

28 April 2021



Unit 105, 1 Hanley Street, Nottingham NG1 5BL
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Subject: Habitat Cladding Update 3
Dear Habitat Leaseholders

Thank you for your thoughts and opinions in March. As a reminder, the options were the following:

1. FRC's proposal
2. Earl Kenrick's proposal
3. MAF's proposal/Section 20
4. Wait for further government direction.

Opinions were almost evenly split between 1,3, and 4. During March we also received the attached letter on the 23rd from our Insurance Broker. This not only raises the question from a safety perspective, but now a future insurance prospective. As indicated in the service charges, the penalty for not resolving the flammable cladding has caused to AXA triple the insurance premium. When the flammable remediation is resolved the increased premium will be prorated accordingly.

Speaking to FRC, who have a back log of flammable cladding work, they won't be able to do any work till 2022, this only leaves option 3 as the most viable. Clermont will continue to work with all the above options but will also pursue with added emphasis a Section 20 based on the results of the 10 May inspection by MAF. This is not a position any management company in the UK wants, accepting the EWS1 responsibility, but Clermont will take on this responsibility since it may be the most achievable route this year and the least expensive route to a EWS1.

After numerous discussions with the various fire safety experts, Clermont has decided to work with MAF's fire engineer to assist in minimizing the FRC requirements stated below:

1. Blue spandrel steel panels (decorative) have flammable foam glued to the back of the panel.
2. Some of the decks have wood and this flammable material needs to be replaced.
3. Inadequate installation behind the brick work.
4. Work required in dry riser cupboards to prevent fire spreading between floors.

This will be more clearly understood during the 10 May MAF evaluation of The Habitat. The fire engineer's assessment will not only form an opinion to present to the Government Safety Fund but provide the criteria for second stage of the Section 20, and the basis for the EWS1. With clear and reasonable guidance, the second stage of a Section 20 will be issued. By early summer quotes will be received giving an indication of how much money will be needed.



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Remedial work will be planned for October and November. This hopefully will give the GSF enough time to provide any grant money and allow everyone enough time to financially prepare for the costs of the work. After work is completed, in December all the fire restrictions should be satisfied and a clear and unrestricted EWS1 provided from MAF. This will not only satisfy AXA insurance, but refund some of The Habitat insurance premiums.

Most importantly the Habitat will be safe, will allow unencumbered refinancing, and selling of Habitat's flats.

Lastly, for all The Habitat leaseholders who took the time to send letters to their MP's Thank You.

Take Care

Art Dembsky

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