



Newsletter – June 2014



Budget 2014-15

The budget for the next financial year, starting on 1 July 2014, is enclosed with this Newsletter.

We are at the end of the maintenance period, and periodic re-decoration will be carried out in 2015, having been delayed by a year to allow for flat repairs and spread the costs.

The Estate is now over 25 years old so we are out of the 'honeymoon period' needing little work and must now make provision for regular repairs and maintenance. See the article alongside.

The graph below shows how average service charges have varied in recent years compared to inflation. Flat charges have gone up and down as work has been needed, and blocks needing major work have had even greater fluctuations. Houses, which pay only for Estate work, have had more stable charges that were reduced. Every effort was made to keep service charges down during the recent recession with success.

After very careful consideration of future work, the Directors have concluded that the reserves must now be replenished and increased over 5 years by increasing service charges. Reserves are now £20,000 too low after wall, path, flat and roof repairs. Higher reserves would allow this kind of unforeseen expenditure without such large fluctuations in charges from year to year.

Charges need to increase by 19% on average in 2014-15. In 2015-19, we project that flat charges will then be stable and house charges decrease again slightly but we cannot guarantee this. We will discuss 2015-19 options at the 2014 AGM.



Future Work

Quite a lot of work is already needed in the next 4 years or so and other work may arise. This has to be funded from charges and reserves:

- Some Estate paths are becoming uneven and must be re-laid for safety.
- Parking spaces need marking again.
- Flat block roofs need repairs and flashing needs re-sealing because of the roof design.
- Flat entryphone systems are failing, obsolete and cannot be repaired, so need replacing.
- Flat block communal floors need periodic deep cleaning and sealing, to reduce dirt.
- Insurance revaluation is now recommended every 3 years, to ensure adequate cover.
- Electrical testing is required every 5 years.

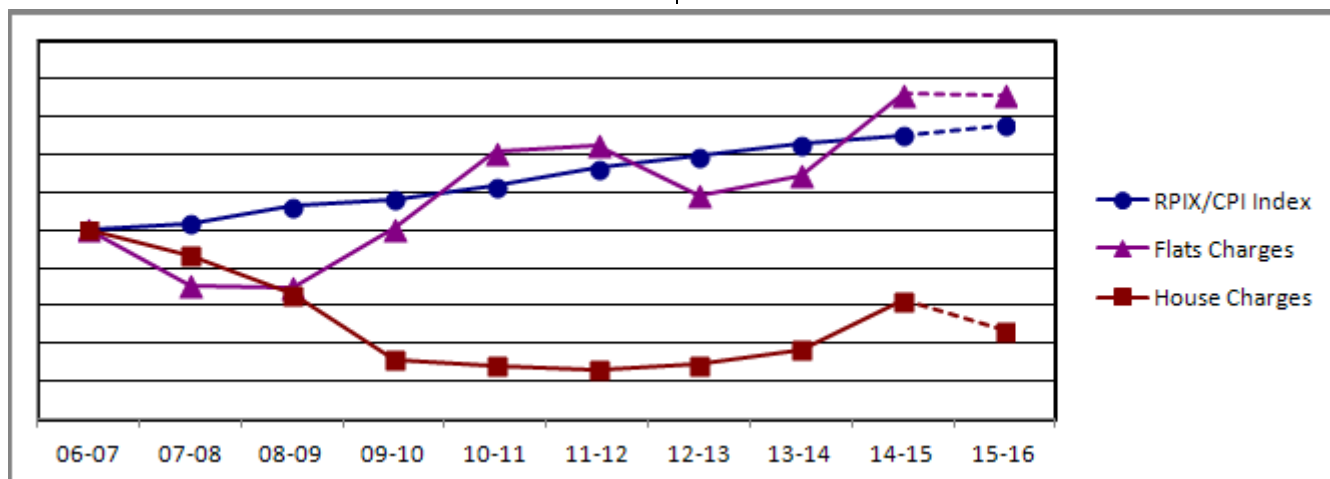


Insurance Revaluation

Surveyor Hallas & Co re-valued the Estate buildings for insurance purposes.

Buildings are worth slightly more than previously estimated but insurance premiums have fallen and we no longer pay commission after re-negotiating the Managing Agent contract. The savings are greater than the increased fees.

It is critically important that the Estate buildings are fully insured otherwise the insurer would refuse to pay the full amount of any large claim, leaving property owners to pay the balance.





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→ Interest on Service Charges

4.5% interest will now be levied on late service charges as agreed at the 2013 AGM because there has been no improvement in payment.

LED Lamps

As flat service charges need to increase, the Directors believe that it is now worth investing just over £10 per flat in replacing the strip lights outside flat doors with LED ones, which will be funded from flat service charges in 2014-15.

This will reduce electricity costs, paying back in 2-3 years, and the reduced maintenance will be factored into the next cleaning contract renewal.

At the moment, replacement of remaining wall lights with LED ones is planned over 2015-19, as these are still relatively expensive. This would be brought forward if supplies can be obtained more cheaply, as happened recently.



Maintenance Update

Flat Block Repairs

Surveyor Hallas & Co carried out a competitive tender for the more urgent flat repairs and, as the lowest tender, we propose to appoint builder Woodgrove to carry out the work in June / July.

The Section 20 notices required by tenancy law were sent to the owners of the flats concerned.

Other less urgent work will be carried out with the periodic re-decoration in 2015.

Flat Block Roofs

There were leaks in several blocks of flats in late 2012, so we had those roofs re-sealed. There were then more leaks in the heavy rain in late 2013 and early 2014. Rendall and Rittner carried out a competitive tender, Central Services made some urgent repairs in late March and Hobex will inspect roofs and make more repairs in June.

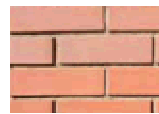
We will probably need to reseal the roofs on all other blocks using lifts / scaffolding during the re-decoration in 2015, funded from flat reserves.



Tree Pruning

Wandsworth Council granted permission for our application 2014/1105 to carry out work to reduce and raise the lime trees in Limetree Walk.

This work will be early in the next financial year, in July. Charges for tree work will be higher for one year only to cover the cost of this major work, but it would not be economic to split it.



Damaged Wall & Uneven Path

The car park wall damaged by vehicle impact has now been demolished and rebuilt. This was funded partly by the insurance settlement, partly by the compensation from the builder that repeatedly failed to repair it correctly with the balance from the Estate reserve fund.

The Health and Safety Consultant has advised that the Estate path across Limetree Walk must be levelled for safety, so we are seeking quotes.

There will be an increase in the contribution to the Estate reserve in 2014-15 to replenish the reserve, affecting both houses and flats. The reserve will then be increased in 2015-19 to ensure that we can afford urgent work needed, but house charges should reduce again slightly.



Pest Survey

Thank you to everyone who replied to the pest survey, particularly the owner who suggested it.

This showed that there are particular issues with mice in block 1-71 St Benedicts Close, reported by 8 people, and in 2-24 Limetree Walk, reported by 3 people. Consequently, Microbee are being instructed to take action in those common areas and builders to look for and block entrance holes.

Flat owners are responsible under the lease for maintenance like pest control in their flats, including any that are sub-let. **Owners must also take action**, otherwise it will be impossible to eradicate the mice. Contact Microbee on 020 8540 9968 or at <http://www.microbee.co.uk>.

