

RICS Service Charge Code 2011: 2nd Edition

An introduction by:
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RICS Service Charge Code 2011: 2nd Edition

Introduction:

✓ www.servicechargecode.co.uk

✓ Effects of Code first edition

✓ Occupier Satisfaction Survey

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Service Charges in Commercial Property
Second Edition

The Code - effective 01 10 2011

Industry collaboration

Corenet joined the team

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Princes House v Distinctive Clubs [2006]

- ✓ Scrupulousness
- ✓ Diligence
- ✓ Integrity
- ✓ Independence
- ✓ Not partisan

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Builds on previous themes:

- ✓ Communication
- ✓ Timeliness
- ✓ Transparency

New Aims & Objectives

Format

- ✓ 26 Core Principles

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Lease

- ✓ Code cannot override lease
- ✓ Leases need to reflect code
- ✓ Leases now less than 6 years – opportunity
- ✓ Brief & engage with solicitors

Proportionality

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Practical Law Company (<http://uk.practicallaw.com/1-505-9221>)

City of London Law society

(<http://uk.practicallaw.com/2-505-9763>) offices

(<http://uk.practicallaw.com/6-505-9761>) Shopping Centre

✓ Model clauses

Negotiate the lease!

✓ 21st century service charge

✓ Right to use ADR

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ADR

- ✓ Early neutral Evaluation
 - ✓ Mediation
 - ✓ Time limited mediation
 - ✓ Independent expert
 - ✓ Arbitration
-
- ✓ Cost of Court action

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Industry Standard Cost Classification

- ▼ Class & Category Essential
(Only 50% comply)

Benchmarking

- ▼ OSCAR, Real Service, Kingston

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Independent Accountant's Certificate

Surveyor to sign

expenditure complies with leases

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Also New:

- ✓ Environment Sustainability
- ✓ Utility Company Deposits
- ✓ Compliance check lists
- ✓ S/Ch Bank Accounts
- ✓ Independent accountant's certificates
- ✓ Allocation and Apportionment
- ✓ Occupier responsibilities

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Thank you

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