WEST HENDON
MANAGEMENT STRATEGY

June 2013 Revision A

Barratt Metropolitan LLP

BMLLP West Hendon
Estate Management Strategy

Introduction

This document details the Estate Management strategy for the West Hendon development and has been prepared for submission as part of the outline application.

This strategy has been produced in conjunction with Barratt Residential Asset Management (BRAM) who will be appointed by BMLLP to provide the Estate Management services. BRAM will provide sitewide estate management services for the Lakeside site and the future phases as they are completed. London Borough of Barnet will retain the responsibility for the management of undeveloped areas of the site.

1. Vision

Barratt Residential Asset Management (BRAM) is a newly launched, dedicated, in-house property management company. BRAM has been established to ensure the very best management and maintenance of new homes constructed by the Barratt Group of companies, BRAM also provides equivalent property management services for our affordable housing partners. BRAM promises to deliver value for money, excellent communication, a truly personal service, peace of mind and all the information a customer will need.

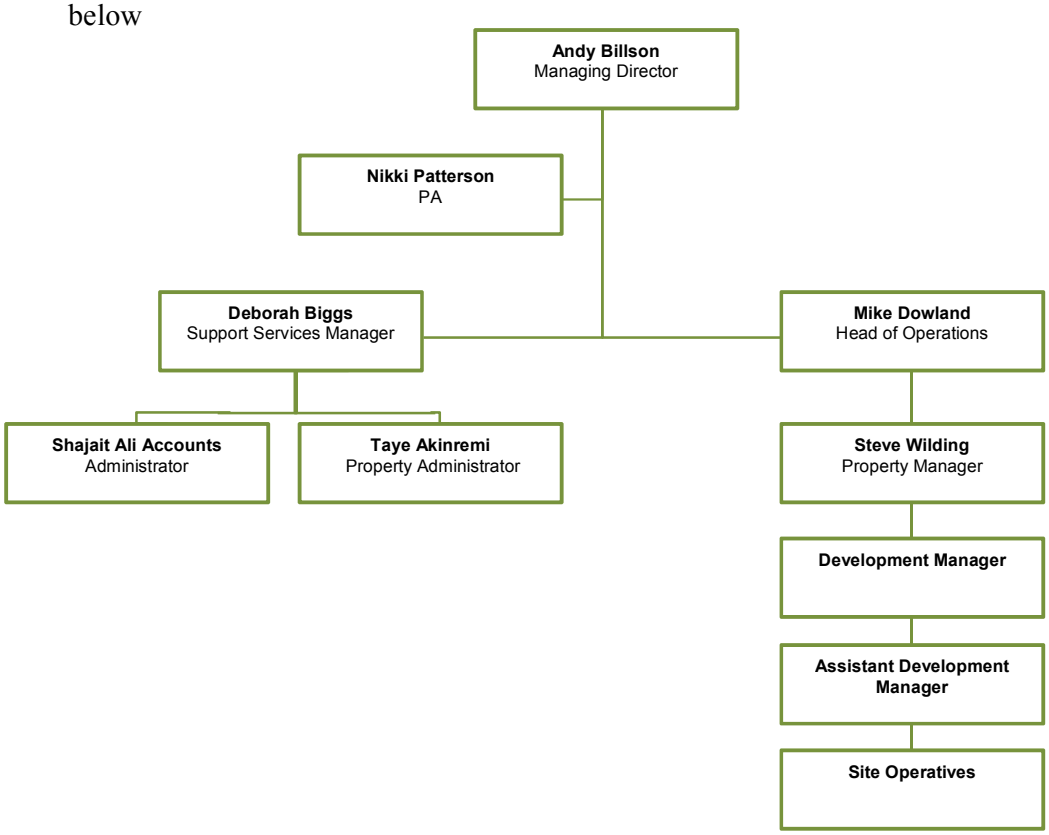
BRAM was set up as a result of a growing dissatisfaction with managing agents and the reputation of the property management industry as a whole. BRAM are a not for profit company and so we will not take any hidden commissions or fees from our customers and the management fee charged will be used to provide a more concentrated resource. That means better customer service, better response times and better communications – all things that are often missing from regular managing agents. Our knowledgeable team means that we have real "end user understanding" and that means we can provide guidance to the technical and construction teams on how to create buildings that are easier and more cost effective to manage.

This pioneering service shows our dedication to our buyers, with a further guarantee that Barratt is invested in the future of our developments and our client's and customers' satisfaction.'

BRAM welcome and encourage resident's input and feedback to allow constant monitoring and improvement of the services provided.

2. Management Structure

The proposed Management Structure for the West Hendon Development is as set out below



3. Estate Management Solution and Roles & Responsibilities,

On-site Management

In order to ensure the effective management of a development of this size, Barratt Residential Asset Management will appoint a dedicated Development Manager (DM) who will be based on the development and who will be responsible for the day to day management of the scheme.

BRAM will monitor the progress of the development and will support the DM as required with one or more Assistant Development Managers. BRAM will consider the direct employment of cleaning and maintenance staff to suit demands, other services will be provided by external contractors. The DM will manage all BRAM site staff and any Contractors and service providers operating on the development.

It is expected that a concierge office and associated facilities will be located in block F, which provides a central location and will be implemented once the appropriate number of units are completed to justify the site concierge service. The concierge will be able to provide services to both affordable and private residential units subject to the requirements of the Housing Association.

Block F is also likely to accommodate facilities for the Development Manager and his team of operatives who will be carrying out site maintenance and cleaning. These facilities will include an office with meeting room, welfare facilities, kitchen/rest room and ample storage areas for holding equipment and supplies. Prior to the provision of on-site facilities, the BRAM team will manage the development from their off-site offices.

BRAM will take over the estate management role on the completed phase of the Lakeside development on the 1st January 2014 and will provide management services for all subsequently completed blocks. Detailed liaison and coordination between BRAM and BMLLP will be required to ensure that completed blocks and estate areas are effectively managed whilst other parts of the development are being constructed or demolished. The close partnership between BRAM and Barratt Homes will facilitate this coordination.

Streets, Opens Spaces and Bridges

Where the estate roads are not adopted, BRAM will provide management and maintenance services for the roads, footpaths and parking areas and will provide parking control services (see section 10 below).

The future management of the open spaces, landscape areas and new bridges is currently under discussion between LBB and BMLLP, however it is acknowledged that maintenance and management of these areas will be required.

Refuse Management

The refuse strategy will be a large part of the estate management service, this will require a number of full time site staff where their primary role will be the relocation of refuse bins from refuse stores to collection points to suit the agreed refuse strategy. Bins will need to be relocated from the resident's refuse stores to the LBB collection area to allow weekly refuse removal. It is expected that collection days for the various blocks will need to be staggered to assist with LBB and BRAM management of refuse collections, liaison will also be required with LBB regarding the specific timing of refuse collections to minimize the durations that bins are held in the collection areas. In the larger buildings the relocation and rotation of the refuse bins will require a dedicated vehicle (s) .The provision of a vehicle dedicated to each building or vehicles that are able to move between buildings will be reviewed as the development progresses.

Gymnasium

A resident's gymnasium may be provided, which will require daily cleaning by the site staff. The location of the possible gymnasium has not yet been confirmed. A planning application will be made for the gymnasium when this is decided. BRAM will manage the required cleaning of the gymnasium and will carry out any necessary maintenance and safety checks.

The gymnasium is likely to be available to all residents across all tenures, however this is subject to further review within BMLLP.

Commercial Properties

BRAM will ensure there is a link to the estate management associated with the commercial properties, however it is not possible to define these duties until suitable tenants have been found. It is also intended that the commercial properties will make an appropriate contribution to the wider estate management costs.

Block Management

In addition to the Estate Management duties, BRAM will also provide management services for each individual block irrespective of tenure. It is envisaged that the level of service for blocks in different tenures will be fundamentally the same, however the need to minimize service charges generally and in particular for the Metropolitan blocks is acknowledged. In order to maintain the quality of all residential blocks, the frequency and standard of cleaning and maintenance of entrance areas, lifts, car parks, landscape areas and internal and external communal areas must be maintained to a high standard.

Block cleaning, maintenance and landscaping services will either be provided by directly employed staff or contract services, the site based BRAM team will ensure the quality of these services. To assist with minor repairs, it is likely that the development would have a dedicated handyman to carry out these small works. Larger repairs would require the use of specially appointed contractors who would be sourced by the on site Development Manager from a BRAM approved (Safe Contractor Accreditation or similar) list of contractors.

BRAM will be responsible for the management and procurement of maintenance for specialist items such as Solar Panels, Fire Safety Systems, Lifts and Access Control Systems.

It is unlikely that the residents will be able to clean all of their windows from within their apartments or houses, it is therefore expected that some residential windows will need to be cleaned by specialist operatives employed by BRAM. It is critical that the window cleaning strategy is reviewed in detail and agreed by all parties as there can be a significant cost for these services where they are provided by the Management Company.

4. Specification of Services and tendering

The BRAM team will tender all maintenance contracts at inception and then, as a minimum, every 2 years. Typical service contracts that would see regular review are:

- Landscaping maintenance
- Lift maintenance
- Window Cleaning

Additionally BRAM will procure major works requiring consultation with leaseholders in accordance with Section 20 of the landlord and tenant act. Where works are complex, such as lift replacement, BRAM may employ the service of a specialist surveyor who will be charged at cost to the development.

5. Contractor Management

Contractors will be monitored for performance by the on-site team as well regular review by the appointed Property Manager (and line manager of the Development Manager.) BRAM has installed the latest property management software which enables easy and effective reporting and monitoring of costs at portfolio level.

6. Land Ownership Framework,

It is the intention to sell the freehold of the estate to one entity. This will ensure that they will work with both BRAM and the LLP during the development of the site and allow a smooth transition from the LLP to the completed redevelopment. The LLP will look to exchange contracts on the whole site once planning permission is granted with the freehold being disposed of on a block by block basis to enable BRAM and the freeholder to take over the completed elements of the development. In addition in order to provide the site wide heating and hot water services, the freeholder will be party to the ESCO agreement with EoN to again facilitate the transfer of the development from the LLP to the freeholder.

7. Estate Regulations

In addition to specific covenants detailed in each resident's leasehold/transfer documentation, BRAM will have the ability in accordance with the provisions of the leases, to introduce more specific regulations in line with customer expectation or the site requirements. These regulations may typically include:

- Restrictions on the Storage of specific Items on Balconies.
- Locking of specific amenity areas after dark to avoid vandalism.
- Access times for the Gymnasium.

Any regulations will be issued to all leaseholders as well as held centrally for electronic download and will be enforced in the same way as any other restrictive covenant.

8. Parking

The non-adopted roads within the development will be managed by BRAM. BRAM will ensure that the roads, footpaths and parking areas are managed to an acceptable standard to ensure that road usage and parking are well controlled.

The Planning documentation specifies a ratio of 0.8 parking spaces per residential unit and includes a limited number of parking spaces for retail units/visitors. BRAM will employ the services of a specialist parking control contractor who will issue tickets to vehicles not displaying a valid permit to park. The exact strategy for the management of the retail and visitor spaces is yet to be concluded but it is likely to be mainly via "pay by phone" parking with the possible inclusion of some coin meters.

BRAM will endeavor to re-allocate and/or adapt parking spaces for future disabled purchasers who have not purchased a residential unit with an allocated disabled parking space. Where possible these spaces will be provided in close proximity to the residential unit. The provision of these car parking spaces will be subject to the satisfactory compliance with all existing statutory and land ownership constraints.

9. Site wide Heating and Hot Water services

The heating and hot water services throughout the development will be provided by EoN via an ESCO agreement. The ESCO agreement requires EoN to operate and maintain the Energy Centre and distribution networks for the provision of heating and hot water. The ESCO agreement contains various performance obligations on EoN to ensure the delivery of appropriate levels of service for all residents of the development. BMLLP and BRAM will enforce EoN's compliance with the performance obligations.

It is currently proposed that a single Energy Centre will be provided within block E, which will be connected to the other blocks via a sitewide District Heating Network. Temporary Energy Centres will be necessary until the main Energy Centre is operational and until the site constraints allow the connection of the district heating network.

10. Metering of Utilities

Resident's utilities will be metered as follows

- Individual electrical Smart meters will be positioned in communal riser cupboards located on the respective floors of each block.
- Individual water meters will be positioned in communal riser cupboards located on the respective floors of each block.
- Heat Meters will be provided in the utility cupboard of each apartment as part of the Heat Exchange unit. The heat meters will be capable of operation by residents and will have a remote reading facility to ensure that EoN do not need to enter properties to read meters.
- Gas services will not be provided to residential units.

11. Amenity charges

- **Calculations**
  The service charge will be equitably recovered form leaseholders using a combination of contributions based on apartment size (in the case of block specific costs such a lift maintenance) and an equal basis (for estate wide services benefitting all properties such as general landscaping)

- **Obligations**
  The obligations of the manager and the landlord will be defined in our standard form of lease. This lease has been tweaked by BRAM to allow for 100% recoverability from leaseholders as well providing flexibility in terms of varying individual contribution when it becomes equitable to do so.

- **Service charge**
  It is envisaged at this stage that the service charge will range from £2.30 to £2.70 per square foot excluding heating and water costs. This will be reviewed as more definitive plans and specifications are defined.
  The obligation to ensure service charges are minimized for affordable housing residents is acknowledged, however this obligation needs to be balanced with the need to maintain development and residential standards. BRAM will endeavor to provide an appropriate balance between these constraints.

- **Phasing of amenity costs**
  BRAM will work closely with our partners to ensure that, to the greatest extent possible, services are introduced in line with customer expectation and that all services are proportionate to the number of current occupied units.

- **Reserve fund collections**
  The service charge estimate will include the collection of funds from residents across all tenures for longer term maintenance and repairs such as:

  - Redecoration
  - Carpet replacement
  - Lift replacement

- **Financial model**
  BRAM is a not for profit division of Barratt London. BRAM will still charge a market rate management fee for the provision of services however this will wholly utilized to ensure the resource levels provided on a development are higher than would be possible within a typical commercial managing agent.

- **Commercial units**
  It is envisaged that the commercial units will contribute towards the block structural costs as well as any specific estate amenity they benefit from directly. For example they would benefit from the services of the on-site Development Manager so will be required to contribute towards this cost centre. It is envisaged that the Development Manager will liaise closely with the commercial tenants to ensure harmony the residential and commercial elements of the site.

- **School/Community Centre**
  It is envisaged that the Development Manager will liaise regularly with the School and community Centre manager to ensure the residents are involved in the activities and can contribute. This is likely to include discussion with any Resident Associations/groups that show wider community interest.

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