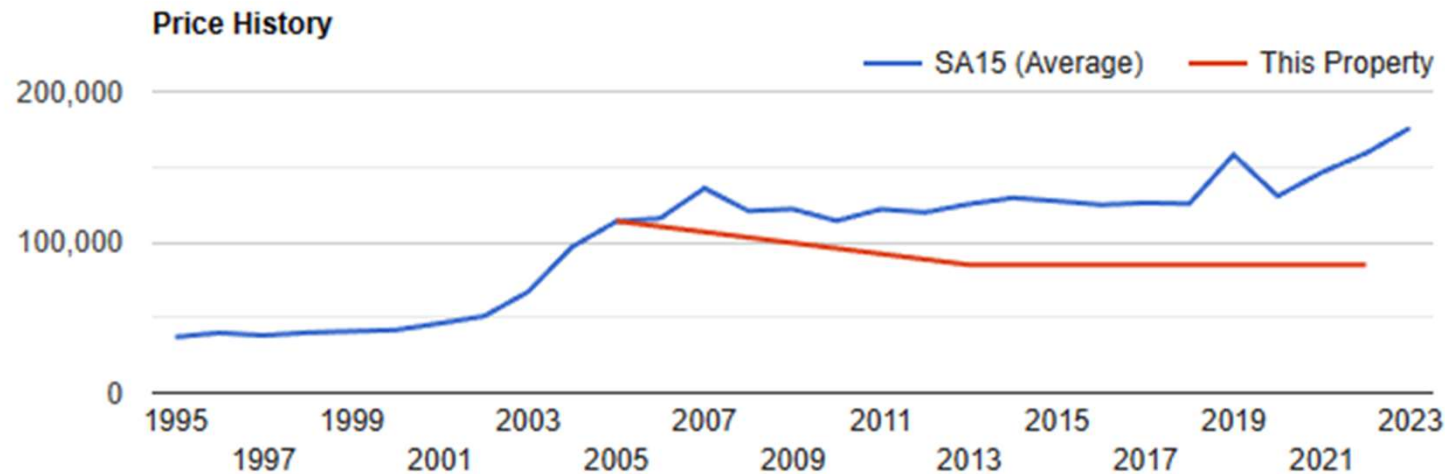


A Brief History of Time

- 2005-2008 Construction of Estate
- October 2008 David McLean homes enters administration. Elan Homes purchases from administrator but obligation to rectify problems is not transferred
- 2009 First condition concerns raised to Trinity
- 2011 Trinity log a claim with NHBC which is rejected
- 2013 Trinity log a second claim supported by a surveyor's report which was also rejected by NHBC
- 2015 Trinity appoint solicitors with barrister's advice
- 2018 Trinity pursue legal action against NHBC. Claim rejected by NHBC as "individual leaseholders must claim as they are insured party"
- April 2020 Darwin Gray Solicitors (with deadline of June 14 2020) serve a claim supported by a minority of leaseholders (although all invited to participate); again rejected by NHBC
- Darwin Gray serve a claim against NHBC in August 2021. Advised that there is a strong case and that deadline is six years from date NHBC first formally rejected claim. The claim is possible because it is a "damages based agreement"; Darwin Gray funded it for a % of future win.
- NHBC responds that there is now new legal precedent for "a new limitation" that the six year limitation was from "date damage started; whether anyone knew about it or not.
- 3 barristers review the argument and on a 2:1 majority believe there is "no chance of success" even though the clause is unfair and an unintended consequence of case law.
- Darwin Gray therefore advises all claimants to withdraw.....

Based on Summary from Trinity Estates July 2022

Impact on our Property Prices



↑ Potential Premium Post Renovation?

- This is for a sample flat in Cwrt Naiad sold Nov 2022, This had decreased 25% since initially sold although most have decreased over 30%
- Typical SA15 property has increased 54% over same period
- Recent sales only to cash purchasers due to uncertainty on likely renovation cost.
- Will buyers return now they can put a value on the works?

Information from Nethouseprices.com

The Parties Involved in a Leaseholder Agreement

- The **Freeholder/Landlord** owns the land and is responsible for the building structure including roof, cladding and shared parts such as stairways, although leaseholders have to pay for all work done by the Landlord
- The **Leaseholder** is “**demised**” parts of the building in the **Lease**. There is a detailed description of what is “demised” and what is not. The leaseholder is responsible for repairs to the demised areas.
- The Lease can be considered non-negotiable once signed . At North Dock all leaseholders have the same lease structure.
- The Freeholder appoints a **Management Agent** to manage the land , building structure and non demised areas in return for a management fee
- The cost of the work of the management company is recovered by the **Service Charge**. In North Dock there are 216 flats and each pays 1/216 of the block costs. There are in addition 42 houses and so in the case of estate costs the share of expenditure is 1/258
- The Freeholder levies a **Ground Rent** .
- The Freeholder has to consult leaseholders before carrying out any work that will cost each leaseholder more than £250 in total. This is known as a **Section 20 Consultation**

At North Dock the initial participants in the agreement were:

- Carmarthenshire County Council (Freeholder); David McLean Homes (Developer); Trinity Estates (Management Company)

It is now:

- Abacus Land (via agent HomeGround) (Landlord); Trinity Estates (Management Agent); Us (Leaseholders)

Critical Demisements at North Dock. Although ultimately the only difference is whether we pay 1/216 through the service charge or directly for our own apartment

- To the Leaseholder: **Patio Doors, Top Surface of Balcony**, Internal Apartment, post box, air vent covers
- To the Landlord : **Windows (but not glass)**, Front Doors, Main entrance halls, passages, landings, staircases **main structural parts** (roof gutters pipes foundations etc)

The Commencement of Internal and External Remediation

- Due to NHBC claim Trinity Estates had delayed major works as service charge funds allocated might have been deducted from award if claim won.
- January 2022. Project Management Tenders submitted for external works. Big Fish Consultancy appointed after tender in May 2022.
 - 6 year phased programme to spread costs for leaseholders
 - Seasonal works in Summer only
 - Plans reviewed after each phase complete
 - Blocks getting external works done late get internal redecoration earlier
- Project Team will be Steve Pike (overall project manager) from Big Fish; Nick Young (head of surveying at Trinity and other Trinity Team members)
- After Tender
 - External Refurbishment Year 1 awarded to Contractor A&N Lewis
 - Internal Refurbishment Year 1 not yet awarded

Key Timeline

- 15th July 2022 – Initial communication of Section 20 Notice 1 for both internal and external refurbishment sent by Trinity. It only covered the Year 1 works. No budgetary information was included.
- 15th July 2022 – The Trinity Property Manager issued a detailed communication to leaseholders that outlined the failure of the NHBC claim and what Trinity were planning.
- 17 February 2023 – A Section 20 Notice 2 was issued containing budget data for Year 1 only internal renovation on two of the apartment blocks.
- 5th April 2023 – A Section 20 Notice 2 was issued that contained budget data for Year 1 external renovation only on the two worst affected apartment blocks.
- 23rd May 2023 – Trinity held a minuted meeting to describe the Year 1 works. All discussion on the total cost of the project was pushed aside with the statement that detail would follow as soon as it was available.
- July 2023 – 2023-4 budget statement released with no advance warning raising service charge from £186 to £474.69 per month.
- 12th July 2023. Email from Carole Lawes (the manager of our property manager) stating that Trinity will be responding to the many leaseholder concerns this week.
- 20th July. Email from Trinity (unsigned) with revised budget that reduces initial service charge from August 1st by approx £100.

The Federation of Private Residents Associations is:

- A not-for profit independent advice service for private leaseholders, tenants and residents' associations.
 - Offers its members specialist legal, insurance, management, and building guidance.
 - Keeps its members informed about current issues and events affecting leaseholders.
 - Publishes a quarterly newsletter for its members
 - Publishes information guides and booklets
 - Acts as a pressure/advocacy group seeking to influence legislation regarding tenancy and management of flats in the private sector
- The NDRA joined the FPRA a few years ago and have raised queries on various matters; we pay an annual membership fee which in 2023 cost £402.
- The Quarterly newsletter helps the Committee of the NDRA keep up with relevant issues and there are opportunities to join an annual conference as well as webinars and seminars on various subjects.
- Advice from the FPRA is free and is provided by industry specialists who offer their time to the Federation.