

# Property Management in Multi-Unit Developments

SCSI Code of Practice



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# SCSI Property Management in Multi-Unit Developments

SCSI Code of Practice

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## Foreword

We are delighted to introduce the SCSI Code of Practice in relation to property management in multi-unit developments.

This Code of Practice will provide a common platform over and above the statutory requirements currently in place under the Property Service Regulatory Authority legislation and Multi-Unit Developments Act 2011. Whilst not entirely mandatory in its implementation, we believe that this Code forms the basis for best practice within the industry and, where appropriate, recommend that it be incorporated into leases and other legal documentation.

The area of residential service charges has been a potential source of dispute between owner management companies and their members over the years. Whilst this Code of Practice cannot override existing leases it does offer clarity and consistency to this complex area by providing a clear set of recommendations, standard definitions and descriptions for the various expenditure elements included in service charges, as well as advice on the basis of computation of residential service charges. The Multi-Unit Developments Act 2011 legislation changes the way in which multi-residential units are managed. We are delighted that this legislation has been enacted and that it addresses problematic historical practices.

As a practitioner in the industry, this is your Code of Practice and, therefore, we strongly urge you to ensure that you are familiar with its contents and implement its recommendations. We have no doubt that all those involved in property management will find this publication an invaluable reference resource.

The SCSI would like to take this opportunity to thank all those involved in the development of this Code of Practice for their diligence and perseverance in completing this substantial task.

**Pauline Daly**  
**President**

## Acknowledgments

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## SCSl Code of Practice

This Code has the status of guidance note. It provides advice to practitioners. Where procedures are recommended for specific professional tasks, these are intended to embody 'best practice'. In the opinion of the approving professional bodies, this Code represents best practice. Practitioners are not required to follow the advice and recommendations contained in the Code. They should however note the following points.

When an allegation of professional negligence is made against a practitioner, the court is likely to take account of the contents of any relevant guidance notes in deciding whether or not the practitioner acted with reasonable competence.

A practitioner conforming to the practices recommended in this Code is unlikely to be adjudged negligent on account of having followed these practices. However, practitioners have the responsibility of deciding when it is appropriate to follow the guidance. If it is followed in an appropriate case, the practitioner will not be exonerated merely because the recommendations were found in a guidance note. On the other hand, it does not follow that a practitioner will be adjudged negligent if he or she has not followed the practices recommended in this Code. It is for each individual practitioner to decide on the appropriate procedure to follow in any professional task. However, where practitioners depart from the practice recommended in this note, they should do so only for good reason. In the event of litigation, the court may require them to explain why they decided not to adopt the recommended practice.

The Code has been prepared to promote best practice in terms of service charges, client monies and general adherence but not limited to legislation in the Property Services (Regulation) Act 2011 (Client Monies) Regulations 2012, Multi-Unit Developments Act 2011 and Property Services Regulation Act 2011. This Code uses the words 'will' and 'must' to indicate best practice. Circumstances can arise where the suggested best practice in this Code cannot be applied. This Code therefore should not compel owners, occupiers or third parties to an inappropriate course of action. Transparency simply requires that in the event the Code is inappropriate the reasons for this are shared with all relevant parties and a record kept.

In addition, guidance notes are relevant to professional competence in that each practitioner should be up to date and should have informed him or herself of guidance notes within a reasonable time of their promulgation.

# Introduction

This Code stems from the need to provide guidance for practitioners operating in Multi-Unit Developments and takes cognisance of the obligations contained in the recent relevant legislation such as the Property Services (Regulation) Act 2011, Multi-Unit Developments Act 2011 and the Property Services Regulation Act 2011. In addition to heightening member's awareness of their statutory obligations this Code also sets out the property industry's view of the most desirable professional practice.

In April 2011, the Multi-Unit Developments Act (MUD) was introduced into law obligating developers to hand over ownership of all common areas of apartment complexes, private housing estates and also the land on which the apartment buildings are built to the owners. An Owners' Management Company (OMC) is now required under the legislation to be set up giving a unit owner one vote. Any member is entitled to become a director of the OMC subject to the terms of the Memorandum and Articles of Association of their OMC. Directors of the OMC will generally have more of an active involvement in the decision making and strategic management of the development. The Board of Directors will normally engage the services of a Managing Agent to carry out the issue and collection of service charges, oversee estate services, maintenance and repairs.

This Code has been prepared to promote desirable practices and inform agents of their obligations under the PSRA legislation. It is recognised that the Code is intended to be read by landlords, tenants, occupiers and managing agents. Although most of the Code is aimed directly at the managing agents of residential property, parts may be intended for other parties such as owners and professional advisers. Whilst there are cost implications of managing residential properties to the standard specified by this Code, the benefits in terms of improved service and the level of satisfaction should make any additional cost worthwhile in the long run.



# The 'Code'

## Part 1 - Professional Standards

### 1.1 Duty of the Property Management Agent (PMA)

#### 1.1.1

The relationship between the Owners' Management Company (OMC) and the PMA will be based on the terms of the Letter of Engagement.

#### 1.1.2

The PMA is required to exercise their authority for the benefit of the OMC.

#### 1.1.3

The PMA should not exceed their authority and are obliged to obey the OMC instructions provided they are lawful and responsible and fall within the scope of the agreement.

#### 1.1.4

A competent and compliant PMA is aware of their duty to provide a service and the OMC is equally aware of its obligations to provide a service.

#### 1.1.5

The PMA should have effective and fair policies and procedures for dealing responsibly with their clients.

#### 1.1.6

In undertaking a management function the PMA must observe the terms of the lease, comply with the law and have regard to the SCSi Code of Practice.

#### 1.1.7

The PMA should make their clients aware of any actual or potential conflict of interest as soon as they become aware of same.

#### 1.1.8

The PMA should not do anything likely to interfere with the peaceful enjoyment of residential occupiers, or withdraw or withhold services reasonably required for the occupation of the premises.

#### 1.1.9

The PMA should routinely monitor the cost effectiveness of services, aiming always to maintain services and provide value for money.

#### 1.1.10

The PMA should not act outside the scope of your authority and should not enter into contracts on behalf of the OMC, which bind them for unduly long periods. All contracts binding the OMC must not exceed 3 years in duration. All contracts between the OMC and a service provider should be drafted and recorded to reflect same.

## 1.2 Client communications

When communicating with owners the PMA should be accurate, clear, concise and courteous.

### 1.2.1

The PMA should dispatch communications, by whatever means are appropriate, so that they reach the intended recipients promptly and in compliance with any legislative requirements. You should be aware of the need to prove to the satisfaction of a court the service of certain documentation.

### 1.2.2

The PMA should be available during normal working hours to:

- a) be contacted by telephone;
- b) meet clients; and
- c) inspect common areas at reasonable times and intervals.

The PMA should also address the issue of how to deal with incidents/emergencies that occur out of normal hours, and inform landlords and tenants of any arrangements. Out of hours meetings and inspections requested by the client may be the subject of additional charge by the PMA depending upon the terms of their agreement.

### 1.2.3

So far as is reasonably practicable and consistent with statutory and contractual obligations, the PMA should keep confidential and not disclose personal information about unit owners to third parties without their consent.

### 1.2.4

The PMA should have pre-determined procedures in place to visit and inspect the building at regular intervals and define such procedures within the letter of engagement.

## 1.3 Forcible entry

This may be necessary in conjunction with the need to undertake urgent repairs. It may also be necessary in other extreme circumstances. The PMA should have a procedure for this set out and agreed. Forcible entry should only be considered if all other avenues to entry are closed.

A full explanation should be given to the occupier. Reference to such an action should consider the lease agreement. An Garda Síochána should be called, however this may not be practical in the case of urgent repairs.

## 1.4 Safety of personnel on sites

- a) All PMAs must have adequate training and observe Health and Safety protocol and the company Health and Safety file must be complied with at all times.
- b) In particular the PMA should record the time staff leave the office and monitor their safe return.
- c) The PMA should ensure there is a procedure to be followed where staff do not return to the office at the end of their working day confirming they have completed their tasks safely.
- d) It is the PMA's responsibility to ensure that staff are adequately trained to guard their personal safety.

## 1.5 Health and Safety policy and risk assessment

The PMA must comply with all applicable Health and Safety requirements in accordance with the Health, Safety and Welfare at Work Act 2005. The PMA should devise and maintain, with specialist help if necessary, a Health and Safety policy and arrange regular risk assessments. The PMA should obtain consultative assistance if necessary.

## 1.6 Protection of personal data

The PMA is unlikely to be required to register under the Data Protection Act 1988 and 2003, however the PMA must comply with data protection law. Guidance is provided by the Data Protection Commissioner on [www.dataprotection.ie](http://www.dataprotection.ie).

## 1.7 Professional indemnity insurance

The PMA must take out and maintain sufficient professional indemnity insurance cover as required in the Property Services Regulation Act 2011, Professional Indemnity Insurance Regulations 2012.

## 1.8 Client dispute resolution

Where not provided for in the lease/tenancy agreement, the PMA should consider whether to advise the OMC to suggest arbitration or mediation by agreement, rather than litigation, as a means of settling particular disputes, and the tenant should be advised to seek legal advice on any such suggestion.

- a) The PMA should consider all complaints whether verbal or in writing and advise the OMC.
- b) On receipt of a complaint in writing, the OMC should cause to have the complaint investigated and (if appropriate) enforce the conditions of occupancy on other tenants in the building subject to consideration of cost implications, legal requirements and the lease/tenancy agreement.
- c) The PMA and OMC should have clear policies and procedures for handling tenant disputes and complaints about nuisance between neighbours. The PMA should deal fairly with all parties. The PMA and OMC should carefully consider whether there are grounds for civil or criminal action. Also the PMA should have regard to any difficulties that may be created by the PMA's intervention, e.g. cost implications, and increased animosity between the parties.

## 1.9 Money Laundering Regulations

Any method whereby the proceeds of criminal activities are disguised or converted and then realised as legitimate funds or assets constitutes money laundering. Legislation has created the following criminal offences. These are:

- assisting a criminal to obtain, conceal or retain or invest funds if the person giving assistance knows or suspects the funds to be the proceeds of crime;
- tipping off a person who is the subject of suspicion or is under investigation; and
- failure to report knowledge or suspicion of laundering acquired in the course of a person's trade, profession, business or employment.

The Money Laundering Regulations apply to those who undertake relevant financial business. The Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 was enacted into Irish law in July 2010 to update Irish anti-money laundering and terrorist financing legislation. The PMA should be aware of the legislation in order to minimise the risk of committing a criminal offence. The PMA should also refer to the SCSl guidance note 'Protecting against Money Laundering' (2010) for further guidance.

## Part 2 – Appointment and charges of Property Management Agent's

### 2.1

PMA's and their clients must, under Section 41 of Property Services Regulation Act 2011, enter into written management agreement (Property Service Agreement) referred to as a letter of engagement. The basis of the fees charged and duties must be contained in the agreement. The contract must be executed by both parties within seven days of the commencement of the service.

The agreement, as outlined in the Property Services (Regulation) Act 2011 part one and part four, must contain;

- (a) The name, registration number, business address and other contact details of the Management Agent.
- (b) Any business name of the PMA.
- (c) Details of the service to be provided by the PMA.
- (d) Particulars of the property to be managed.
- (e) Details of fees charged by the PMA and the circumstances under which they become payable.
- (f) Particulars of the rate of Value Added Tax payable.
- (g) The period of the contract.
- (h) The length of notice to be given in the event of a termination of the agreement and any consequences.
- (i) A statement of the obligation (if any) on the licensee, pursuant to sections 42 and 43 of the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 to report, to the Garda Síochána and the Revenue Commissioners, suspicious transactions and transactions involving places designated under Section 32 of that Act.
- (j) Affirmation that no conflict of interest exists which would prevent the licensee providing the property service.
- (k) Details of the professional indemnity insurance of the licensee.
- (l) Details of the records to be kept by the licensee in respect of the provision of the property service.
- (m) The name and address of the bank in which the licensee's client accounts are kept.
- (n) Details on the deposit of moneys paid to the licensee by the client and the application of any interest earned thereon.
- (o) Complaints and redress procedures put in place by the licensee.
- (p) A timetable for the delivery of service.
- (q) The notice required to be given by the client to the licensee for the delivery of individual services by the licensee.
- (r) Particulars of any out of office hours services for emergencies.
- (s) The reporting obligations of the licensee to the client.

#### 2.1.1

Agreement between OMC's and PMA's are governed by the Property Services (Regulation) Act 2011 and should comply with relevant sections of the Multi Unit Developments Act 2011.

#### 2.1.2

The PMA's charges should be transparent and appropriate to the task involved and be pre-agreed with the client.

## 2.2 Letter of Engagement

Subject to the terms of the Property Services Agreement, for an annual fee (where the level of service provided will normally have regard to the amount of the fee), a PMA will normally carry out the following work:

- a) Prepare service charge budgets for the coming year for approval by the OMC Board of Directors in advance of the General Meeting called for its consideration. The service charge budget must not be levied until it is considered at a General Meeting of owners. The budget presented should detail the method of apportionment and the basis of such apportionment.
- b) Appoint on the clients' instruction and on their behalf, solicitors or debt recovery agents for the collection of unpaid service charges, subject to any statutory procedures that need to be followed.
- c) Issue service charge demands to the unit owners and lodge receipts to the account of the OMC.
- d) Procure services on behalf of OMC.
- e) Approve for payment and pay, on behalf of the OMC, such invoices and charges properly payable and budgeted for and ensure that service charges and all outgoing monies are used for the purposes specified under the lease and in accordance with the service charge budget approved by the unit owners at a general meeting.
- f) To advise the Board of Directors of the OMC on the purpose and obligation of a sinking fund scheme in accordance with Section 19 of the Multi Unit Developments Act 2011 and to issue demands for same following approval at a General Meeting of owners.
- g) To prepare a minimum of quarterly financial reports.
- h) Prepare the financial records of the OMCs' for audit promptly at each financial year end and liaise with the Auditor regarding any questions on the transactions of the company for the relevant period.
- i) Deal reasonably and as promptly as possible with enquiries from owners having regard to any requirements or constraints in the terms of the property service agreement.
- j) Keep records for all Unit Owners as required to be provided under Section 8(3) of Multi Unit Developments Act 2011.
- k) Take instructions from the OMC directors in relation to the OMC's compliance with its legal obligations.
- l) Advise on day-to-day management policy.
- m) Identify brokers to provide necessary insurance for the OMC, liaise with brokers on procuring relevant and adequate policy and on renewal. Assist with insurance claims. Liaise with other professionals regarding the adequacy of cover and sums insured.
- n) If instructed, on behalf of clients engage and oversee direct staff such as caretakers, gardeners and cleaners (if staff are employed at a property the annual fee may be increased to reflect the additional work).
- o) Corporate services to include maintenance of OMC member register, holding company seal, issuing membership certificates, reporting breaches of lease, AGM and EGM duties etc.
- p) Health and Safety

## 2.3 Ancillary service that may be provided

As part of the Letter of Engagement, a schedule of charges for services outside the scope of the annual fee (include but not limited to the following):

- a) liaising and working with other advisors in connection with the property;
- b) attending courts and tribunal proceedings in connection with the property managed, including any cases involving recovery of unpaid service charges;
- c) assisting with, negotiating and project management of substantial insurance claims;
- d) preparing re-instatement valuations for insurance purposes;
- e) considering unit owners' applications for alterations;



- f) attendance at additional meetings outside those included in the Annual Fee;
- g) advise the OMC on possible amendments to House Rules and advising on breaches of lease / house rules;
- h) providing copies of documents, insurance policies and accounts to clients or tenants;
- i) charging the cost of overseas telephone calls and faxes, etc. that are necessary for the purposes of carrying out their work;
- j) responding to pre-contract enquiries requested by vendors solicitor in relation to sale of a unit within the Multi Unit Development;
- k) providing or arranging accommodation for meetings and inspections of documents in connection with the property managed;
- l) working outside normal office hours;
- m) dealing with non-routine matters;
- n) advising on termination and handover of management and service contracts;
- o) human resource management of OMC employees;
- p) responding to and managing the emergency services on behalf of the OMC.

### 2.3.1

The PMA should give, consistent with the terms of the contract with the client, reasonable and adequate notice of any increases in charges.

### 2.3.2

If the PMAs' charges are agreed to be subject to indexation, the index to which they are linked should be agreed in advance in writing.

### 2.3.3

Any additional charges should be advised within a reasonable time.

## Part 3 - Management of accounts on behalf of OMCs

### 3.1.1

This applies to a PMA who holds or receives money on behalf of the OMC. Each OMC should open and operate a stand-alone bank account(s) created for the purpose of administering service charge funds. The bank account shall be operated and administered with the OMC company consideration.

In the event that the PMA offers a management service to its OMC client, it must agree the process and procedures in writing with the OMC. Such management accounts must be declared as 'Client Accounts' to the Property Services Regulatory Authority (PSRA).

### 3.1.2

As required under the Property Services (Regulation) Act 2011, all OMC money shall be kept in an account, or accounts, in the name of the OMC and separate from any personal, office or business account of the PMA.

### 3.1.3

OMC's accounts should be held at a recognised bank or financial institution, i.e. a financial institution authorised by the Financial Regulator and in each case the account(s) should have an appropriate description 'OMC' included in its title.

### 3.1.4

Any money a PMA receives or holds on behalf of an OMC is called "client money".

### 3.1.5

The PMA should advise the directors of the OMC of:

- a) the name and address of the financial institution where their money is held;
- b) the account number and name;
- c) whether or not it is an interest bearing account and if it is the withdrawal notice period and any restrictions on withdrawals. If not immediately accessible, such restrictions will require the client's approval in writing.
- d) The drawing instructions.

Only transactions relating to the business and operations of the OMC should be conducted through an OMC bank account.

## 3.2 Records & Bank Transactions

PMA's must keep in written form, or on computer (provided that they can be reproduced in written form) all accounts, books, ledgers and records maintained in respect of all accounts and financial institution statements, for at least six years from the date of the last entry therein.

### 3.2.1

PMA's should keep account records separately and differentiate clearly the money held on behalf of each OMC.

### 3.2.2

PMA's should keep properly written up general records to show all dealings with money received, held or paid on behalf of the OMC and to enable the current balance of that OMC account to be shown.

### 3.2.3

PMA's should maintain up to date records of OMC accounts. These records should include:-

- The payment of interest, where applicable, to the account,
- The deduction of charges from the account,
- The source of any money lodged to the account,
- The date of receipt of such money,
- The format of payment (i.e. cash, cheque, bank draft, electronic fund transfer),
- The date, location and format of lodgement of such money,
- The identity of the person making the lodgement.

### 3.2.4

Receipt's must be provided for cash payments and should be provided on request for other transactions.

## 3.3 Lodgements

All relevant money should be lodged to client accounts without unreasonable delay, and in accordance with the codes of practice of the PSRA this should be no later than five working days from receipt by the PMA of such money.

### 3.3.1

Where a PMA receives a payment on behalf of the OMC, which is made payable to the PMA in error, the PMA must either;

- a) return the payment with instruction to make the payment out to the OMC
- b) where agreed with the OMC, lodge the payment to the PMA's contra account for immediate payment back to the OMC account once payment has cleared

### 3.3.2

PMA's must not endorse a cheque with the effect of making it payable to anyone other than the named payee if it is crossed and the words 'Account Payee', 'A/C Payee', 'Account Payee only' or 'A/C Payee Only' are written on it.

## 3.4 Withdrawals

PMA's should only draw money from an OMC bank account:

- a) for duly authorised payment on behalf of a OMC to a third party;
- b) for payment of your fees and/or disbursements provided that the OMC has authorised payment in writing or it is permitted by your term of engagement;
- c) if it was paid in by mistake; or
- d) to transfer it from a current account to a deposit account in the name of the OMC

### 3.4.1

Under no circumstance should the PMA make cash withdrawals from OMC accounts.

### 3.4.2

PMA's should maintain an up to date record of withdrawals from the OMC accounts. The record shall include:-

- The date and amount of any withdrawal,
- The format of withdrawal (cheque, electronic fund transfer, etc.),
- The purpose of the withdrawal,
- The identity of the person making the withdrawal,
- The identity of the person to whom the sum withdrawn was/is to be paid.

## 3.5 Reporting

At least monthly, PMA's should reconcile the cash books with the bank account statements of the OMC and keep a record of such reconciliations. Discrepancies should be investigated and resolved.

### 3.5.1

The OMC directors should be presented with a financial report at least quarterly to include;

- Balance Sheet
- Income & Expenditure Report
- Bank Statement
- Details of Accruals and Prepayments
- Details of Service Charge Debtors
- Details of Creditors

## 3.6 Audit of OMC accounts

Typically OMC's are incorporated as public companies limited by guarantee, not having a share capital, and for that reason such companies cannot avail of audit exemption.

### 3.6.1

PMA's should advise the directors of the OMC that as directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Acts, 1963 to 2009 and all Regulations.

### 3.6.2

OMC directors are responsible for ensuring that the company otherwise complies with the provisions of these Acts in so far as they are applicable to the company and they have responsibility for taking such steps as are reasonably open to them to safeguard the company and hence to prevent and detect fraud and other irregularities.

### 3.6.3

PMA's should ensure that the directors are aware of their responsibilities, obligations and reporting requirements of the OMC under Company law and the Multi-Unit Developments Act 2011.

### 3.6.4

PMA's should be prepared to answer auditor's questions relative to items of expenditure and variations between estimated and actual expenditure.

### 3.6.5

The accounts of the OMC should be transparent and reflect all the expenditure in respect of the accounting period whether paid or accrued.

### 3.6.6

For ease of reference for members, it is good practice to ensure that expenditure within the audited accounts is recorded in line with the approved annual service charge budget for that accounting period. The PMA should ensure that a coherent audit pack is delivered to the OMC auditor in a timely fashion post year end.

## 3.7 Arrears of service charges

The PMA should ensure that they have an efficient system in place to monitor collection of service charges and other levies when due, and if not paid the PMA should communicate promptly with the owner.

### 3.7.1

The PMA should keep the directors of the OMC informed of any situation involving significant arrears as soon as practicable.

### 3.7.2

The instructions of the directors of the OMC should be taken as to the next steps. If a solicitor needs to be appointed this should be with the directors authority and it should be confirmed that the OMC is responsible for the costs that will be incurred in pursuing the debt.

### 3.7.3

If the OMC directors deem that legal proceedings are necessary it is best to consult a solicitor as in most cases it is necessary to serve a prescribed form of notice prior to seeking a judgement.

### 3.7.4

In order to minimise legal costs the PMA should make direct contact with the owner where possible. In cases where arrears continue to accumulate and the owner is not in a position to pay, the PMA should advise them to seek independent advice, e.g. from a citizens' advice bureau, or a solicitor.

The PMA should be aware of all relevant legislation and legal options available regarding the collection of service charges.

### 3.7.5

The PMA should ensure that all dealings with debtors are properly recorded and made available to the OMC and their advisors.



### 3.7.6

PMA's should make the OMC aware that service charge debt can be considered a contract debt and therefore is subject to the statute of limitations.

### 3.7.7

PMA's should make the OMC aware that service charges levied under the Multi-Unit Developments Act 2011 are excluded debt under the Personal Insolvencies Act 2012. In this regard the OMC must confirm excludable within 21 days of receipt of a Debt Relief Notice in the Personal Insolvency arrangement of a unit owner whether to exclude the debt or not.

## Part 4 - Administration of Service Charges

### 4.1

The lease agreements will set out the way in which service charges are to be accounted for, the costs that can be recovered and the periods of time for which accounts should be prepared. The PMA's should always comply with the provisions of the lease agreement.

### 4.2

The PMA should agree with the OMC all services that are regarded to be procured in order to comply with lease terms and to monitor the MUD to the required standard.

### 4.3

The PMA should make available competitive market tenders and prices from suitable service providers for the consideration of the OMC Board prior to the determination of the budget by the directors.

### 4.4

The headings of the annual service charge budget of anticipated charges for an OMC will include the following and may be elaborated under the appropriate headings;

- Insurance
- General Maintenance
- Repairs
- Waste Management
- Cleaning
- Gardening and Landscaping
- Concierge and Security Services
- Legal services and account preparation
- Other expenditure arising in connection with the maintenance, repair and management of the common areas anticipated to arise. (See appendix B)

### 4.5

Before a service charge can be levied on all members it must be considered at a general meeting of the OMC. The consideration of the budget must be an agenda item on the notice of such general meeting.

### 4.6

The annual service charge budget of anticipated charges should be accompanied by a copy of the service charge apportionment as prescribed by the lease agreement.

### 4.7

Where essential repairs may be required to be undertaken, a charge may be levied against member(s) where section 13 of the Multi Unit Developments Act 2011 arises. Charges arising from works carried out as defined in section 13 must be adequately recorded and invoices and receipts for the costs arising from the works must be retained and filed within the OMC file. The charges shall be noted as an Extraordinary Charge on the member(s) account and posted out to the member(s) with explanatory evidence of the extraordinary charge.

## 4.8

The OMC should either approve or deny the payment of service charges by payment plans in writing to the author of the written undertaking promptly.

## 4.9

Where a PMA operates direct debit agency services, express authorisation must be obtained from the OMC.

## 4.10

A procedure for the collection of overdue service charges should be agreed with the OMC directors prior to the commencement of the financial year.

## 4.11 Procurement

If a PMA wishes to provide a service other than a property management service to the OMC, the agent must include a clear explanatory note on the proposed annual service charge budget of anticipated costs. Sinking fund budgets should be drafted with the Building Investment Fund Programme in mind. Please refer to section 5 of this code of practice for future clarification on appropriate sinking fund management. Whilst sinking fund charges may be levied along with the service charge invoice fee the two figures must be kept in separate bank accounts. All sinking fund charges should be clearly itemised on a Service Charge Budget of Anticipated Costs.

## 4.12

Service Charge requests and invoices should be accompanied with a copy of the Budget of Anticipated Service Charges and a current statement.

## Part 5 - Sinking Funds (Building Investment Funds)

### 5.1

In accordance with the MUD Act 2011, an OMC within 3 years of the sale of the first unit in the development (or by the 30th September 2012, whichever is the sooner) must establish a sinking fund. The Act also provides that the sinking fund is established for the purpose of discharging expenditure reasonably incurred on—

- (a) refurbishment,
- (b) improvement,
- (c) maintenance of a non-recurring nature, or
- (d) advice from a suitably qualified person relating to paragraphs (a) to (c) of section 19 (1), of the multi-unit development in respect of which the owners' management company stands established.

### 5.2

The MUD Act 2011 also provides that expenditure shall be regarded as being expenditure on maintenance of a non-recurring nature where—

- (a) The expenditure relates to a matter, in respect of which expenditure is not generally incurred in each year,
- (b) It is certified by the directors of the OMC as being expenditure on maintenance of a nonrecurring nature, and
- (c) The expenditure is approved by a meeting of the members of the OMC as being expenditure of a non-recurring nature.

Legislation provides that the money in a sinking fund must be held in a separate account (to service charges) and in a manner which identifies these funds as belonging to the sinking fund.

### 5.3

The method of working out how much money is to go into the fund each year, is also set out in the MUD Act which provides that the amount payable by each unit owner shall be €200 or other such sum as agreed by members at a general meeting.

### 5.4

OMC directors should be advised to undertake a Building Investment Fund (BIF) report to assist the directors in determining an adequate estimated annual provision based on the needs of the development over a typical life cycle. The BIF report will indicate the total annual contributions required to fund the life cycle.

Total costs can then be divided by the number of years which may be expected to pass before it is incurred. Building Investment Fund report should be undertaken by a suitably qualified professionals and they will consider various factors and make certain assumptions to estimate typical life cycles specific to the development. These may be environment, age, quality of equipment, standard of installation, expected use etc. and should be reviewed by the OMC directors every five years.

It is also important that any report compiled is reviewed at a minimum on the 5 year basis to ensure that costs/ assumptions made at the time are still relevant.

Where funds accumulated are considered to be low, having regard to future commitments, the OMC directors should bring this to the OMC members' attention.

### 5.5

Funds should be held in an interest earning account. Appropriate accounting measures to ensure the required sinking fund sums are allocated to the prescribed bank account must be in place prior to the proposed sinking fund sum being levied.

All sinking fund drawdowns should be on file as a written instruction from the Board to the PMA so that clear and transparent authority is recorded.

### 5.6

As prescribed by the lease, if owners are contributing towards different costs (e.g. one group of owners contributes towards the lift, whilst another group contributes towards gardening), the funds should be differentiated. This should be done by way of different sinking fund schedules. It is not necessary to allocate sinking fund income to each line item of the BIF. The prescribed annual sinking fund contribution with relevance to the BIF is sufficient.

### 5.7

The OMC should review contributions annually and base the amount they request from owners on current up-to-date forecasts including fees and VAT.

### 5.8

The OMC must regularly assess the risk to the Health and Safety of employees and anyone else who may be affected by work activity and appoint competent personnel to enable you to discharge statutory safety obligations. The assessment should identify the preventative and protective measures you need to take to comply with health and safety law. The Safety, Health and Welfare at Work (General Application) Regulations 2007 outlines the responsibilities the employer has to ensure the employees' safety, health and welfare at work as far as is reasonably practicable.

### 5.9

The PMA & the OMC must be aware of your obligations under the Safety, Health and Welfare at Work (General Application) Regulations 2007 Part 3 to maintain electrical equipment to ensure its safety to those using it and provide and maintain a safe system of work.



## Part 6 - Procurement, Maintenance and Repairs

### 6.1

The responsibilities of the OMC and unit owners with regard to repairs should be set out in the lease.

If the terms of long leases are inadequate the OMC should refer to the “common areas” definition in the Multi Unit Developments Act 2011

### 6.2

The OMC should be aware of its responsibilities both express and implied under the terms of the lease. The PMA acting on behalf of the Owners Management Company (Lessor) must take such reasonable care to ensure that their client’s responsibilities and duties are executed diligently and without delay.

### 6.3

The PMA should ensure that all reasonable and appropriate insurances for the OMC are in place and reviewed and renewed annually. See also part 8 of this Code.

### 6.4

The PMA should notify residents and unit owners how and to whom repairs should be reported and the PMA should have an established procedure for dealing with urgent repair work, particularly out-of-office hours. On-site staff should be aware of the extent of their authority to order urgent repair work.

### 6.5

The PMA should deal promptly with unit owners and residents reports of disrepair, the remedy of which is the OMC’s responsibility, in a manner appropriate to their urgency.

### 6.6

Section 8(3) of the Multi Unit Development Act 2011 obliges Unit Owners to give current contact details to the OMC. In addition Section 12 (1) (e) and (f) of the Residential Tenancies Act 2004 obliges a residential landlord to supply their tenant with contact details. The PMA should endeavour to identify and maintain a record of emergency access details. The PMA should only gain entry with the express consent of the Unit Owner or resident or in the case of a genuine emergency you should only consider forcing entry if the tenant is unavailable or does not answer and if it is an emergency. Please refer to section 1.3.

### 6.7

The PMA should arrange for repairs to be undertaken to completion in a reasonable time-frame and, if necessary, to a pre-agreed programme. These works should be carried out so as not to cause undue inconvenience. Where an inconvenience is anticipated, notice of the programme works should be communicated to the unit owners and residents.

### 6.8

The OMC should make the necessary resources available to ensure that works arranged can be carried out to a reasonable standard.

### 6.9

The PMA should agree with the OMC, a programme of cyclical maintenance for parts of the buildings, such as plant and services.

## 6.10

PMA's should encourage clients to use a suitably qualified building consultant/specialist, having regard to the size and complexity of the project at hand.

## 6.11 Health and safety

The PMA should assist the OMC with the following;

- The PMA should make the OMC aware of its obligations to provide a safety statement when necessary under the Safety, Health and Welfare at Work Act 2005.
- Requirement to ensure that all fire and life systems are maintained in accordance with relevant Irish standards.
- Its duty of care as persons in control of a building under the Fire Services Act 1980.

## 6.12 Services required by the OMC

The range of services will normally be governed by the terms of the lease unless overridden by statute.

## 6.13

Before Annual General Meetings, procurement procedures should be in place in order to achieve value for money for your client.

## 6.14

The PMA should be aware of any legislation of the Environmental Protection Agency Act in so far as the effect on the management of residential properties. The PMA must ensure that all waste in the OMC care is transferred safely.

## 6.15

The PMA must be aware of your duties to keep water supplies wholesome, to monitor the quality of water, including the presence of bacteria, in the properties the PMA manage, in particular where the water supply is provided other than by a water provider (for example where pumps are needed to provide water during the construction of a building) and when there are communal tanks.

## 6.17

Unless it is an owner's or other party's obligation, the PMA should arrange for the regular cleaning of all internal common areas including among other things corridors, staircases, glass in doors and windows accessible from common areas. Cleaning materials must be stored safely. Landings, corridors and staircases should be kept clear and safe.

## 6.19

The PMA must arrange for the regular maintenance and repair of district heating systems and domestic hot water systems. The PMA should have regard to the requirements of insurance inspectors.

## 6.20

The PMA should be aware of your obligations under the various regulations regarding fire safety.

## Part 7 - Member applications for alterations

### 7.1

OMC leases generally provide that owners cannot alter the external appearance of their unit without prior consent in writing of the OMC.

Where an owner contacts the PMA to advise that they wish to alter the exterior of their unit and are seeking permission from the OMC, they should be requested to submit detailed drawings, specifications, contractor details, insurance details and a method statement for review by the OMC.

The PMA should advise the OMC to consult with a suitably qualified professional, if considered appropriate, in relation the proposal prior to consent.

### 7.2

The OMC directors and the PMA should review the title document to ascertain the extent of the powers of the OMC to refuse permission to carry out alterations as the majority of leases provide that consent cannot be unreasonably withheld.

### 7.3

Owners may also require written consent from the OMC if they intend carrying out internal alterations which may alter the compartmentalisation of the apartment thus affecting the fire strategy of the building. Again owners should be requested to submit detailed drawings, specifications, contractor details, insurance details and a method statement for review by the OMC and if required the OMC should consult with a suitably qualified professional in relation to the proposal prior to consent.

### 7.4

PMA's should advise the OMC to seek legal advice as to how a permission to alter is to be evidenced in writing to protect the OMC and the Unit Owner into perpetuity.

## Part 8 - Insurance

### 8.1

Significant restrictions are now placed on PMA's acting in various insurance matters. These restrictions are administered by the Financial Services Authority and regulations allow varying levels of involvement subject to strict procedures being adhered to.

Both PMA's and OMC's should be aware of the risks to the interests of both owners and residents if appropriate and or adequate insurance does not exist. This applies across the whole of Part 8.

### 8.2 General Insurance Regulations

Before carrying out any insurance related work the PMA must ensure that they are authorised to do so.

### 8.3

Usually the obligations of the parties will be set out in the lease. Where the OMC has an obligation to insure the structure and common parts, part of the tenant demise will usually be included by default such as plasterboard, kitchens, bathrooms, heating systems and wooden floors. It is important to establish the exact requirements of the Owners Management Company in accordance with the lease.

### 8.4

It is recommended that the OMC insurance is procured through a bonded and registered insurance broker.

### 8.5

When a claim arises and the PMA is authorised to undertake this work they should process it promptly. A charge may be made for this depending upon the PMA's letter of engagement.

### 8.6

The PMA should keep the Unit Owner informed on the progress of a claim or provide him with sufficient details to enable him to pursue the matter himself if he is dissatisfied.

### 8.7

Claim settlements are normally payable to the insured but should be treated as belonging to the persons suffering damage. The PMA should not therefore deduct (unless otherwise agreed) arrears or other payments due when passing them on to the claimant.

### 8.8

As part of the Annual Report issued to each Unit Owner in advance of the Annual General Meeting, the OMC is required to include a statement of the insured value, the amount of the premium, the name of the insurance company and the principal risks covered. It is recommended that all Unit Owners are kept advised of excesses in the event of a claim arising and that the information contained in the annual report be readily available to any Unit Owner on request.

Unit owners and residents should be informed regularly that their contents are not covered under the Insurance Policy held in the name of the OMC and that they should procure their own cover independently.

## 8.9

The PMA should propose that the OMC insure for the provision of alternative accommodation, and where appropriate for the employers' liability, legal fees, fidelity, engineering, public liability so as to protect the parties as far as reasonably possible from unexpected liabilities. Directors' and officers' insurance, where applicable, should be included.

## 8.10

The PMA should notify insurers of claims at the earliest opportunity. The PMA should be aware that Unit Owners have a right to notify insurers of possible claims.

## 8.11

All insurance policies will be subject to a clause excess. Such excesses may vary for different insurance policies. Owners should be made aware of such excesses. The PMA should request that the OMC publish a policy regarding the responsibility for any excesses in the event of a claim arising from the act of negligence on the part of the unit owner or resident. Generally, the excess is payable by the claimant, unless otherwise agreed by the OMC.

## 8.12 OMC's valuations for insurance purposes

A reinstatement valuation must be carried out by a suitably qualified professional with appropriate skill and experience in the types of properties being assessed, with their fees normally being regarded as a service charge item.

## 8.13 Importance of Accurate Sums Insured

Most insurance policies will contain an "Average Clause" that will reduce any claim made on the property by the value that the risk is underinsured. It is important that the Board of the OMC seeks the advice and is appraised of the repercussions in not having the value of the risk assessed periodically.

## 8.14 Disclosure of Material Changes to Risk

The insurance policy will usually place an obligation on the Insured to advise of any material alterations or changes to the property (risk). Non-disclosure can result in denial of responsibility by the Insurer in the event of a claim. The PMA is advised to keep their client informed of the requirement of such disclosure.

## 8.15

Where insured reinstatement/damage is charged to the service charge account, the related monies received as a result of an insurance claim should be credited to the relevant expenditure account of the OMC.

## 8.16

Insurance claim should not be treated as income. Insurance claim monies received should not be outlaid on any other item other than the reinstatement of the damaged building or reimbursement to the Unit Owner sustaining the loss.

## Part 9 - OMC obligations for delivery of information

### 9.1

Many other sections within this Code refer to legislation which requires specific information to be given to owners. In certain circumstances the following information must be provided. This is not an exhaustive list.

The owner must provide the OMC with an address in Ireland for the serving of notices.

Under section 8.3 of the MUDs Act 2011 owners in a development are required by law to advise the OMC of their principle address and the contact details of their tenants, if any. All correspondence in this regard should be in writing and the previous details retained for a certain period of time to ensure the change of address is indeed legitimate so that if not the original details are not lost. A change of address form is available in appendix C.

A member of the OMC may also request and is entitled to be provided with the name and address of every member of their OMC.

### 9.2 Change of Property Management Agent

The OMC should correspond with their members in writing if there is a change in their representation by a PMA. The PMA should provide the OMC and their members with their appropriate contact details and each licence number for each PMA contracted to the OMC.

### 9.3 Sales of individual dwellings

The OMC should make available to unit owners certain information, including insurance and service charge information. Such requests are likely to be in respect of pre-contract enquiries and the PMA may charge an administration fee for the administration and delivery to the vendors' solicitors. Due to the scope of the potential liability associated with the response to a requisition on title it would be advisable to return requisitions via the vendors solicitor as a practice.

### 9.4 General

Where information and/or copies of documents are requested the PMA should provide it within reasonable timescales.

Any charge that can be made should be reasonable, and you should be aware that they may be liable to the OMC, sellers and purchasers, for the accuracy of the information supplied.

The PMA should publish a list of proposed charges where possible (as referred to in Part 2 of the Code), and indicate what the timescales are likely to be (It is recommended that a response to an enquiry should be sent no more than ten working days from receipt of the request).



## Part 10 - OMC Meetings

### Board Meetings;

#### 10.1

The PMA should encourage the Board of Directors of an OMC to meet regularly and in accordance with the Memorandum and Articles of Association of the OMC to keep the Board apprised of matters arising in the estate and the finances of the Company.

#### 10.2

A chairman of the Board should be elected at the first meeting of the Board and the chairman (or in their absence another director) should chair director meetings. The PMA should not act as chair for an OMC meeting.

#### 10.3

A strict agenda for the Board meeting should be issued in advance and following agreement with the chairman should include at a minimum the following;

- Approval of previous minutes and matters arising
- Financial Report
- Debtors Report
- Managing Agent Report
- Any Other Business

Other items as required can be added to the agenda for specific meetings.

### Annual General Meetings;

#### 10.4

The OMC should hold an Annual General meeting in each calendar year (as required under Company Law) to consider at a minimum

- Approval of minutes
- Matters arising
- Confirmation of remuneration

#### 10.5

The OMC is obliged to hold a General Meeting each year, as required under the MUD Act 2011, to consider and approve the operational budget and sinking fund contribution for the next financial period.

#### 10.6

The chairman of OMC General Meetings should be a Director or Member of the Company and the PMA

should not chair such meetings. A PMA may address the meeting if called upon to do so.

## 10.7

All OMC meetings should be minuted by the Company secretary (or the PMA if requested) and all decisions taken should be noted within these minutes.

The minutes should be taken by the company secretary and be an accurate reflection of the meeting and should concentrate on decisions rather than discussions.

# Part 11 - OMC House Rules and Lease Covenant Management

## 11.1

The OMC must operate Regulations and House Rules that are consistent with the covenants of the Lease agreement and provide for the effective management and maintenance of the development. The spirit of the House Rules must be to ensure fairness and peaceful enjoyment of the development. House rules must be fair, balanced, reasonable and enforceable.

## 11.2

The Board of Directors must operate a position of impartiality where occasion of complaints are made between members of the Owners' Management Company. The correct departments and authorities should be called upon where applicable and OMC must ensure that the correct methods are used to deal with appropriate House Rule and Lease covenants breaches.

### 11.2.1

Continued House Rule breaches or considerable violations of the governing lease agreement should be noted in the Owners Management Company records and offending parties may be invited by the board to sit with the Owners Management Company in a mediation conference. If mediation fails to address the breaches of House Rules or lease agreement or is refused, the matter may be forwarded to the Owners Management Company solicitor for legal action and remedy through the circuit court.

### 11.2.2

The PMA should refrain from involving themselves as the sole source of judgement or enforcement for breaches in matters between Owners' Management Company members and should refer to the OMC for instruction.

## 11.3

All complaints pertaining to breaches of the House Rules and Lease covenants should be sent to the registered office of the Owners Management Company or the appointed PMAs' office in writing and must be signed by the aggrieved party. In the event that the matter is brought to the attention of the party suspected of causing a breach of the house rules or lease covenant the matter must be described as an alleged breach so that the suspected party is not unfairly victimised or that any future legal action or sanctions are not affected by prejudice.

## 11.4

Proposed House Rules or amendments thereto must be drafted in advance and distributed to each Owners' Management Company member in advance of a general meeting along with the company meeting notice so that they may be considered prior to their consideration by the company members and subsequent enforcement. House Rule amendments must be noted in the OMC Annual report.

### 11.5

House Rules that are adopted at a company meeting are binding on all company members, their tenants, and servants' agents and licensees of both the landlord and their tenants.

### 11.6

A copy of the adopted House Rules must be published to each Owners Management Company member and to each unit within the development.

### 11.7

If the development is new and has no recorded sales, House Rules may be drafted by the Owners Management Company prior to the first sale in the development.

Persons subject to the governance of the House Rules are liable for the costs and the recovery of such charges paid for the enforcement of a House Rule breach.

## Part 12 - Complaints and disputes in relation to PMAs'

There are two main areas of complaint, firstly the complaint in relation to the PMA and their conduct and secondly a complaint from a Unit Owner in relation to the Owner's Management Company.

### 12.1

The PMA must have a clear procedure for handling complaints and grievances and those will be defined in the property service agreement.

The procedure should include a series of steps that dissatisfied clients/customers can take to resolve problems or misunderstandings.

### 12.2

The procedure should provide for complaints about PMA's staff to be made to a responsible principal and for them to be investigated quickly and fairly.

### 12.3

The complaints and redress procedure must be detailed in the Letter of Engagement provided by the Management Agent and its existence made known to the OMC representatives and it should include response times for its various stages.

The Letter of Engagement must detail the option of referring the complaint to the Property Services Regulatory Authority and include their contact details.

### 12.4

The OMC Complaints and Redress Procedure should be cognisant of Section 24 of the Multi-Unit Development Act 2011.

### 12.5

The PMA should recommend that the Complaints and Redress Procedure for an Owners Management Company be made available to any unit owner on request.

### 12.6

Any complaint by a unit owner regarding the operation of an OMC received by the PMA should be passed on to the relevant representative of the OMC as soon as possible.

### 12.7

The PMA should always be aware of their position as an agent rather, than principal, in disputes between Unit Owners and OMC .

# Glossary and Terminology

It is difficult to avoid using terms which are complicated or which have different meanings to different people. As a result some of the words used in this Code are defined as follows:

## Accruals

These are expenses incurred in a period for which no invoice has been received at the period end. As the cost relates to the period, it must be charged to the service charge account for that period.

## Administration charges

The managers' costs in procuring services direct (i.e. not through a contractor) and where the actual cost of the service (e.g. the site management team) is recovered through the service charge. The administration charge is intended to reimburse the manager's indirect costs (e.g. payroll, HR etc) and is recorded to the cost category where they are incurred, as they would be if the service were contracted.

## Apportionment

The spreading of costs within schedules between occupiers who benefit from the services in that schedule, based on the availability, benefit and use of the services

## Client money

'Client money' means moneys received by an Owners' Management Company (OMC), in the course of the provision of a property service, from, for or on the account of a client other than moneys owed to the OMC by the client in respect of the provision of such property service. Legislation is outlined in S.I. No. 199 of 2012 Property services Act 2011 (Client Moneys) Regulations 2012. 'Client money' may, therefore, be held on behalf of the client, a management company, the tenants, or in trust either on behalf of the landlord or on behalf of the landlord and tenant, i.e. as stakeholder. Where the landlord holds money within this definition it should be treated as 'client money' and the rules in Part 3 of this Code should be complied with.

It is a statutory requirement to hold service charge contributions in trust. Section 22 of the Multi-Unit Development Act 2011 enforces this obligation.

## Mediation

The generally accepted description of commercial is a voluntary, non-binding, private dispute resolution process in which a neutral person helps the parties to reach a negotiated settlement. A core principle of mediation is that the parties 'control' the outcome, rather than it being imposed upon them.

## Management Charge

The management charge is the reasonable price for the total cost of managing the provision of the services at the location and relates only to work carried out in managing and operating the services and administering the service charge.

## Management fees

The remuneration of the manager (including his profit element) for managing the services comprised in the service charge. Typically this includes the supervision of the site team, overseeing the site contractors and the accounts work necessary to budget, forecast, manage, disperse, balance and apportion the service charge. Specifically these fees are not to include property management work separate from the service charge such as owner approvals, income generation or rent collection. Where the subject property/site management team is not sufficiently large to justify specific service managers (e.g. Health & Safety manager or building surveyor) additional specialist fees may be charged to the relevant cost category for the 'manager provided' service.



<b>Must/should</b>	In this Code the word 'must' is often used to indicate a legal obligation. Breaches could lead to either civil and/or criminal action. The word 'should' is generally used to indicate good practice, though there is often a very close correlation between a statutory requirement and good practice.
<b>Occupier</b>	A person in possession or occupation of premises and usually responsible for payment of the service charge to the owner.
<b>Owner</b>	The person who receives or is entitled to receive the rent. This person is usually responsible for the provision of, management of, and administration of the services and the service charge.
<b>Owners' Management Company (OMC)</b>	'Owners' Management Company' means a company established for the purposes of becoming the owner of the common areas of a multi-unit development and the management, maintenance and repair of such areas and which is a company under the Companies Acts.
<b>Residential Unit</b>	Means a unit in a multi – unit development which is; (a) designed for – (i) use and occupation as a house, apartment, flat or other dwelling, and (ii) has self-contained facilities; or (b) designed and used as a childcare facility and such facility is not intended to primarily share amenities, services and facilities with commercial units in the development.
<b>Service charge</b>	Where an amount is payable in respect of services, repairs, maintenance, insurance, improvements or costs of management (and the amount may vary according to the costs incurred or to be incurred), this is called 'service charge'
<b>Service charge apportionment</b>	The method and details of apportioning liability of the tenants for contributing to a service charge.
<b>Schedules</b>	The allocation of service charge costs into separate parts to reflect the provision, usage, benefit, or availability of services between individuals or groups of occupiers.

# Appendix A

## Sale of Multi Unit Developments before 1st April 2011

### Units in a Multi-Unit Development in which a residential unit was sold prior to 1st April 2011

1. Furnish evidence by way of Companies Office search that the Owners Management Company ("the OMC") is registered in the Companies Office.
2. Confirm if the OMC has received any notice threatening a strike off or liquidation. If any such notice has been served please furnish details.
3. Furnish certified copy Certificate of Incorporation and Memorandum and Articles of Association of the OMC.
4. Furnish either:
  - (a) Copy Folio and map showing the OMC as registered owner of the common areas and of the reversions in the residential units or
  - (b) Copy Deed of Assurance of the common areas and of the reversions in the residential units to the OMC.
5. If the development stage has ended provide a copy of the statutory declaration required under Section 11 of the MUD Act.
6. Has any request been made under Section 12 of the MUD Act? If so, please furnish details and a copy of the Statutory Declaration required.
7. If the development stage of the Multi Unit Development has ended, provide written confirmation from the OMC that the documentation specified in Schedule 3 of the MUD Act has been furnished to it.

### All units in a Multi-Unit Development

1. (a) If no contract for the sale of a residential unit in the Multi Unit Development was entered into prior to the 24th January 2011, confirm that the voting rights of the members and the name of the OMC are in compliance with Section 14 of the MUD Act.
- (b) If any such contract was entered into prior to the 24th January 2011, confirm that the voting rights of members comply with Section 15 of the MUD Act.
2. Confirm:
  - (a) That one OMC is or will be responsible for the management of the external and/or internal common areas of the entire Multi-Unit Development and all the services relating thereto.
  - (b) That the only shareholders/members in the OMC are the unit owners.
  - (c) How the service charge is apportioned between the unit owners?
  - (d) There has been no breach of Section 16 of the MUD Act.
3. Who is presently managing the Multi-Unit Development?

4. If a firm of managing agents has been engaged state:
  - (a) The name of the firm.
  - (b) The terms of their engagement including (in particular) the amount of their charges.
  - (c) Whether they are employed by the Developer or the OMC.
5. Furnish the name of the solicitor or firm of solicitors representing the OMC.
6.
  - (a) Are there house rules of the OMC other than as set out in the Memorandum and Articles of Association or in the Lease.
  - (b) If so furnish details of these rules and confirm that they were made in accordance with Section 23 (4) of the MUD Act.
7.
  - (a) Has the OMC put a sinking fund into effect in accordance with Section 19 of the MUD Act?
  - (b) If so what is the present level of the fund and where and in whose name is it held?
  - (c) What is the amount of contribution required under Section 19 (5) of the MUD Act?
8.
  - (a) What is the amount of the service charge currently payable?
  - (b) Furnish details of the scheme in respect of annual service charges as required under Section 18 (1) of the MUD Act.
  - (c) Furnish a copy of the estimate for the current service charge year as required under Section 18 of the MUD Act.
  - (d) Confirm the estimate was considered and approved as required under Section 18(2) of the MUD Act.
  - (e) Furnish a copy of the last annual report as required under Section 17 of the MUD Act and confirm that all requirements in relation to the annual meeting have been complied with by the OMC.
  - (f) Furnish now the accounts of the OMC for the previous financial year.
9. Is the Vendor or the OMC aware of any possible claim against the funds of the OMC?
10. Is the Vendor or the OMC aware of any proposal by the OMC to carry out any repair work or incur other expenditure which would substantially affect the service charge payable at present?
11. Has any application to Court been made or is pending or has been threatened by any person under Section 24 of the MUD Act in relation to the OMC or the Multi-Unit Development? If so please furnish full details.
12. Has the OMC entered into any contracts which would contravene Section 32 of the MUD Act?
13. Furnish a certified copy of the current block insurance policy together with evidence that it is in force together with a letter of interest noting the Purchaser's and (if applicable) the mortgagee's name(s).
14. Hand over on closing;
  - (a) Share Certificate in or membership certificate of the OMC in the name of the Vendor.
  - (b) Receipt for latest payment of the service charge.

## Appendix B

### Industry standard budget cost headings for multi-unit developments

#### 1 Insurance

##### All risks Insurance

Fire and Standard all risks cover	Premium Cost for All risks, Buildings, loss of rent, public and property owners liability insurance and management company owned contents including equipment and vehicles insurance
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##### Engineering insurance

Lift engineering	Premium cost for Statutory Engineering inspection
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##### Corporate insurance

Directors & Officers	Premium cost for Liability cover for the Directors and Officers of the management company
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#### 2 General Maintenance

##### Mechanical and Electrical Maintenance

Electrical repairs and maintenance	Provision for repair costs to electrical fittings in the interior, exterior and car park areas of the common areas and retained parts
Electric Bulb & Lamp consumables	Provision for replacement costs of electric bulbs and lamp consumables in the common areas and retained parts
Electricity Generator Plant	Contract cost for the servicing and maintenance of central generator plant

##### Ventilation Systems

Ventilation Systems	Contract cost for the servicing and maintenance of the ventilation systems
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##### Vehicular and Pedestrian Systems

Electrical Vehicular and pedestrian gates	Contract cost for the servicing and maintenance of vehicular and pedestrian gates
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##### Pump Systems

Pump Systems	Contract costs for Mains water pumps, drainage/sump pumps, flood attenuation tanks, drainage and sewage pumps.
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##### Lift Systems

Lift Maintenance Contract	Contract servicing costs and planned maintenance work to all lifts in the common parts, including phone monitoring service costs
Lift Repairs and Callouts	Provision for repair costs to the lifts not included in the service contracts and or inspection and consultancy

**Suspended Access systems**

Suspended access Systems	Contract cost for the statutory service testing and certification of all suspended access systems including hatchways, eye bolts, fall address and cradles.
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**Fire Safety Systems**

Fire safety systems	Contract servicing costs all fire detection and alarm systems, emergency lighting systems, dry risers, wet risers, inlet breechings and landing valves, fire fighting shafts and lifts, fire fighting equipment including hose reels, staircase ventilation, security access systems, maintenance of sign posting and way finding measures, maintenance of hydrants and water supplies including contractors health and safety compliance.
Fire safety system repairs	Provision for repairs works to fire systems excluded from the service contracts, auditing and consultancy.

**Building Repairs & Maintenance**

Access and intercom Systems	Provision for repairs to doors, locks and entry systems, intercoms, and management of access devices including Fobs, swipes, zappers and keys to common parts
Repairs & Maintenance Buildings – Internal	Provision for repairs to building common areas and retained parts
Repairs & Maintenance Buildings - External	Provision for repairs to building exteriors common areas and retained parts including roads, kerbs, paving, drains, manholes, boundaries etc
Signage	Provision for Estate , traffic , safety and name signage
Internal Redecoration	Painting and redecoration of interior common areas and retained parts
External Redecoration	Painting and redecoration of exterior common areas and retained parts

**3 Repairs****Building Fabric**

External fabric	Walls, entrance ways, lobbies, woodwork, fittings.
Internal Fabric	Walls, entrance ways, lobbies, woodwork , fittings, stone work, flooring, finishing's.
Mechanical and Electrical	Systems

**4 Waste Management****Waste Management**

Waste management and refuse collection	Provision for contract costs for waste management and removal services including recycling facilities, bin holders, bin stores, pull out services and illegal dumping, as applicable.
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**5 Cleaning****Cleaning**

Cleaning	Contract cleaning service costs for the cleaning of common areas and retained parts
Carpet Cleaning	Contract Cleaning service costs for carpet cleaning in the common areas and retained parts.
Carpets and Mat Hire	Contract hire costs of dust and rain mats to common areas and entrance/ lobby ways.
Window and Gutter Cleaning	Contract cleaning service costs of common area windows and other window areas as defined by head lease
Vermin Control Contact	Contract Pest control service costs to common areas and retained parts.

**6 Gardening and Landscaping****Building Fabric**

Landscape and grounds maintenance	Contract costs for the maintenance of exterior landscaped areas, grounds and hard surface cleans
Ponds, Fountains, & decorative features maintenance	Provision for the maintenance and servicing costs of features in the estate areas including decorative plants in atriums or common parts.

**7 Concierge and Security Services****Security**

Security Systems	Contract costs for the servicing and maintenance of all building security systems including CCTV systems, contract monitoring and phone line costs.
Security Guarding	Contract service or direct employment costs for Static or Patrol Security Guarding Services
Vehicular Parking Control Services	Contract service costs for parking patrols and clamping programmes
Janitor/Concierge Remuneration and administration	Costs for direct employment wages or contract service costs for janitor or concierge staff including associated administrative and training costs.
Janitor/Concierge Equipment materials and consumables	Provision for uniform, tools/equipment and consumables in the delivery of maintenance duties.
On Site office/store maintenance	Provision for fitting out, maintaining and running on site facilities – Phone/ESB/Rent/Repairs as applicable



**8 Legal Services and Account Preparation.****Legal Services and Account Preparation**

Auditors Fees	Fees for the completion of the annual auditing of the management company's books of account
Company Secretarial Fees and Costs	Fees for the Provision of registered office, maintenance of Company documents, Minutes Book and Register of Members, attendance to alterations to register of membership and statutory submissions to the CRO, notices and convening of the Annual General Meeting and any extraordinary meetings, arranging the adoption and filing of the company audit in compliance with statutory company legislation, including all filing fees charged by the CRO and meeting room hire costs for statutory meetings
Legal - Consultancy Fees	Fees for occasional legal advice and briefs in relation to the management company
Legal - Debt Collection fees	Fees for the recovery of arrears of service charges

**9 Other Expenses****Management Fees**

Managing Agents Fees	Fees for the Managing Agents professional services in the administration of all building services and financial management on behalf of the management company – see schedule attached
Health and Safety Consultancy Risk Assessment & Statement	Fees for the preparation of the Health and Safety Statement
Health and Safety Management	Fees associated with the management of the H & S Safety System including site inspections, risk assessment, risk notification and annual audit in compliance with the statutory (H&S) Regulations
Professional -Consultancy Fees	Fees for occasional Expert Professional advice and Consultancy services including Building, Surveying, Engineering, Project Management etc.

**Company Outlays**

Bank Charges	Provision for standard transaction charges to the Bank Accounts of the management company
Company Corporation Tax	Provision for statutory taxation charges – CT1 and 46G
Postage & Stationary outlays	Recovery outlay costs for all Management company outward paper and postage communications including billings, correspondence, news letters, circulars and notices.
Data Record Storage	Recovery outlay costs for Fire proof external storage of company documentation and accounting records
After hours emergency Helpline	Provision for After Hours help line Service

**9 Other Expenses (continued)****UTILITIES****Electricity**

Electricity	Electricity supply costs to common parts, retained areas and central plant excluding occupier direct consumption.
Energy Consultancy	Fees for Energy Consultancy-Audit and consumption analysis and advise

**Gas**

Gas	Gas supply costs to central plant excluding occupiers direct consumption
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**Fuel Oil (heating)**

Oil	Fuel oil supply costs to central plant excluding occupiers direct supply
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**Water**

Water Charges/rates	Water supply costs to central plant common part and retained areas excluding occupiers direct consumption
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**INCOME****Contributions & Income**

Deposit Interest	Interest earned from the management company's bank deposits
Interest Charges	Interest charges recovered from lease debtors
Legal Fees Recoveries	Legal fee recoveries from lease debtors
Deficit Recovery	Provision for prior year deficit recovery
Contributions to superior estates	Contributions payable to superior lessors
Other Income	Sale of keys, fobs etc, rental income from car parks
Insurance Claim	Income & Expenditure from Insurance Claims

**EXCEPTIONAL EXPENDITURE****Sinking Fund**

Major Works	Provision for replacement and refurbishment costs of common areas and retained parts
Sinking Fund	Provision for the forward funding of periodic works to even out fluctuations in the annual service charge costs for the purposes of internal common part redecorations and specific major works and refurbishment/ replacement projects e.g. replacement of plant and equipment

## Appendix C

### Change of Address Form

Please complete form in BLOCK CAPITALS

Address of Managed Property

Name

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Contact Email

---

Contact Number

---

Previous Principle Address

---

---

New Principle Address

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I, declare that the above information is true to the best of my knowledge and that all future correspondence will now be sent to the New Principle Address instead of the Previous Principle Address.

Signed 

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Dated 

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## Appendix D

### Emergency Contact Form

#### Client registration form

Please Print your details

Date  
Time

First Name \_\_\_\_\_

Second Name \_\_\_\_\_

Residing Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Property Address

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Car Park Space number \_\_\_\_\_

Car, Type, Colour and Registration \_\_\_\_\_

Day Time Contact Number \_\_\_\_\_

Contact Number \_\_\_\_\_

Mobile Number \_\_\_\_\_

Email Address \_\_\_\_\_

Tenant Name \_\_\_\_\_

Tenant Contact Number \_\_\_\_\_

Tenant Email \_\_\_\_\_

I \_\_\_\_\_ HEREBY CONFIRM THAT THE ABOVE INFORMATION IS CORRECT.

Signed \_\_\_\_\_ Date \_\_\_\_\_

Witnessed by \_\_\_\_\_ Date \_\_\_\_\_

Please return this form completed to our office at your earliest convenience. We require these details so that we may affect efficient management for you and your fellow Management Company Members particularly in the event of an emergency. You are required by Law, the Multi Unit Developments Act 2011 Section 8, to provide our offices with particulars of your name, address, tenant names if let, habitual occupiers of the unit other than tenants, other particulars which may be requested by the Owners Management Company.

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