

## APPENDIX 11: ESTATE HOUSING AND ASSET MANAGEMENT STRATEGY

### 1.1 SERVICE CHARGES

#### 1.1.1 Residential Estate and Service Charge Targets

A service-charge budget has been prepared for the Station Road Offices site as an example of the proposed service-charge services and costs using this as a typical estate and plot of residential buildings. The details are below:

Block	Tenure	Block Charge	Estate Charge	Total Service Charge
4.1. A	Private	£3.18	£1.10	£4.28
4.1. B	Private	£3.49	£1.10	£4.60

Table 1: Indicative service charges

Service charges include:

- Estates charges: security, on-site management, cleaning, repairs and maintenance of the landscaping and public realm; and
- Building charges: cleaning, repairs, maintenance and management of the structure.

The key headings in our draft estate budget which we have prepared for the Station Road Offices site are:

Line Item	Budgeted Cost
Management Fees	£48,240
Staff Costs	£277,087
Property Administration Expenses	£3,372
Management Office	£23,796
Security/CCTV	£18,000
Cleaning and Refuse	£21,330
Utilities	£9,600
Repairs and Maintenance	£15,426
Health, Fire and Safety	£6,321
Insurance	£7,672
Landscaping	£8,155
Sinking & Reserve Fund	£15,000
<b>TOTAL</b>	<b>£453,999</b>

Table 2: Indicative service charges for Station Road Offices site.

Due to the separated nature of the three sites, the HDV proposes that the two mixed-use, town centre sites, the Wood Green Library site and the Station Road Offices site, will benefit from a dedicated onsite management team which will be controlled by the overarching Estate ManCo.

These sites will benefit from a team of dedicated Estate hosts, who will provide basic customer service functions for affordable tenants and an enhanced offering for the private tenants, as well as a dedicated Estate Manager and Security Team. There is an opportunity

for teams to be shared across the entire estate and for resources to be pooled where beneficial, enabling the sharing of costs and operational efficiencies.

The LBH Civic Centre site will be managed by the dedicated PRS Team and, where applicable, the Affordable Housing Team. The PRS Team will fulfill a similar role to the Estate Teams operating in the Wood Green Library and Station Road Offices sites, including property, building and estate management, in addition to tenancy management, lettings and enhanced services. The costs of providing this service will be borne by the Landlord and therefore do not come under the scope-of-service charges.

The service charges for a one-bedroom flat in Wood Green are estimated to be between £2,565 and £2,700 based on the budget for the Station Road Offices site prepared.

The service charges for affordable homes will be delivered at a more affordable rate by exclusion from additional facilities or services that are provided over and above the good quality base provision. At Elephant Park service charges are between 60% and 75% of the OMS rates, giving a similar rate for an affordable one-bed flat from £1,540 per year.

A selection of Benchmarked service charges are provided in the table below:

Scheme	Developer	Price Point	
<b>£PSF</b>	<b>Service Charge £PSF</b>		
Lyon Sq	Redrow	£660	£2.30
Hendon Waterside	Barratt	£715	£2.50
Kidbrooke	Berkeley	£730	£2.75
Beaufort Park	St. James	£730	£2.50
City Island	Ballymore	£810	£4.50
Royal Wharf	Ballymore	£830	£3.50
Heritage Walk	St. James	£850	£3.45
Woodberry Down	Berkeley	£923	£4.85
<b>Average</b>		<b>£781</b>	<b>£3.29</b>

Table 2: Comparable service charges for comparable price point OMS homes

### 1.1.2 Retail Estate and Service Charge Targets

HDV will leverage Lendlease's experience in managing commercial estates at International Quarter London and Elephant Park, as well as comparable projects including Bell Court, Stratford-Upon-Avon and Sutton Place.

Forecast service charge ranges for Wood Green are:

- **Building charge:** between £2.00 - £2.50psf
- **Estate charge:** between £1.50 - £2.00psf
- **Total service charge:** between £3.50 - £4.50psf

### 1.1.3 Commercial Estate and Service Charge Targets

Commercial tenant charges are also divided between building charges and estate charges. Building charges include cleaning, security, repairs, and maintenance of the common areas. At the higher end, such as International Quarter London, they could also include full reception area and concierge services. Estate charges include security, on-site management, cleaning, repairs and maintenance of the landscaping and public realm.

Comparable building and estate charges include:

	Service Charge	Estates Charge
International Quarter London	£9.00	£1.40
Chiswick Park, Chiswick	£7.41	£1.99
ABP Royal Albert Docks	£6.50	£2.00
Wembley Park, Wembley	£8.00	£1.00
Ruskin Square, Croydon	£7.50	£1.20

Table 4: Commercial Service charges

Forecast service charge ranges for Wood Green are:

- **Building charge:** between £6.00 - £8.00psf
- **Estate charge:** between £1.00 - £2.00psf
- **Total service charge:** between £7.00 - £10.00psf

Please refer to Appendices of this Business Plan for an indicative breakdown for Estate and Building Service Charge.