



YOUR GUIDE TO OWNING A PROPERTY IN A PRIVATELY MANAGED DEVELOPMENT!

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This document is to assist owners in understanding the operations of a
Privately Managed Development.

*No details or information supplied herein form part of any contract with any
person or body whatsoever nor does any item act as a representation or war-
ranty in any manner.*

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WELCOME!



Our approach to property management is about understanding and taking account of issues affecting the long-term use, operation and performance of property assets.

Property is a valued asset for investment or occupation. It is to be protected and planned for and its facilities are to be managed efficiently to provide cost effective use and occupation of space.

For owners, occupiers, investors or tenants, we aim to manage property and facilities to secure their optimum performance as an investment, residence or place of work.

As Agents of the Management Company, we do not have responsibility for services INSIDE the units—this is each owners own responsibility.

As Managing Agents some of our functions include:

- Preparation of Service Charge and Sinking Fund budgets
- Apportionment and collection of Service Charges
- Checking, approval and payment of creditors' invoices
- Payment of wages and dealing with PAYE and PRSI etc where applicable
- Dealing with Revenue Commissioners re Management Company employees
- Advising on insurance matters and handling claims
- Bookkeeping, accounting, maintaining bank accounts and reconciling statements
- Preparation of Financial Reports for management meetings
- Liaising with Auditors and issue of Auditors' Report and Financial Statements
- Issuing information and advices to new owners - obtaining contact addresses
- Routine site inspections by management personnel
- Arranging routine common area repairs and maintenance contracts
- Attending to telephone enquiries and correspondence from owners and residents
- Attendance at scheduled Board Meetings and the Annual General Meeting
- Advising the Board of Directors/Committee generally in relation to the provisions of the Lease Agreements and Management Covenants
- Attending to all correspondence arising out of the above

(For Full details please go to our services section of the website)

There are other services we provide which are subject to an extra charge and these include:

- Attendance at unscheduled Board/Committee meetings
- Dealing with specific breaches of House Rules, Car Park regulations and breaches of covenant
- Liaising with Surveyors/ Insurers on buildings reinstatement valuations for insurance purposes
- Responding to Requisitions on Management Company in re-sales
- Project Managing major renewals, refurbishment and new works
- Health & Safety Statements, annual Health & Safety reports
- Dealing with Local Authority and adjoining property owners (incl Planning Appeals)
- Assisting Neighbourhood Watch, Resident Associations and Community Projects (eg distribution of circulars, newsletters etc)
- Recruitment of Management Company employees (janitors, caretakers etc)
- Making Annual Returns of Forms 46G and CT1 to Revenue Commissioners
- Legal and Archive Document Storage
- Unscheduled maintenance visits by service personnel
- Advising on Management and Service Charge structures for new developments
- Providing Company Secretarial Service
- Providing 24 hour 365 day Emergency Service

WHAT IS A MANAGEMENT COMPANY? AN EXPLANATION



On purchase of a unit, which forms part of a private residential complex, you sign a Building Lease, which entitles you to become a member of the Management Company of the particular Estate. The Management Company is a company set up by the developer at the commencement of the Estate which is responsible for the maintenance and management of the structure and common areas of the complex, as defined and shown on the plans/site maps in your title.

The need for a Management Company structure is to “manage” all of the common parts within a complex, not belonging to, or the responsibility of a single person. An individual owner has two legal interests in their property as the legal owner of their dwelling unit and as a part owner of the management Company which owns the Freehold.

All the common and serviced areas within your Estate, not forming part of any house, must be owned and vested in the Management Company for example, grounds, roadways, drainage, vehicular gates, refuse areas etc.

You become a Member of the Management Company upon completion of the acquisition of your property. The Management Company has a responsibility to all its Members to ensure that the common

THE MAIN DUTIES OF A MANAGEMENT COMPANY ARE SET OUT BELOW:

Buildings and Premises Maintenance (*where Applicable*)

- Engage maintenance contractors for the cleaning of the common areas.
- Provide and implement mechanical and electrical service contracts for, electronic gates, intercoms, pumps etc.
- Specify and engage service contracts for the grounds' maintenance.
- Arrange for refuse collections and cleaning of bins and bin storage areas
- Arrange for clear and direct signage, where necessary, in connection with traffic movement, parking, refuse disposal, pedestrian entrance and exist etc.
- Ensure that all external power and lighting is available at all times.

Administration

- Issue notices and bulletins to owners and occupiers.
- Monitor and analyse budget performance.
- Arrange Public Liability Insurance in respect of all common areas.
- Arrange for the Insurance of the complex against property damage to all parts of the common areas.

Financial

- Prepare a Annual Budget for Service Charges in advance.
- Ensure proper control procedures for the maintenance of debtors and creditors.
- Prepare financial reports for Directors' /Committee meetings.
- Where employed directly, administer on-site security and janitor staff according to statutory regulations.
- Keep proper books of accounts and submit annually to Auditors. Liaise to audit completion.
- Provide secretarial services including registered office, minutes file, share/member certificates, statutory filing, and circulation of notices for AGMs, EGMs etc.

Service charges are paid to the Management Company, not the Managing Agents. All the funds for your development are held in a specific bank account in the name of your management Company. Books of account are maintained by the Managing Agents and audited annually by independent auditors. Once approved by the Directors of the management Company, they are issued to each member in advance of the Annual General Meeting for final approval by the Membership.

Your solicitor should advise you of your responsibilities to the Management Company which are set out in your Building Lease.

The primary responsibility is the funding of the Management Company, details of which are outlined in the Building Lease.

The Management Company is a private limited company and is managed by its Board of Directors. As the developer sets up the Management Company when building the Complex, it is normal for the developer to appoint a firm of Management Agents while its own Board is still legally in place.

These Agents are usually appointed at the inception of the development, normally following a tender process. When all units in the complex have been sold, the original Directors resign and the owners appoint their own Directors at the first Annual General Meeting of the Management Company if all units have been sold by the builder.

Until this occurs we, as your Management Agents, will arrange to liaise with your Residents' Committee in relation to running and managing the development. This Committee will usually be proposed as the new Board of Directors of the Management Company.

WHAT IS A MANAGEMENT AGENTS ROLE?

The Managing Agents are simply the servants of the Management Company who are hired by the Management Company to ensure that the company honours its obligations to the individual owners, its members, and the individual owners, in turn, honour their obligations to the company and to each other. The cooperation and assistance of all concerned is truly essential to ensure that the management Company, detailed in the Lease and Title documents are fulfilled.

WHAT IS A SERVICE CHARGE FEE?

The service charge fee represents the sum of money which the Management Company will need to collect from all owners on a regular basis (usually on an annual basis) to pay for the expenditure incurred by the Management Company in carrying out its obligations. How your service charge fee is calculated is dictated by your lease agreement.

HOUSE RULES AND LEASE COMPLIANCE

During development of the complex the developer's solicitors prepare the Lease, which you and each owner will sign upon completion of the purchase of your apartment or house. This Lease confirms ownership of your unit in the Estate but also binds you, as owner, to comply with certain guidelines and regulations, which must be met to ensure a pleasant living environment for all occupiers in the development.

House Rules governing nuisance, noise disturbance, pets, sale boards, structural alterations etc. are prepared from the Lease. We, as your Agents, aim to ensure that these rules are circulated to all owners shortly following occupation.

We do our utmost to ensure that all residents adhere to these rules. However, we must stress that the Agents' contractual role is limited to informing owners and/or occupiers of the Rules and any breaches, but we are not legally empowered to enforce compliance.

We ask that you write to us detailing any breach of these rules by your neighbours so that we may take appropriate action on behalf of the Management Company.

We ask all investors to ensure that the House Rules are incorporated into any letting agreements with tenants.

When the repair works are carried out, you must wait for the insurance cheque to be processed before being reimbursed the associated costs.

All insurance policies have an excess which will be deducted from each and every claim



CONTACT INFORMATION

If you live in an apartment building, you should be aware that there can be incidents such as a leak, fire etc. which may result in damage to a neighbouring unit. Similarly, such an incident in your unit could cause damage to the property of a neighbour. Consequently, it is imperative that you provide your Management Agent with all your contact details so that you may be contacted should urgent access to your unit be required. You should always arrange for a third party to hold a key to your house in the event that you are away on holidays/business etc.

If we do not already have your contact details, please complete the enclosed contact form and return it to our office. All information is held in the *strictest confidence* and will not be passed on to any third party without prior approval.

It is important that you pass this information to us. Please do not wait for an incident to happen.

INSURANCE

The Management Company must ensure that common area structures and the common areas of the Estate are insured.

This cover is arranged under a Block Policy Insurance Policy, which provides indemnification against all types of loss (*subject to necessary and advised policy excesses.*) The common areas are also insured under a Public Liability Policy against loss in respect of any potential injury to a member of the public.

Generally apartments and duplex unit structures are covered under the Block Policy.

The cost of insurance is included in the Budget as part of your annual service charge and you should ensure that you have not duplicated your insurance.

It is your personal responsibility to obtain insurance cover against loss/damage to the contents of your unit. We would remind you that all valuables need to be individually declared or noted on your policy.

Investors should note that the Block Policy covers the common areas only against loss to a third party. This means that although invitees, guests etc. are covered against loss or damage, you yourself are not.

We strongly recommend, therefore, if you intend to rent out your house, that you discuss your insurance requirements with a reputable Insurance Broker, particularly in regard to private property owners' liability cover for the tenancy period.

What to do in the event of an insurance loss?

If you need to process a claim through your Insurance Policy because of a leak, break-in, fire etc. you should proceed as follows.

- * Minimise the risk of further potential damage as soon as possible - turn off water, lift carpets etc.
- * You should immediately notify the Gardai if a crime is involved.
- * Contact and notify your Insurers or Brokers, who will send a claim form to you.
- * Establish the extent of damage and the expected cost of repair.
- * Do not carry out any repairs until the extent of the damage has been determined as your Insurer may wish to appoint a loss adjuster who may need to see the full extent of the damage prior to repair.
- * Only proceed with the repair if you have been advised by the Insurers to do so and forward the completed claim form together with estimates/invoices to your broker.

Please note the following.

- ⇒ When the repair works are carried out, you must wait for the insurance cheque to be processed before being reimbursed the associated costs.
- ⇒ There may be an 'Excess' on the Insurance Policy which means that the first amount of the loss ('Excess') must be borne by you. This should be clearly established prior to processing the claim.

FIRE ALARM SYSTEMS

Irish Standard 199 stipulates that external alarms shut down after a 20-minute sounding period. It also stipulates that alarms be serviced twice yearly as some activations arise because the system has not been serviced.

Please ensure that your system complies with IS 199 and is regularly serviced.

FIRE ALARM SYSTEMS



The fire alarm system in your development is maintained under a service contract in accordance with Fire Safety Legislation:

Procedures on hearing the fire alarm sound

- Ensure that all cooking equipment is switched off and left in a safe condition.
- Leave the building through the nearest exit ensuring that all doors are closed behind you.
- Do not use the lift
- Do not delay—do not attempt to gather personal belongings etc.
- Move to the safest assembly point and wait for the fire brigade to arrive.
- Do not reenter the building until directed to do so by the fire brigade.

Procedures on discovering a fire

- Sound the alarm by breaking the break glass unit in the lobby/corridor.
- Alert the fire brigade by dialing 999 and report your name, address and unit number and/or your individual block number if necessary
- You should deal with the fire only if it is safe to do so. Otherwise, leave the building ensuring that all doors are closed as you leave. Move to the assembly point and wait for the fire brigade to arrive.

Do not re-enter the building until directed to do so by the fire brigade.

Fire Equipment

Each unit owner is responsible for ensuring the provision of fire prevention equipment within his/her unit. We recommend the following:

- Store a fire blanket. The kitchen is usually the best location due to greater than normal risk of fire. This is an effective method of dealing with kitchen fires caused by burning cooking oil etc. A fire blanket can also be placed around a person whose clothing has caught fire. It should be wall mounted on a bracket near the cooking area for easy access.
- Fit an all purpose fire extinguisher in a suitable location
- Do not overload sockets with plugs
- Never 'patch up' electrical appliances
- Do not smoke in bed



PARKING

When you purchase an apartment or house in a Private Development you may or may not be able to purchase a car parking space, it may be a case that subject to planning stipulations parking is common and no parking space are allotted.

We request that you park in a considerate manner if you reside in a development where parking spaces are not specifically allocated.

Your Management Company can (if required) introduce procedures to minimise unauthorised parking within the development area such as anti-parking stickers and/or clamping, which can deter unapproved parking in and around the private development.

SECURITY

To improve the security within your development we suggest the following guidelines are followed:

- Ensure that all windows and doors are locked before leaving your property. Burglars are always attracted to open balcony doors and windows.
- We recommend that you fit window locks on all windows and a mortice lock to your external door.
- You should also fit a door viewer in your door to allow 180 degree visibility into an area directly outside your front door.
- Immediately report all suspicious activity to your local Garda Station by dialling 999.

AFTER HOURS EMERGENCY SERVICE

We operate an emergency service and if this service is available to your development the emergency number will be detailed in your introduction letter. Calls made out-of-hours are dealt with under highest priority based on the seriousness nature of the emergency.

We define an emergency as follows:

- (a) A fire
- (b) A leak or water damage from one apartment to another or from a common area.
- (c) Blocked mains drains constituting a health hazard to occupants or the general public.
- (d) A break-in
- (e) Vehicular gate failure (*where applicable*)

Should you have a specific problem within your own house/apartment, e.g. plumbing, electrical etc. you should contact a suitable contractor. The cost of repairs and call-outs in such cases must be paid directly by you.

Mundane problems and difficulties, other than emergencies, should always be notified during normal office hours.

Contacting the emergency number for a non-emergency issue will result in the individual calling being charged directly.

SERVICE CHARGE APPORTIONMENT

When you purchase a house/apartment within a Private Estate, the developer's solicitor will ask you to pay your first annual service charge in full.

You should be aware that not all of this may be expended during the first service charge year, due to units being bought at different closing dates throughout the year, with the consequent differing levels of required expenditure.

The Management Company has a defined financial year-end to which it must adhere. This involves bringing all the service charge accounts in line on one common date. This is achieved by apportioning the service charges paid from the date of the closure of sale to the date when the service charge year is closed off.

For the period you are not in ownership of your house, you will receive an opening credit balance on your service charge bill at the commencement of the next service charge year.

SPECIAL NOTE FOR INVESTORS

Regrettably some tenants are inconsiderate to their neighbours and can abuse their surrounding and common areas. Such behaviour can often be a strong indication of their attitude towards your property.

We have detailed below some guidelines to help you choose suitable tenants.

1. Use a reputable letting agency
2. Obtain references in writing
 - (a) Bank reference
 - (b) Previous landlord reference
 - (c) Employer's reference
3. Telephone to cross check all references
4. Extra care should be taken if prospective tenants are between jobs or are self-employed.



CONCLUSION

Thank you for taking the time to read this booklet, we appreciate that there is a lot to take in.

The information supplied in this document is intended as an informal and helpful general information guide to owners of property within a Private Estate.

We have tried to make it as easy as possible to understand by using simple language and avoiding the use of technical or legal language where possible.

You should consult your solicitor or other professional adviser if you need advice on any relevant specific item or issue.

This guide is not intended to be comprehensive and we cannot be responsible for any errors or omissions.