less any accounts due):-

<b>Factors Deposit</b>	<b>£100</b>
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**Note:** ACHA is VAT registered and will be charging VAT at the prevailing rate.

VAT is payable to the Association on the cost of the administration fee. Any works provided by businesses (eg contractors to carry out repairs) will have VAT included where these businesses are VAT registered

## What does the management fee pay for? What is the administration charge for?

Scheme set up and administration including:-

- Title research and preparation of plans
- Calculating shares due by owners
- Obtaining and maintaining software to co-ordinate the scheme
- Set up and monitoring of freephone Customer Service Centre number
- Creating and updating ownership records
- Maintaining accurate property repair records
- Issuing quarterly invoices
- Issuing Annual Statements
- Recording payments made and received and recovering charges in relation to each property
- Apportioning charges on sale and corresponding with Solicitors

### What's the Factors Deposit?

A deposit paid to ACHA at the outset of factoring. The deposit will be refunded to you on sale, less any amounts due to the Association outstanding at the date of sale.



Administering repairs, maintenance, improvements and major work:-

- Taking details of repairs
- Instructing contractors to carry out work
- Notifying and consulting with owners on larger value work
- 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
- Inspecting property

### What happens if my property is not factored?

- You will need to have discussions with all owners regarding work required
- 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

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Menzies House, Glenshellach Business Park, Oban, PA34 4RY  
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[www.oscr.org.uk](http://www.oscr.org.uk)

Registered Charity  
SC042713

Registered with the Scottish Government,  
Property Factor Registration Number PF000302



## What property and ground does Factoring apply to?

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).
- Common ground and areas specified in the factoring agreement for health and safety purposes (eg weedkilling, pathway maintenance). Further common area maintenance will be subject to agreement being reached among all owners and tenants.

### Examples of costs:-

#### Example 1

Mrs Jones lives in an estate where a private roadway and common ground is shared amongst all ten owners. The factoring fee would be £49.96 per year which would be payable in four quarterly instalments of £12.49. If repairs to the road amounted to £200 the quarterly invoice would show:-

Factoring Fee	£12.49
Cost of Repair (1/10th share)	£20.00
Admin fee on cost of work	£1.00
VAT on admin fee	<u>£0.20</u>
	£33.69

#### Example 2

Mr Black lives in a tenement of six properties. The factoring fee would be £99.92 per year which would be payable in four quarterly instalments of £24.98. A repair is carried out to the roof which costs £800. Mr Black's invoice would show the following:-

Factoring fee	£24.98
Cost of repair (1/6th share)	£133.33
Admin fee on cost of work	£6.67
VAT on admin fee	<u>£1.33</u>
	£166.31

NOTE: The first invoice on any factored property will include the one off deposit of £100.

## CONTACTS

**Customer Service Centre: 0800 028 2755**

**Website: [www.acha.co.uk](http://www.acha.co.uk)**

**Email your local area team as follows:-**

<b>BUTE:</b>	<a href="mailto:housing.bute@acha.co.uk">housing.bute@acha.co.uk</a>
<b>COWAL:</b>	<a href="mailto:housing.cowal@acha.co.uk">housing.cowal@acha.co.uk</a>
<b>KINTYRE:</b>	<a href="mailto:housing.kintyre@acha.co.uk">housing.kintyre@acha.co.uk</a>
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