



Jebb Avenue Management Co. Ltd

Prospective Management Company - Request for further information MIH

Recently, a JAMC meeting was convened to discuss quotes and information provided by your company in relation to providing property management services to the Jebb Avenue Estate. Before JAMC proceeds a number of follow-up questions have been identified which are being addressed to all prospective property management companies. These questions are listed below - please can you address each in writing and provide back to JAMC as soon as possible, ideally no later than Friday 8th April.

In order for JAMC to have a simple way of comparing approach and pricing for major and minor works, we have detailed two simple scenarios below both of which we would want at least 3 quotes sourced from different contractors. Please detail how you would approach both scenarios and how they would be costed?

<i>Capital works scenario:</i>
The slate tile roof on one of peaked roof blocks (late 1800's construction) needs replacing along with the gutters, fascia's and drainage downpipes. While we have scaffolding up, we would want to repair the concrete flooring in some of the balconies. Assume total estimated cost of £150,000+VAT for the project and that a surveyor would need to be engaged
Question 1: What would be your approach and how would it be priced if JAMC sourced all contractor quotes?
Response: When MIH take over the management of any property, we always recommend that a Preventative Planned Maintenance Inspection and Report is carried out to prioritise works and assess the urgency. The surveyors would be tasked with grouping works together to ensure economies of scale and also to minimise inconvenience to residents. Once the various sets of works have been identified, we would ask the same surveyor to prepare a specification in line with the Section 20 Legislation. We would also look to send out the Notice of Intention at this time. On approval of the specification, it would be sent out to at least three contractors for pricing. These contractors can be those sourced by JAMC or recommendations from the surveyor or ourselves. As per the legislation, JAMC would also be required to accept one Lessee nominated contractor. Upon receipt of the Tender report a Statement of Estimates will be issued and if required, funds would be collected based on these sums. Once the Notice has expired and funds are collected MIH would act as liaison with the Board and the Surveyor. They will start working with the surveyor to prepare communications for residents advising of the works, timings etc and to issue regular updates to owners. MIH would also make stage payments in line with the valuations prepared by the Surveyor.
Question 2: What would be your approach and how would it be priced if you were to source all contractor quotes?



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Response:

It would be the same as the above.

Question 3: What would be the role of the surveyor versus that of your company?

Response: The Surveyor is indemnified to specify and approve the works required and generally deal with the contractors. MIH act as the Liaison between the Surveyor and the Board and deal with the administrative side of the works including updating Lessees on the works and arranging access etc. We also liaise with the Building Insurers about the works.

Question 4: What is a rough estimate of surveyor costs?

Response: Surveyors usually charge a sliding scale of fees based on the cost of the works. We would envisage a fee of around 8-10% plus VAT based on the quoted costs. MIH Fees would be based on the value of the project and are as per the management agreement.



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Minor works scenario:
The current degrading wooden doors of 10 storage sheds on the estate require replacing with new metal doors with internal locks and metal frames. Assume total estimated cost of £2,500+VAT for the project.
Question 5: What would be your approach and how would it be priced if JAMC sourced all contractor quotes?
Response: We would review the JAMC provided quotes with you and would accept your choice of contractor. This would involve our setting them up on our system so the usual checks would be required. We would consider this day-to-day management and therefore a fee would not be applicable.
Question 6: What would be your approach and how would it be priced if you were to source all contractor quotes?
Response: As above

Additional questions	
Question 7: How do you define major works i.e. the threshold above which the estate would need to pay additional fees for leaseholder engagement, contractor management, project management etc?	
Response: Please refer to our Management Agreement which advises on works which would fall outside of the standard management fee. As a rule of thumb, where MIH must issue Section 20 Notices or the work is more complex than just obtaining three quotes, a fee would be applicable. This would always be agreed with the client prior to undertaking any works. Our Management Agreement details our standard fees as below	
Works not requiring a Surveyor	10% plus VAT
Section 20 Threshold - £60,000 + VAT (Surveyor fee payable separately)	3.5% plus VAT
Works between - £60,000 - £100,000 + VAT (Surveyor fee payable separately)	3.0% plus VAT
Works between - £100,000 - £250,000 + VAT (Surveyor fee payable separately)	2.5% plus VAT
Question 8: Assume JAMC can source its own quotes as part of any tender process of any cost? Does this reduce any costs charged by your management company?	
Response: No, as there is no charge for obtaining quotes.	
Question 9: What information would you need from JAMC (e.g. records, documents, etc) before entering into a contract?	
Response:	



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Please find attached our standard Handover List. We appreciate that you may not have all these documents and would look to have a conversation with you should the omission of any result in impediment to our management.

Question 10: What processes and costs are involved to either JAMC or leaseholders during sale or purchase of a property?

Response:

There are no costs to JAMC in the event of a sale. The costs payable by the Vendor would be £300 plus VAT and would only be accepted on the basis that there are no arrears on their account. This would be provided to the Vendor's solicitors within 5 working days upon receipt of payment. All other costs can be found in our menu of charges.

Question 11: Can you please provide references from other estates / blocks you manage who we could talk to about their experience of working with your company?

Response:

Please find enclosed in the attached Zip folder 2 written references. If the matter were to progress we would provide contact details for referees with whom you could make contact.