



City of Westminster

Corporate Property
Westminster City Council
64 Victoria Street
London
SW1E 6QP

Date: 6 October 2023

Dear Leaseholder,

Remeasurement of flats and leasehold apportionments at Emanuel House

I am writing to you about the service charge proportion that you are obliged to pay. Every leaseholder in the building has a lease and within which, there is a defined specified percentage contribution that the leaseholder is legally obliged to contribute towards service charge costs.

The council does not have any similar leases on the properties that it owns as we are both the freeholder and the leaseholder. In terms of the Assured Shorthold Tenancies that we grant on properties we own and rent out, these are in effect inclusive lets and therefore do not have a set a defined percentage contribution to service charges as per the other flats.

The historic convention at Emanuel House for council owned properties is that the council pays the short fall from the combined amount of all the other leaseholder percentages stated in lease contracts that I have just referred to. In other words, the Council makes up the difference to ensure there is 100% recovery of leasehold charges. In effect, the Council therefore pays a total of 7.5%.

The council has been approached by a leaseholder to consider changes to this arrangement to ensure that the Council pays a percentage of service charge in line with its percentage ownership in the building. We are happy to explore this if all leaseholders are in agreement with a change.

As the service charge in all your leases is based upon the size of your flat, the only way for the Freeholder to consider changing the buildings service charge percentages that both the residents and the council pays is for a measured survey to be undertaken of each of the flats, including those owned by the Council. This would accurately assess the current actual gross internal floor areas for each flat in order that consideration can be made to revising these legal individual apportionments. This would take account of changes in the footprint of individual flats over time e.g., where they may have been extended into the corridor.

The Council has stated that it will commission this work via the managing agent with the agreement of all of the resident leaseholders. This is important as the survey

would require access to all flats with resident leaseholders agreeing to potential changes to their lease as an outcome. There would also be significant surveying and legal costs incurred (to adapt each lease) of which residents need to be aware and agree to at this stage.

The alternative offer from the council, which has previously been made to resident groups associated with Emanuel House, is for the Council to pay the same percentage contribution as similar size flats in the building for each of our ownerships. This is not something we have to do legally but we would do in the interests of fairness. This would not change the percentages paid by residents and would result in a service charge total being collected of just over 100%.

I would be very grateful if you would advise me of your views by Friday 20 October 2023 by emailing the team inbox at emanuelhouseproject@westminster.gov.uk. Or sending a letter to the above address. Your responses will be kept anonymous unless you want us to share them more widely.

Yours sincerely

Kevin Dey

*Head of Corporate Safety and Residential Services
Westminster City Council*