



Shared Ownership Code: Service Charge Information Document (SCID) template

Version 1.0

To complete the document:

1. Follow the instructions within the blue boxes.
2. Enter the information in the highlighted fields.
3. Delete or edit the highlighted statements so that the information you provide is accurate for the home.
4. Delete the boxed instructions about how to complete the document.

Service Charge Information Document (SCID) for Shared Ownership

Date this document was produced:	
Customer name(s):	
Development:	Bow Green
Plot number:	B2-02
Property address:	202 Botanical Apartments, 3 Lavendar Way, London E3 4ZF

This service charge information document will help you understand more about how services are provided, how you are charged for them, and about the potential for these charges to rise.

Explanatory note to housing providers: Please adjust the reference to payment frequency - monthly, quarterly, annually - as circumstances require.

Please read this document alongside the document entitled 'Summary of Costs', which sets out, among other things, your monthly payments to the housing provider.

In this document, the term 'service charge' is used as a collective term covering your service charges, estate charge, buildings insurance, management fee, and reserve fund. Throughout this document, all charges of these types that are applicable to your property will be referred to as 'service charges'.

Service charges are fees paid by a shared owner to contribute towards the cost of maintaining and managing shared areas and services in a building and estate.

You are responsible for 100% of the service charge allocated to your property, regardless of your ownership percentage.

You should read this document carefully so that you understand what you are buying and then keep it safe for future reference. Your solicitor can help you if you have questions about the information provided in this document.

This document does not form part of the lease. You should carefully consider the information and the accompanying lease and discuss any issues with your legal adviser before signing the lease.

Failure to pay your rent, service charge, or mortgage could mean your home is at risk of repossession.

The costs referred to in this document are the costs as at the date issued. These will increase (typically on an annual basis), and you should take financial advice on whether this will be sustainable for you in the long term.

Responsibility for managing and providing services

Explanatory note for housing providers: Providers should include an explanation using options A or B below or adjust the explanation where circumstances do not fit any of these options. If your management arrangements are more complex than this, the requirement is to explain who is responsible for managing the services in the same way as the example. Please ensure that it is clear if there is a head landlord, a freeholder or resident management company responsible for all or part of the maintenance / services. If a third-party managing agent will be responsible for providing services but has not yet been appointed at the time of completing the Service Charge Information Document, please indicate this clearly in this section.

The freehold of the block/estate is owned by a third party St William Homes LLP. Your housing provider Gateway Housing Association Limited holds a head lease.

The freeholder/your housing provider is responsible for management of the services which are included within your service charge.

Who to get in touch with about the services provided

Explanatory note for housing providers: You should explain under this heading who shared owners should get in touch with about services that are commonly the subject of queries from customers, such as: maintaining the lift(s), roofs, communal heating system, internal common areas of the building and the external areas of the

estate. You should also explain clearly that shared owners can get in touch with the housing provider for assistance in resolving any service-related issues.

How you are charged for services

The services covered by the service charge are calculated on an annual basis but are payable monthly. Your service charge accounting year runs from 1st January to 31st December

Service charges are passed on to shared owners through the process outlined in **Table 1** below.

Table 1: Process through which shared owners are charged for services

What happens	When
Housing provider gives you a Key Information Document which contains an estimated service charge, as well as this Service Charge Information Document.	When you are in the process of becoming a shared owner.
Housing provider sends you an annual service charge budget/estimate and confirms the payments that will be due for the year ahead based on this estimate.	Before the services are provided to you annually. Currently, your housing provider sends this in approximately February each year.
You pay towards your service charge in accordance with the costs provided in the annual service charge budget/estimate.	During the year in which services are provided. Your lease will state whether you pay annually, quarterly, or monthly.
Housing provider sends you a final adjusted service charge statement. • Where the actual amount of the expenditure is higher than the budget/estimate, the difference will either be demanded or carried forward to the following year (depending on the terms of your lease). • Where the actual amount is lower than the budget/estimate, this difference will either be paid to you or carried forward to the	After the services have been provided to you annually. Currently, your housing provider sends this in approximately February each year.

following year (depending on the terms of your lease).

Initial charges and planned changes

The initial annual service charge for your property is estimated to be £4,761.95 though payments are typically made monthly This initial annual service charge is for the period 1st January 2026 to 31st December 2026 This estimate was last updated on 1st January 2026.

Explanatory note for housing providers: If the service charge estimate is available for the following year, this should also be provided.

The service charge estimate is made up of the following services.

Explanatory note for housing providers: Insert list of services and ensure this is aligned with the information provided under the Service Charge, Management Fee, and Building Insurance headings in the Key Information Document 'Summary of Costs of the Shared Ownership Home'.

Future service charges may change to account for changes to services delivered to shared owners.

Explanatory note for housing providers: Include further information where there are planned changes in the scope of services provided that will affect the service charge, for example, where it is a phased development, or where there are planned new services or major works within the next 5 years. Suggested wording for each of these scenarios is included below.

Phased developments: As this is a phased development (i.e., new homes are being built over a period of time on the same site) this may impact the scale and type of services offered.

Gateway are not aware of any major repair works within the development in the next 5 years

Annual budget/estimated service charge

The proposed service charge is based on the estimated cost of services for the forthcoming year.

Final adjusted service charge statement

After the services have been provided to you for that year, there is a review of the actual costs of providing those services, which will result in a final adjusted service charge statement.

Where there is an external managing agent carrying out the management function, they may use different accounting periods, which may result in the adjustments to some estimated costs being included in a later service charge accounting year. This

can cause the service charge to be materially higher in one year and lower in another, even when the service is provided evenly over time. Your housing provider will always aim to explain if this happens and remind you that this is likely to affect a future statement.

If your property is a new build and you are its first owner, the first final adjusted service charge demand you receive will be calculated so that your charge only starts from the date that you complete your purchase.

Factors that drive increases in service charges

Service charges will increase over time. Service charge annual increases can exceed current market inflation rates and are attributed to several factors. The drivers include:

- Contract cost increases and re-procurement of services, which may drive up costs.
- Global conditions and market costs impacting utility costs.
- Increase in legislative requirements on building safety which impact building insurance costs, covering the structure of the building.
- Health and Safety measures around the new Building Safety regulatory compliance.
- Repairs and maintenance costs, escalating material costs and market conditions.
- Reserve fund contributions rise to reflect the age and life cycle of the building.
- Other regulatory and legislative changes such as employer national insurance, wage or sick pay thresholds, impacts on any people delivered services such as cleaning and caretaking services.

Illustration of increases in the service charge

This illustration uses figures that are hypothetical, for illustration purposes only, and not an estimate of future cost rises. These figures are not to be relied upon as they are included solely to provide an illustration of how service charges may increase over time. The actual percentage increases could be lower or higher than shown in the illustration. You should speak to your legal representative if you are concerned about these ongoing charges. The following scenarios show what your annual service charges may look like at different rates of increase.

Explanatory note for housing providers: Housing providers should use the default percentage scenarios given below (i.e., 2.5% and 10%) when completing the Service Charge Information Document. However, if you have cause to expect that the increase in service charges may exceed 10% pa, please select alternative percentage ranges that you deem more appropriate for the specific circumstances.

Illustration of potential future service charges

Scenario 1

If the actual initial service charge for the current year were in line with the estimate provided within this information document, and if the cost of services, then increased by 2.5% in each of the next 4 years, the charges in years 1-5 would be as follows:

Year	Illustrative Annual Service Charge
Year 1	£4,761.95
Year 2	£4,881.00
Year 3	£5,003.02
Year 4	£5,128.10
Year 5	£5,256.30

Scenario 2

If the actual initial service charge for the current year were in line with the estimate provided within this information document, and if the cost of services, then increased by 10% in each of the next 4 years, the charges in years 1-5 would be as follows:

Year	Illustrative Annual Service Charge
Year 1	£4,761.95
Year 2	£5,238.15
Year 3	£5,761.96
Year 4	£6,338.16
Year 5	£6,971.97

Your service charge can increase at different rates other than the ones mentioned above. You can use the illustrative table in the 'Appendix' to see the impact of various percentage increases in service charge costs over a 5-year period. It indicates how various percentage increases can impact the service charge.

Budgeting

When budgeting for your property, you should be aware that service charges may increase above inflation. While we aim to keep costs reasonable and predictable, external factors, as outlined above, can impact the final charges. You should consider the potential increases in service charges when making your decision to buy a shared ownership property.

Further Guidance

Further guidance on service charges can be found on the Leasehold Advisory Service website at www.lease-advice.org

Appendix

The following table illustrates the impact of various percentage increases in service charge costs over a 5-year period.

The figures are hypothetical and for illustration purposes only - they are not estimates of future cost rises and should not be relied upon. Actual percentage increases could be lower or higher than shown. You should speak to your legal representative if you are concerned about these ongoing charges.

Illustration of how costs could increase assuming the service charge was initially set at £4,761.95 with a fixed annual cumulative increase each year:

Explanatory note for housing providers: Insert the exact initial annual service charge for the property into the year 1 column here and update the remaining columns accordingly. If the housing provider has cause to expect that the potential percentage increase in annual service charge could exceed 15% per annum, then rows can be added in the table to show the potential impact.

Potential % increase in annual service charge	Year 1	Year 2	Year 3	Year 4	Year 5
2.5%	£4,761.95	£4,880.99	£5,003.02	£5,128.10	£5,256.30
5%	£4,761.95	£5,000.05	£5,250.05	£5,512.55	£5,788.18
7.5%	£4,761.95	£5,119.10	£5,503.03	£5,915.76	£6,359.44
10%	£4,761.95	£5,238.14	£5,761.96	£6,338.16	£6,971.97
12.5%	£4,761.95	£5,357.19	£6,026.84	£6,780.20	£7,627.72
15%	£4,761.95	£5,476.24	£6,297.68	£7,242.33	£8,328.68