

Guide to Newcastle Great Park Rent and Service Charge

Introduction

Newcastle Great Park is a mixed-use development which on completion will have delivered over 600 acres of managed open spaces and infrastructure. On completion of the whole Newcastle Great Park Development, all land and infrastructure west of the A1 will be handed over to the NGP management companies to undertake maintenance services and the cost of undertaking these services are recovered in rent and service charges from the property and business owners.

Service Charge and Rent Explained

You have purchased a freehold property which is part of a private estate with open spaces, infrastructure and it may have other facilities such as sustainable urban drainage systems (wetlands), roads, footpaths, playing pitches, community facilities or play areas. The usual arrangement for private estates is for a management company to be formed to undertake management and maintenance of these facilities and Newcastle Great Park is no different.

The management companies are responsible for the following core services:

- Management and maintenance of the facilities available on the estate in their ownership.
- Managing the handover of land and infrastructure before undertaking services.
- Production of specifications and tendering for maintenance services.
- Auditing maintenance services.
- Calculation of annual service charge budget which shows itemised expenditure in respect of the management of land and infrastructure. Items may include insurance, landscaping maintenance, maintenance of play fields, parks and community facilities, maintenance of roads, pathways and streetlighting, collection of litter and emptying litter bins.
- Collection of service charges in accordance with the terms of the individual transfers.

- Arranging payment of all contracted works associated with the services undertaken.
- Maintaining financial records and preparing information for year-end accounts and independent audits.
- Managing property transfer queries.
- Liaising with residents.

The management companies aim to collect 100% of the costs of these services from the residents and business owners who benefit from them. They do not make a profit on the funds they collect.

At point of sale purchasers will be advised of four different property bands of service charges depending on the size of the property, these are listed below:

- Property size up to 1000 sq. ft, service charge of £300 per annum ex VAT
- Property size up to 1001 sq. ft to 1350 sq. ft, service charge of £366 per annum ex VAT
- Property size up to 1351 sq. ft to 1800 sq. ft, service charge of £432 per annum ex VAT; and
- Property size up to 1801 sqft to 2500+ sq. ft, service charge of £500 per annum ex VAT

The rent charge is a one-off annual payment of £10.00 ex VAT. This is not ground rent but a legal charge on the property.

At present many areas of the land and infrastructure have not been handed over to the individual management companies and are still being maintained by the developers at their expense. This will be reflected in the service charge payments. As service charges are based on the costs incurred through providing services to the estate, costs can go up or down.

Service charges are calculated from January to December and are payable annually in arrears. In some circumstance's properties may complete part way through the year, the calculation of service charge is then divided by the number of months the properties have been completed.

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Each year the management companies will issue an activity statement, invoice confirming the actual rent and service charge and the estimated rent and service charge for the coming year.

Payment should be made in full within 30 days of receipt of the invoice via the Newcastle Great Park website, or a standing order can be set up and payment can be made in 10 monthly instalments to;

Bank: Barclays

Sort Code: 20 59 79

Account Number: 03367010

Account Reference: Invoice account number or property address

Account name: Newcastle Great Park (Estates) Limited

Please note properties which form part of an apartment complex will receive an additional service charge invoice. This service charge is separate from the NGP management companies and is for the management and maintenance of the building and services.

Contact

If you have any questions about your rent and service charges, full details can be found in the Rent and Service Charge Information Pack on www.newcastlegreatpark.com/park-management/ or email the management companies at ngpwebsite@newcastlegreatpark.com.