

Fact Sheet



CHILMINGTON MANAGEMENT
ORGANISATION

Rent Charge Deeds

When buying a house at Chilmington Green, all freehold homeowners are responsible for paying the Rent Charges.

Rent Charges are essentially, an annual sum paid by the freehold homeowner to a third party, governed by law set out in the **Rentcharges Act 1977***

The Chilmington Green Rent Charge Deed is the contractual arrangement between the freehold homeowner and the Chilmington Management Organisation (CMO).

It sets out the specifics of what you can be charged through your rent charge bill and what the money can be spent on. It also includes what the CMO should do in return.

*Please see Rentcharges - GOV.UK (www.gov.uk) for more information.

The CMO is set up to provide services including managing and maintaining landscaping as well as other community assets once they are handed over by the developers. Funds can also be used to cover costs of managing the organisation and setting aside reserves.

Rent Charge Deed income is only ever used for the purposes for which it is collected.

Community activities are currently funded by S106 Early Community Development contributions or other external funding.

If you rent your property, it is the responsibility of your landlord to pay the Rent Charge Deed bill.

Each property has two Rent Charges (RCD1 and RCD2) and some properties have a third (RCD3). A summary table, with a greater explanation provided, is on the next page

The RCD1 capped rent charge is a significant benefit and not typical of large scale developments.

Residents can be confident the cap will not increase year on year other than by the Retail Price Index

The Rent Charge Deed protects the future of all maintenance and management of the site, as houses change hands.

At Chilmington Green **we do NOT** have Service Charges. Service Charges are governed by the Landlord and Tenant Act of 1985* and have a different set of rules and regulation. The primary difference between Rent Charges and Service Charges is an estate management company, who operate Service Charges, can only charge the actual cost of the management and maintenance with a fee allowable for Reserves. This means Service Charges are not capped and can increase significantly year on year. *Visit GOV.UK for more information.

Rent Charge Summary

Charge	Who has a RCD?	How is the Charge Set?	What does your money pay for?	Does The Charge Go Up?
RCD1	All freehold property owners of homes	It is based on bedroom numbers Plus a £1 fixed rent charge	For the CMO to carry out; Management and maintenance of assets considered to benefit the whole development, such as play spaces, landscaping, allotments, community buildings Costs to run the company NB: All RCD1 income is put into the same fund for expenditure across the entire development.	Yes, but it is a capped charge increasing by indexation each year (RPI) The CMO can charge UP TO the cap In 2030 the CMO can ask members to raise the cap by up to 20%. They can make this request once every 10 years £1.00 fixed charge does not increase annually.
RCD2	All freehold property owners of homes	No annual charge apart from £1 fixed rent charge	The Fixed charge validates the contract. NB: RCD2 provides the CMO with enforcement powers and the ability to request the rise to the RCD1 cap in 2030.	£1.00 fixed charge does not increase annually
RCD3	Some properties where there are additional neighbourhood assets	Charge for each property is based on two schedules of costs which relate to what assets are in a developers release. £1 fixed rent charge.	Management and maintenance of neighbourhood assets (Schedule 1 costs) not deemed to be of benefit to the whole development eg. unadopted roads, incidental features such as ponds. Residents with vehicular access off of an unadopted highway or use of a shared parking court also pay Schedule 2 costs.	Fixed until 2025 when the CMO will charge in line with the actual cost of managing and maintaining these areas, with an additional reserve amount for future repair and renewal. £1.00 fixed charge does not increase annually.

Please note: All Rent Charge Deeds are legally binding and the CMO can recover all unpaid rent charges via enforcement clauses

CMO Membership

Membership of the CMO is voluntary and limited to one person per household. The member MUST live in Chilmington Green. Therefore, if you are a tenant, one of your household can be the CMO Member. Membership enables you to vote at an AGM/EGM. In time, when the CMO has community assets, we hope to offer members discounts on hiring community facilities and other benefits. If you are unsure whether you are a member, please email us. Members whose household is in Rent Charge debt, are unable to vote at the AGM/EGM.

The CMO Information Pack is a useful guide which takes residents through the roles and responsibilities of the CMO. A copy of this, and a membership form, can be found at; www.cmo.org.uk/resources/downloads. The pack is updated every year with the new RCD1 charges with further changes made to content to reflect feedback from residents and developers. We enjoy working with residents to ensure that our operations are open and transparent. We therefore welcome feedback on an ongoing basis. Residents can email us at hello@cmo.org.uk.

We hope this factsheet has been helpful. The CMO Team are always happy to answer any questions, however we always advise that residents seek professional legal advice when there are queries relating to the Rent Charges.



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