

➤ **Why do I have to pay Service Charges?**

The service charge is primarily designed to budget for the day-to-day costs of managing your property. Everyone who buys a property which is situated on a development signs legal documentation (a Lease.) This is a contract which contains clauses obliging them to pay a share of the costs to manage and maintain all areas of the development that are not for the sole use of an individual property. Therefore under the terms of the Lease you are obliged to pay Service Charges.

These areas include communal spaces such as corridors within a block of apartments and grounds landscaping around the outside of the building including car parks and bin/bicycle stores. It will also include less obvious items such as maintenance for satellite systems, door entry systems and other items such as communal electricity and buildings insurance.

The service charge also contains an amount we set aside for a 'reserve' which is used to fund long-term maintenance such as internal and/or external re-decoration and carpet replacement etc.

➤ **What is Ground Rent and why do I have to pay this?**

Ground Rent is a separate charge and is not related to the Service Charges. Ground Rent is payable to the Freeholder (the owner of the land on which your property is built). Sapphire Property Management will sometimes collect this on behalf of the Freeholder and will demand your Ground Rent half yearly.

➤ **What is the difference between Service Charge, Estate Charge and Ground Rent?**

Your service charge is the fee which we collect in order to maintain your block and includes services such as window cleaning, carpet cleaning, general repairs and maintenance etc.

Your estate charge is the fee which we collect to maintain the grounds and includes services such as gardening, litter picking and general grounds maintenance.

Leaseholders may be obliged under the terms of their Lease to pay a rental charge to the Freehold owner of their property. The ground rent is for the land upon which the property sits and for the right of access across the communal gardens and surrounding areas. Ground rent is collected on behalf of the Freeholder by Sapphire Property Management and is separate to any other charges which are used for the management of your development.

➤ **Why do I pay for Building Insurance?**

Under the terms of your lease, it may be likely that you are responsible for contributing to the cost of insuring the building and you are liable for your share of the cost of the insurance policy. Please note, you do not need to arrange separate buildings insurance yourself. However you will still need to arrange separate contents insurance.

➤ **How can I pay the Service Charge or Ground Rent?**

You can pay your Service Charge via your bank. When your demand is sent out we will include all the details you will need in order to make a BACs payment or set up a Standing Order. Alternatively we can take full payment of your Service Charges by card if you telephone our office. Unfortunately we are unable to set up Direct Debits or accept payments via Credit Card.

Please remember if paying via BACs or Standing Order to include the property address as the reference so we can ensure our accounts department are able to allocate the payment efficiently. It is also the responsibility of the Leaseholder to manage and maintain any Standing Orders. This includes ensuring they are for the correct amount and reinstating a Standing Order should they be cancelled.

➤ **What if I can't afford to pay my Service Charge or Ground Rent?**

If you are unable to pay your Service Charge or Ground Rent you must contact us immediately. We may ask for information on your current financial status, employment status etc. to determine the best option to take in order to pay the charges. Please do not ignore this, if you do not contact us this will result in Debt Collection processes starting which will incur further charges and could result in court action and in the worst case, loss of home.

➤ **What happens if I don't pay my Service Charge or Ground Rent on time?**

You should make sure the Service Charge and Ground Rent is paid on the due date to ensure that we have money available to meet the cost of any maintenance that is required and to ensure no Debt Collection proceedings are carried out on your property. We will send a reminder letter approx. 21-28 days after the due date. If the Service Charge or Ground Rent remains outstanding after this reminder we will take further appropriate action to recover the Service Charge or Ground Rent and the administration fees of this process will be passed onto you.

➤ **What happens if I move and my correspondence address changes?**

If any of your correspondence details change, let us know as soon as possible in writing. You can either send us a letter including your new correspondence address or email us at [info@sapphirepm.co.uk](mailto:info@sapphirepm.co.uk)

Please include the property address, your name, the old correspondence address and the new correspondence address you would like added to the account.

Sapphire Property Management cannot be held responsible for any incorrect addresses held if we have not been advised of a change, furthermore unless told otherwise by a leaseholder it is our practise to use correspondence addresses that are held on the Land Registry Title for the property.

➤ **What happens if I am in the process of selling my property, do I still need to pay the Service Charge or Ground Rent?**

If you are in the process of selling your property you will still need to pay your Service Charge and Ground Rent in full.

Sapphire Property Management will not send out any completion documents to the solicitors in regards to the sale until there is a zero balance on the account(s).

Your solicitor will be able to advise you on any apportionment if you are due a repayment for some of these charges from the current buyer. Sapphire Property Management do not deal with and cannot advise on any apportionments.

➤ **What additional charges could Sapphire Property Management charge a Leaseholder?**

The following is a brief summary of when Sapphire Property Management may issue additional charges:

1. **Reminder Fees** – This charge may be applied to your account if you incur any arrears, do not pay your Service Charge or Ground Rent, or do not make contact with us in relation to any debts on the account.
2. **Land Registry Search** – A Land Registry Search may need to be carried out to advise us whether a Leaseholder has an alternative correspondence address which may be used to forward any overdue Service Charge or Ground Rent demands and/or debt collection letters.
3. **Returned Cheque Fee** – Should a cheque be sent that is incorrect or is processed with insufficient funds you could incur a returned cheque fee on your account.