

# THE NORTHERN IRELAND FEDERATION OF HOUSING ASSOCIATIONS

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19<sup>th</sup> April 2006

Mr Jerome Burns  
Housing Policy Branch  
James House  
2 – 4 Cromac Avenue  
BELFAST  
BT7 2JA

Dear Jerome,

**Re: House Sales – Service Charges**

Thank you for your letter dated 30<sup>th</sup> January 2006.

The matter was discussed by NIFHA's Professional Practice Committee at their most recent meeting on Monday 20<sup>th</sup> March 2006.

Although members are concerned that the Department's proposal may deflate the valuation of the relevant properties (and thus the sums available for re-investment by associations) the Federation considers the Department's proposal to be logical and we are prepared to accept the principle, provided one sentence in your letter is amended.

The sentence which must be changed currently reads "It is our intention to direct associations that it should make the person responsible for carrying out the valuation of the flat/apartment aware of the exact amount of the service charge that will be levied once the property is purchased."

It would be impractical and unreasonable to expect associations to predict future service charges with accuracy so:

- either the sentence should make it clear that the "exact" amount refers to the date the association signs the contract for purchase. (This date would be much more appropriate than the completion date because the latter could take place some time after signature of the contract and it could be delayed for reasons outside the association's control)

- or the word "exact" must be replaced by more flexible terminology, such as "approximate" and a time limitation such as "the next three years" must be added.

I recommend a discussion to agree suitable wording for the amendment we consider essential.

Yours sincerely,

CHRISTOPHER WILLIAMSON  
CHIEF EXECUTIVE

*Representing and promoting housing associations in Northern Ireland*

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