

## **ARCO CONSUMER CODE**

### **SECTION 5 OF THE CODE: TEMPLATE FOR A KEY FACTS DOCUMENT**

#### **GUIDANCE FOR ARCO MEMBERS**

The Key Facts document is to be completed for:

- an individual property for rent or sale or shared ownership, or for
- a whole class of property types, such as all leasehold, all rented, or all shared ownership properties at a community.

Some providers are providing both: a document for all properties of a particular class and a specific document for individual properties as they become available.

The document should be completed only as far as the information is:

- Relevant to the specific property (or class of properties). Hence a document for all rental properties does not need to contain information on the asking price.
- Available (if specific figures are not available it should simply be made clear whether or not the cost applies)

The sub-section headings should be amended as necessary to state the name of the relevant charge, for example:

- 'Fund for Future Maintenance' rather than 'Transfer/Deferred Management Fee, Reserve/Sinking Fund contribution (or equivalent)'
- 'Wellbeing Charge' rather than 'Care Costs'.

This is the second edition of this guidance. It will be reviewed and updated from time to time.

June 2019

[NAME OF PROVIDER AND COMMUNITY; TYPE OF TENURE; YEAR]

Section	Sub-section	Details	References
1. Property details	<b>Name of retirement community operator</b>	Specify name of operator and, if different, landlord and management company.	e.g. Village brochure
	<b>Name of community and when established</b>	Specify name of community. Indicate when the property was built or converted to its current use.	
	<b>Property type</b>	Insert generic type (e.g. <i>1-bedroom apartments in blocks 1 and 3, apartments 1-10, and 21-30</i> ), or specific details (e.g. <i>2-bedroom apartment 27, east annex</i> ). If not stated elsewhere, state what rooms and built-in kitchen appliances are included, and whether any structural guarantee (e.g. NHBC) still applies.	
	<b>Status of unit</b>	Indicate whether New or Pre-owned or Pre-rented.	
	<b>Occupancy</b>	Indicate whether for sole or dual occupancy.	
	<b>Tenure</b>	Indicate tenure (e.g. Rented, Shared ownership, Leasehold or Freehold). If leasehold indicate the start date of the lease (e.g. <i>'125 years from 2012'</i> )	
	<b>Nomination arrangements</b>	If leaseholders and/or tenants are nominated, indicate who has these rights (e.g. local authority housing department) and whether, where a nomination agreement is in place, applicants may also apply direct to the operator.	
		<b>Care provider</b>	State the full registered name of any care provider and whether this is the community operator or a public or private sector contractor. Make it clear that customers can choose other providers (e.g. <i>Care is offered by [Name of operator] but residents are free to choose other providers</i> ).
2. Charges when leaving, selling or sub-letting the property	<b>Event/Transfer/Deferred Management Fee, Reserve/Sinking Fund contribution (or equivalent)</b>	Specify the fees applicable (e.g. a percentage of the sale price) and if this varies with length of occupation. Also state if there is an option to pay the fee on purchase rather than on sale.	e.g. Pre-contract pack of information and generic worked examples for customers
	<b>Administration fee for sale</b>	Describe any standard sale administration fee or equivalent payable to the operator and the amount (e.g. <i>Solicitor's fee for reassignment of lease £600 inc. VAT</i> )	e.g. Pre-contract pack of information for customers
	<b>Ongoing charges</b>	Describe what liability exists for rent, service charges and other ongoing costs during any notice period, or when a resident passes away, before a property is resold or relet.	
	<b>Repairs or redecoration costs</b>	Describe any charges that the operator has a right to levy for reinstatement, repairs, or redecoration works prior to a property being resold or relet.	

Section	Sub-section	Details	References
2. (continued)	Subletting charges	Specify whether subletting is permitted and any charges payable to the operator for sub-letting	e.g. Pre-contract pack of information for customers
3. Cost of moving into the property	Asking price	If for sale or re-sale, indicate asking price	e.g. Property details
	Reservation fee/deposit	Specify any reservation fee payable on reserving a new leasehold property or any advance rent, service charge, security deposit or other deposit payable when reserving a rented property	
	Other costs	Specify other unavoidable costs charged by the operator such as: <ul style="list-style-type: none"> <li>• Any health or care needs assessment</li> <li>• Any solicitor's fees</li> </ul> Mention any other costs people might need to budget for, such as Removers' costs, their own solicitor's costs, Stamp Duty	e.g. Pre-contract pack of information for customers
4. Ongoing unavoidable charges payable to the operator while living in the retirement community	Rent	If for rent, or if shared ownership and rent is payable on the unowned portion, state the rent per week or month as appropriate	
	Service charge	State the amount of the standard service charge per week, month or year	e.g. Document on <i>Our service charges</i> (describing what they cover, how they are calculated, when they change, etc)
	Emergency 'on call' support charge	State the amount of any unavoidable 'on call' charge per week, month or year. Include any charge for maintaining alarm systems that is not included within the rent or service charge.	
	Ground rent	For leasehold properties, state the amount of any ground rent and when and how is increased, if at all. For tenanted properties, if not applicable, delete this row.	e.g. Pre-contract pack of information for customers
	Other charges	Include separate rows for any other charges payable to the operator in addition to those above. Could include: Utility bills (e.g. heating/hot water); Support charge; Wellbeing charge; Amenity charge; and so on.	
5. Discretionary care charges (dependent on need)	'Core' Care costs	Specify any mandatory minimum care costs to be paid directly to the community or care provider and the amount (e.g. <i>[Name of care provider] charges from £XX.XX per hour</i> ).	(e.g. Document on <i>Care services</i> [describing what the charges cover, how they are calculated, when they change, etc])
	'Additional' care costs	Specify additional (optional) care costs to be paid directly to the operator or care provider (e.g. <i>the standard minimum hourly charge for additional care</i> )	
	'Nursing Care' costs	State if nursing care is provided by the operator and, if it is, any standard minimum hourly charge.	

Section	Sub-section	Details	References
<b>6. Ongoing charges payable to third parties (specify whether unavoidable or discretionary)</b>	<b>Utility bills</b>	Specify relevant utilities (e.g. gas, electricity, water), and indicative costs (if available) payable direct to the utility companies. (If some or all utility bills are payable to the operator, include this under section 4 above.)	e.g. Pre-contract pack of information for customers
	<b>Council tax</b>	Specify relevant Council tax band and current charge for the property if known.	
	<b>TV licence</b>	Specify whether any concessionary charge applies at the community. Indicate that the licence needs to be applied for but is free to over-75s. Otherwise simply give the link to <a href="http://www.tvlicensing.co.uk">www.tvlicensing.co.uk</a> .	
	<b>Internet provider</b>	State whether included in service charges or not	
	<b>Satellite, cable TV</b>	Mention if available, whether there is any communal aerial or satellite dish.	
<b>7. Insurance arrangements</b>	<b>Responsibility of the operator</b>	Buildings insurance, Public Liability insurance, Employers' Liability Insurance. Indicate if included in the service charge or charged separately.	e.g. Pre-contract pack of information for customers
	<b>Responsibility of the owner/tenant</b>	Home contents insurance (discretionary charge)	
<b>8. Sinking Fund</b>	<b>Sinking Fund/Reserve Fund/Contingency Fund (or equivalent)</b>	State the total in any Sinking fund (or equivalent) at the end of the last financial year (e.g. ' <i>Reserve fund value at 31 December 2017: £XXX,XXX</i> ').	
<b>9. Restrictions on selling or renting the property</b>		Specify any operator or local authority (e.g. S106) restrictions on sale or renting (e.g. residents must satisfy age/health criteria or come from a specific postcode area). Also state if the properties are always bought back or if the operator has a right of first refusal when the property is resold.	e.g. Pre-contract pack of information for customers
<b>Date</b>		State the date (e.g. <i>Last updated January 2018</i> )	
<b>Please note: Charges stated are correct at the date shown but may change annually or at other intervals over the period of residence.</b>			
<b>We encourage you to discuss your housing options with your family and friends, and to seek independent advice, support and representation as appropriate, in connection with a move to a retirement community.</b>			