

Dear

Your Flagship Village is Sinking Under the Weight of Unfair Charges by FirstPort

As a Barratts Board member, you may not be aware that your Fernwood Village development near Newark in Nottinghamshire has many very unhappy owners. Freeholders have discovered that they are being held to ransom by FirstPort, the company that Barratt David Wilson Homes put in place to maintain the Village.

What has actually happened is that Freeholders must ask for permission to change anything about their property or to change their mortgage and FirstPort have imposed rapidly increasing charges for this. Re-mortgaging now costs £258[Check this figure. I thought it was £258] and permission to fit a satellite dish or solar panel now costs £300, just for permission. Rises of 35% and 600%[Really?!] respectively since 2014. I repeat that this is to a Freehold property.

The contract was introduced contrary to the planning permission which specifically required the maintenance arrangement to be submitted to and agreed by the Council. This was never done.

The local newspaper has featured the problems of the village being used as a cash cow by Firstport and Villagers have now started writing to BBC Watchdog.

A recent survey shows that over 95% of owners were not aware that extra charges could be levied by FirstPort before they bought their Freehold property.

We have met with your local management without success, even detailing the multiple failures of FirstPort, that we believe were contrary[Not sure this word is required. I would leave it out.] to the poor performance criteria of the contract. The only response has been to say that only when FirstPort fails to undertake any work and has no plans to undertake work will it be deemed poor performance by your company.

You have the opportunity to make this right. You have the ability to change the contract and remove the stigma that is blighting your flagship Village. I am sure that many would be surprised to learn that when they buy a freehold property from Barratts, it is more like a long leasehold. Please help. Please act now

Yours Sincerely,



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DEVELOPMENTS PLC

Group Company Secretariat and Group Legal Department

Our ref: NHM/ti

7th October 2015

David Heath

[REDACTED]
Fernwood
Newark
Nottinghamshire
NG24 3RS

Dear Mr Heath

Your letter addressed to a number of members of the board of Barratt Developments PLC dated 24th September 2015 has been forwarded to myself for response.

I have been asked to respond on behalf of the board to the points which you raise, in view of your suggested course of action.

Firstly, unfortunately, I must point out that we can only deal with individual owners in relation to issues which they raise in respect of their property. We are not in a position, due in part to Data Protection Laws, to respond to you in relation to any property other than your own.

Secondly I do understand that you purchased the property from the original owners and presumably therefore instructed a solicitor in relation to your purchase in order to provide you with advice in respect of the rights and obligations which ownership of your property attracted.

The development has been constructed over a number of years and is now nearing completion but the basis upon which these properties have been transferred to their owners has not altered materially since the development first started.

Your property was initially transferred to a [REDACTED] in December 2003 and that transfer clearly sets out the management arrangements which apply to the development as a whole. The development manager as set out within that is now known as First Port and the transfer clearly confirms that, all owners are required to contribute to maintenance costs of the areas of the development or estate which are not owned by any individual property. As you will appreciate without such a provision these areas would not be maintained which would have been both a breach of the planning consent for the development and also a failure on the part of the developer to discharge their obligations to each and every owner.

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The share of each owner of the charges attributable to maintenance are clearly set out within this transfer and accounts are produced on an annual basis to show where expenditure has been made and from where income has been collected.

Whilst it is not for me to comment in relation to any advice you may have received from your solicitor, at the time of your purchase a copy of this transfer would have been provided together with, details of the basis for, and historic details of the level of, such, charges.

This would have been provided to you prior to your purchase and would have allowed you to make an informed decision. If this was not then this would be a matter you will have to address with the solicitor who acted for you.

I am not in a position to comment on the suggestion that a number of owners were unaware of these charges, as obviously I only have your letter to hand. However the points which I make above concerning the information which would have been provided prior to anyone purchasing a property on the development whether from Barratt David Wilson as an initial purchaser or from a third party, would have been the same.

In relation to the level of maintenance charges I understand that it has been established and is accepted that these are reasonable in the context of the services provided.

In relation to the notice fee payable on purchase or remortgage of a property, these too are provided for within the transfer which would have been provided to you when you purchased the property. The purpose of notification is to ensure that the management company can discharge its obligations in relation to maintaining the development. In the event of non-payment of a charge due from any owner, the management company is obligated to seek recovery. As part of that they may need to inform any mortgagee or any other person who has an interest in the property and this ensures that the information available to them is up to date.

As a responsible developer and for so long as it is reasonable, we consider the appearance of properties which were or are constructed on the development should be maintained in keeping with the overall intent. This is a provision which is frequently incorporated within all transfers of new properties. Again this is expressly set out within the transfer and would be an issue on which advice would have been given by any solicitors acting for any purchaser whether from the developer or from a third party.

As such certain things are prevented and the manager is required to police this, and certain changes require consent.

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Whilst I note the suggestion that the fee charged for this has increased, again I understand that the charges reflect those commonly found across the country.

However each owner has the option of retaining their property's appearance

Finally, again as you will have been advised, the transfer which forms a three way contract between the developer, the manager and each of the owners has to be in exactly the same form for each property, subject only to necessary changes where the property is leasehold where the lease would need to be consistent with this. The position therefore of the manager cannot be changed in the way that you suggest. However in recognition that owners may at some later stage, wish to control the maintenance and management generally of this development there is a specific provision built in to the transfer so that where 50% of the owners agree, transfer of all management responsibilities can be effected to them or a body which they nominate. This right is exercisable five years after completion of the last property which is a date fixed in the light of our obligation.

As a responsible developer, and indeed in the light of the obligations which we owe to each individual property owner to whom we sell a property, the maintenance and management of the development has to be conducted in accordance with the original maintenance agreement which applied when planning consent or detailed planning consent for the development was first granted. The manager, now First Port, is obligated to discharge this obligation on terms which were made clear to each original purchaser and which, each original purchaser would have made clear to any subsequent purchaser via normal information provided through the conveyancing process. As I say above I am not in a position to comment on the advice that you received when you purchased the property, but in the event that you have any issues with that then unfortunately I can only suggest that you address these to the solicitor acting for you at that time.

We have an obligation to every purchaser at this development. In order to allow us to discharge it we have appointed the manager and, once we have discharged that obligation, the owners are at liberty to take over and manage the development themselves.

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Obviously we regret if you feel that you were not provided with the necessary information to allow you to make an informed decision when you purchased this property. However, unfortunately this is an issue which you would need to address to the advisor acting for you in relation to your purchase as we must respectfully point out that the information in relation to your obligations as an owner are clearly set out in documents which should have been provided to you when you purchased the property.

Yours sincerely

NH Mullen
DEPUTY GENERAL COUNSEL
BARRATT DEVELOPMENTS PLC

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