

5-Yearly inspection Report Narratives

The following are short narratives of five tenements we have surveyed over the last two years. The surveys were completed using the proposed 5 Yearly Tenement survey template using our usual process as conservation accredited architect and chartered building surveyor. We have included questions *in italics* for the Scottish Government Tenement Maintenance Working Group.

1. Pre 1919 4-storey tenement, Leith.

Tenure: Three owner occupiers, one engaged landlord, and four landlords' communicating only via letting agents.

Governance: an Owners Association established using Under one Roof template.

Joint bank account set up using 'flat mate' bank account with three owner occupiers named.

A Scheme Decision was taken to agree to undertake 5-yearly inspection.

Reluctance to input into Reserve fund, with the landlords' preference to pay share on receipt of invoice for works. (*Question for SG: The OA could provide an invoice/receipt for the landlords for remitting reserve funds. Could a template be available from U1R?*)

Work to install a replacement door intercom, and the replacement of stair lighting has been carried out. Owner occupiers paid upfront and collected monies from landlords, sometimes waiting 6 months to be reimbursed. Therefore, the owner occupiers are unable to take on any more substantial backlog/maintenance works, as no owner occupiers have enough cash to front-fund the invoices. (*Question for SG: Can the OA approach the landlord registration board and ask for support to gather absent landlords' contributions to Reserve funds and collect contributions to maintenance quotes, so the OA is able to pay on receipt of contractor's invoices.*)

The owner occupiers now are aware and accepting of the reserve/maintenance works required but concerned about no structured reserve fund saving and no ability to cash flow maintenance works. Activity has come to a standstill.

Maintenance Fund (av over 30 years: £50/month/flat

Reserve Fund (av over 30 years: £100/month/flat

Backlog Maintenance and Reserve: £50,000 excl VAT

2. Pre 1919 5-storey tenement, Dundee.

Tenure: five owner occupiers, three landlords.

Governance: no owners association in place. Decisions made by Scheme Decision, sometimes via Novoville shared Works.

A Scheme Decision was taken to agree to undertake 5-yearly inspection.

A Scheme Decision was taken to agree to undertake Procurement of backlog maintenance works identified in the 5-yearly.

One owner sold half-way through the process, and the new owner did not want to proceed, following which other neighbours become reluctant, and the whole approach is reviewed. OA now do not want input from 5-yearly inspection findings or professionals. OA now want to go direct to a new lowest priced reply from a contractor approached by the new owner separately to the previous process.

(Question for SG: Can owners be notified at point of purchase, of any mid-process Scheme Decisions)

(Question for SG: Can sale information help owners understand the risk profile of the options they are choosing – host this on Novoville Shared Works, and Local Authority websites)

Maintenance Fund (av over 30 years): £50/flat/month

Reserve Fund (av over 30 years: £33/flat/month

Backlog Maintenance & Reserve: £250,000 excl VAT

3. 1920 4 in a block, 2 storey tenement, East Edinburgh.

Tenure: Six owners, four are owned by the Local Authority, one by a private owner occupier, one by a buy-to-let landlord. *(Question for SG: Can owners be notified of differing purposes of other ownerships at point of purchase, perhaps the list of tenures be part of the homebuyers survey questionnaire)*

Governance: No owners association, condition surveys or reserve fund in place.

The owner occupier had been pushing for maintenance works for years, with slow progress. The Local Authority were given energy efficiency targets to upgrade their domestic rental property. As a majority owner they passed a scheme decision to carry out a survey, with the purpose of energy efficiency upgrades to meet their target. The private owner occupier therefore had to comply with this, and did not receive a copy of the survey as the survey was commissioned by the Local Authority as an individual owner, not the Owners Association. *(Question for SG: Could lead owners be compelled to share reports paid for by all owners?)*

The Local Authority are now progressing with the works their survey recommended, which consist of insulation to the external walls and roof. The Scheme Decision was passed by a simple majority as insulation is deemed 'maintenance' in the tenement act, yet all owners are compelled to pay. The costs are not affordable for the owner occupier.

Maintenance Fund (av over 30 years): £50/flat/month

Reserve Fund (av over 30 years: £25/flat/month

Backlog Maintenance & Reserve: £100,000 excl VAT

4. Pre 1919 4 storey tenement, Marchmont

Tenure: six owner occupiers, two landlords.

Governance: no owners association. Scheme decisions used via Novoville Shared Works.

The owners have had various small works carried out over the years. The lead tenant commissioned a 5-yearly inspection following a Scheme Decision, and then a procurement exercise for stone repairs following another Scheme Decision.

The works were tendered by a professional, only for the owners to approach tendering contractors separately.

(Model case study? A success story. Illustrates time commitment, taken 2 years to manage backlog repairs. Will be interesting to see if they start to prepare for reserve repairs in 3-5 years time)

Maintenance Fund (av over 30 years): £50/flat/month

Reserve Fund (av over 30 years): £54/flat/month

Backlog Maintenance & Reserve: £150,000 excl VAT

5. Pre-1919 5 storey tenement, Dundee

Tenure: five owner occupiers, six landlords.

Governance: an Owners Association to which four of the owner occupiers and one of the landlords are members. Scheme decisions sometimes used to manage the tenement repairs.

The lead owner commissioned a 5-yearly survey and report, which he then used to get a Scheme Decision agreed to proceed with tendering the work. The lead tenant, as our client, set the scope beyond what was agreed on the basis he would pay the additional costs.

(If self-managed, training for Homeowners in 'soft-skills' management – alike a trustee of a charity would undertake.)

(Guidance for professionals and contractors when providing budget costings or quotes for tenements, to identify the 'scheme decision' scope and to identify the 'client'. Noting due diligence of affordability of works for all owners, whether a majority decision or not.

Professionals and contractors held at arm's length from detail of scheme decisions. Large gap in process for an Owners Association manager role.)

Once the tenders were reported several other owners became confused as to the role of the tender, the financial obligation they faced, which led to an increasingly toxic environment between them. Concern from owners over negative equity and wanting the survey 'rescinded'.

(Clarity needed in role of surveys, tenders, valuations...perhaps an RICS guidance note to all tenement owners.)

In addition, a property was put of for sale during the progression of the scheme decision for the repair works and the selling owner refused to notify buyers that there was a scheme decision in

progress. One of the majority voting owners then called the selling solicitor to notify them of the cost of the scheme decision.

(Can potential buyers be notified at point of purchase, of any mid-process Scheme Decisions)

The works are now on hold.

Maintenance Fund (av over 30 years): £50/flat/month

Reserve Fund (av over 30 years): £86/flat/month

Backlog Maintenance & Reserve: £350,000 excl VAT