

General Explanatory Notes Service Charges (April 2019)

Administratiekosten 'Administration Costs' (deductible)

The administration costs referred to within the Service Costs Decree are described as follows:

Administration costs for processing of meter readings in the overview referred to in Article 259, subsection 2 of Book 7 of the Dutch Civil Code, and other administrative work related to the allocation of consumption and consumption costs among individual tenants, as well as for other goods and services referred to in this Decree. In other words: administration costs are the costs incurred by the landlord or management for carrying out administration necessary for providing goods and services which are not included within the rental price and recharging these to the tenant.

The costs are determined on the basis of the following calculations:

- Heating* in principle a maximum of 2%, including any VAT, in the case of the landlord taking care of meter readings and payment of bills.
- Heating* in principle a maximum of 1%, including any VAT, in the case of the landlord outsourcing the meter readings.
- Other costs, in principle a maximum of 5%, including any VAT.

* *The costs incurred for gas, oil and/or other fuels, but not the costs for water and electricity. The costs for water and electricity are included in the other costs.*

Administration costs are hereby calculated in accordance with the payment obligation as laid down in the Rent Tribunal ('Huurcommissie') policy. For the sake of completeness: no administrative costs are charged on any legal fees.

The contributions for administration costs are determined (annually) based on costs incurred during the previous period together with expected costs for the current and upcoming periods.

Afvalstoffenheffing 'Waste removal levy' (deductible)

Every household in Rotterdam is legally required to pay a levy for collection and processing of household waste.

Residents in shared accommodations

Tenants residing in shared accommodations pay an advance amount for service costs. After completion of each financial year, the advance amount paid will be settled against the actual costs. The actual costs consist of a reduced waste removal levy.

Residents in self-contained accommodations

Tenants residing in self-contained accommodations receive their bills for this levy directly from the municipality.

The advance amount is determined each year based on costs incurred during the previous period together with expected costs for the current and upcoming periods.

Bijdrage beheer bewoners (WoCo) 'Contribution Residential Management (WoCo)'

Applies to residential buildings within the Residential Management Structure (non-deductible)

This concerns a contribution towards the costs of residential management within a residential building, as compensation for expenses incurred by the residents' committee ('Wooncommissie' = WoCo). This contribution is adjusted annually in residential buildings that fall under the Residential Management Structure (usually in accordance with CPI) in consultation with Stichting Huurdersbelang Stadswonen (Stadswonen Tenants' Association). A ceiling amount of €2,67 per person has been fixed for the fund in 2019-2020..

Bijdrage beheer bewoners (STW) 'Contribution Residential Management (STW)'Applies to residential buildings not within the management structure (deductible)

This concerns a contribution towards the costs of service staff such as caretakers or service assistants. The contribution is determined (annually) based on costs incurred during the previous period, together with expected costs for the current and upcoming periods.

All accommodations benefit equally from the services provided by caretakers or service assistants and thereby are all required to pay an equal share of the costs.

Elektra gemeenschappelijke ruimten 'Electricity communal areas' (deductible)When recorded via a single main meter

The costs for electricity, which comprise of the energy consumed together with any standing charges, are calculated for the building as a whole. 25% of these costs are designated as 'communal area electricity'. This designation is to the tenant's benefit as the item is eligible to claim within housing allowance.

The contribution for electricity, which is determined (annually) based on costs incurred during the previous period, together with expected costs for the current and upcoming periods, is divided into two components: 'electricity' and 'electricity communal area'. As all accommodations benefit equally from the electricity in common areas, they are thereby all required to pay an equal share of this component of the total electricity costs.

When recorded via individual meters

The costs for electricity, which comprise of the energy consumed together with any standing charges, are calculated for the building as a whole. The consumption allocated to 'communal area electricity' is calculated by:

1. The total building consumption minus the total individual consumption
- or
2. The consumption based on one or more intermediate meters

The contribution for communal area electricity is determined (annually) based on costs incurred during the previous period, together with expected costs for the current and upcoming periods.

As all accommodations benefit equally from the electricity in common areas, they are thereby all required to pay an equal share of this component of the total electricity costs.

Elektra individueel 'Electricity individual use' (deductible)When recorded via a single main meter

The costs for electricity, which comprise of the energy consumed together with any standing charges, are calculated for the building as a whole. 75% of these costs are allocated to 'electricity'.

The contribution for electricity, which is determined (annually) based on costs incurred during the previous period, together with expected costs for the current and upcoming periods, is divided into two components: 'electricity' and 'communal area electricity'.

The costs are allocated to the individual accommodations as follows:

- With a weighting of 1 for single-occupancy accommodations
- With a weighting of 1.5 for double-occupancy accommodations

The proportional cost allocation reflects the average annual consumption ratios of a single-person household (2,405 kWh*) compared to a two-person household (3,533 kWh*).

* source: Nibud (www.nibud.nl)

When recorded via individual meters

Electricity consumption is recorded for the individual accommodation. The costs are determined accordingly based on consumption over the relevant year.

The contribution for electricity is determined (annually), based on costs incurred during the previous period together with expected costs for the current and upcoming periods.

Glazenwassen 'Window cleaning' (deductible)

This concerns the costs for cleaning the outsides of the rented accommodation's external windows. Costs for equipment such as suspended platforms are not charged to tenants.

The contribution for window cleaning is determined (annually), based on costs incurred during the previous period, together with expected costs for the current and upcoming periods. As all accommodations benefit equally from window cleaning, the cost is divided equally.

There are some buildings where it is impossible to clean all of the windows. No costs are charged to tenants in the relevant accommodations.

Individuele bemetering 'Individual metering' (deductible)

When individual meters are installed, the costs are comparable to the standing charge or heating meter service rate for measuring and registering the energy consumed in the accommodation. After the conclusion of each financial year, the advance payments are balanced against the actual costs.

The contribution is determined (annually), based on costs incurred during the previous period and expected costs for the current and upcoming periods.

As all accommodations benefit equally from this service, the cost is divided equally.

Inventaris/Stoffering gem. Ruimte 'Inventory/upholstery in communal areas' (deductible)

This concerns all costs related to the furnishings package provided for the accommodations, the communal areas and shared areas, such as costs for depreciation, management, interim replacement, repair, etc. Each tenant pays a monthly amount for this. The total package consists of:

- Curtains in accommodations (expected lifespan 10 years)
- Carpets in accommodations (expected lifespan 10 years)
- Carpets in shared areas (expected lifespan 10 years)
- Carpets in communal areas (expected lifespan 10 years)
- Lino in communal areas (expected lifespan 12 years)
- Free standing fridge-freezer (expected lifespan 10 years)
- Four ring cooking hob (gas or electric) (expected lifespan 10 years)

The above listed items are considered to depreciate over a lifespan of 10 years (or 12 years in the case of linoleum). For inventory purposes, an advance charge for this is made against each accommodation. In as far as possible, these costs are charged directly to the relevant accommodations via depreciation costs. Costs which cannot be allocated directly to a specified accommodation are charged to the residential building as a whole.

Stoffering gemeenschappelijke ruimten ‘Upholstery in communal areas’ (non-deductible)

This concerns all costs related to the furnishing package provided in the communal areas (depreciation costs, management costs, interim replacement, etc.). Tenant's each pay a fixed monthly amount for this. This fund is managed by Stadswonen Rotterdam.

The package consists of:

- Carpets in communal areas (lifespan 10 years)
- Lino in communal areas (lifespan 12 years)

Kabeltelevisie ‘Cable television’ (deductible)

This concerns the costs for providing TV and radio via cable. Most accommodations have a non-individual, shared, TV-connection.

The contribution is determined (annually), based on the costs incurred during the previous period together with the expected costs for the current and upcoming periods.

As all accommodations benefit equally from this service, the cost is divided equally.

KennisGlas diensten ‘KennisGlas services’ (deductible)

This concerns the costs for provision of the 10 Gbit/s upgrade by Tele2 to the KennisGlas internet network (executed in autumn 2016), whereby individual users each have a 75 Mbit/s internet connection. The costs consist of the Tele2 bills after deduction of the share allocated to the SSH complexes – Caland II, d'Blauwe Molen-Overhoning, EIH, 't Leidsche Veem, Pand de Vries and Robert Baelde – which are also on the network (to be paid by SSH).

The contribution is determined (annually), based on the costs related to the Stadswonen share incurred during the previous period together with the expected costs for the current and upcoming periods.

As all accommodations benefit equally from this service, the cost is divided equally.

Kleine herstellingenfonds (WoCo) ‘Minor repairs fund (WoCo)’ (non-deductible)Residential buildings within a management structure covering more than 29 accommodations

Each building's residents' committee (Wooncommissie = WoCo) sets the amount for these funds, with a maximum ceiling amount. Contributions to the minor repairs fund, which are charged on a 'per person' basis, are managed and used by the residents' committee for financing tenant maintenance (such as replacing fuses, repairing hinges, locks, light switches and sockets).

A ceiling amount of €5.66 per person has been fixed for the fund in 2019-2020. Because double-occupancy (co-habitation) accommodations have double the amount of wear and tear, the charge for these co-habitation units is doubled. Other accommodations are charged according to a weighting of 1.

The ceiling amount is set each year in consultation with the Stadswonen Tenants' Association.

Kleine herstellingenfonds (STW) ‘Minor repairs fund (STW)’ (non-deductible)Residential buildings within a management structure covering 29 accommodations or fewer

Contributions to the minor repairs fund, which are charged on a 'per person' basis, are managed and used by Stadswonen (=STW) for financing tenant repairs (such as replacing fuses, repairing hinges, locks, light switches and sockets).

The contribution is determined (annually) in consultation with the Stadswonen Tenants' Association, and is based on the costs incurred

during the previous period together with the expected costs for the current and upcoming periods.

Kookgas 'Gas for cooking' (deductible)

A cost for this is charged when the residential building is on the district heating network ('Stadsverwarming') and gas therefore has to be purchased especially for cooking. When gas is purchased for central heating, cooking gas is included within the heating bill.

The contribution is determined (annually), based on the costs incurred during the previous period together with the expected costs for the current and upcoming periods.

The cost is divided equally between the accommodations.

Leefbaarheidsfonds 'Liveability improvement fund' (non-deductible)

A fund to be spent in any way agreed by the residents' committee or the tenants association of the building. Used for activities which contribute to social cohesion, and therefore the improvement of the liveability within a residential building.

A ceiling amount of €1,30 per person has been fixed for the fund in 2019-2020. Because double-occupancy (co-habitation) accommodations result in double the usage of accommodations and the environment around them, the charge for these co-habitation units is doubled. Other accommodations are charged according to weighting of 1.

The contribution ceiling is set each year in consultation with the Stadswonen Tenants' Association.

Schoonmaak gemeenschappelijke ruimten 'Cleaning of communal areas' (deductible)

This concerns the costs for cleaning of common areas such as entrances, hallways, stairwells, lifts, galleries etc.

The contribution is determined (annually), based on the costs incurred during the previous period together with the expected costs for the current and upcoming periods.

As all accommodations benefit equally from this service, the cost is divided equally.

Servicefonds 'Service fund' (deductible)

The service fund is to cover costs arising from work that actually falls under tenant repairs, but must not or cannot reasonably be expected to be carried out by the tenant. This includes the following activities/costs:

Description	Tenant contribution
• 24-hour lift service	20% of costs
• 24-hour water pressure boosting	20% of costs
• 24-hour heating service	20% of costs
• Pest control	50% of costs
• Interior paintwork of communal areas	a reserve based on 10 year lifespan
• Maintenance of non-public landscaped areas	100% of non-public landscaping
• Maintenance of window and door frames	100% of costs
• Drain unblocking service	50% of costs
• Lighting of communal areas	100% of costs

The service fund is dealt with as an item which is set on a per-complex basis, according to the services provided to or reserved for each one.

The contribution is determined (annually), based on the costs incurred during the previous period together with the expected costs for the current and upcoming periods.

As all accommodations within a residential building benefit equally from a service fund, the cost is divided equally.

Verwarming 'Heating' (deductible)

When recorded via a single main meter

The costs consist of the consumption costs plus the standing charges for the entire complex. They include both room heating and water heating. The contribution is determined (annually), based on the costs and consumption from the previous period together with the expected costs for the current and upcoming periods.

The costs are allocated as follows:

- 35% of the total cost is shared evenly between the accommodations;
- 65% of the total cost is shared between the accommodations according to their individual sizes (surface area)*.

** Shared areas such as kitchens and bathrooms are included in the size calculation.*

This is in accordance with the Rent Tribunal ('Huurcommissie') policy for 'heating facilities':

Recommended allocation

The distribution of heating costs can be based on a split that is as similar as possible to the actual costs incurred per accommodation or accommodation unit.

(...)

In the absence of individual meters:

(...)

35% (fixed costs) divided equally per accommodation;

65% (variable costs) in proportion to the number of square metres within each accommodation.

In the event of a 'non-aligned' tenancy period (when the dates of the tenancy do not correspond with the start and end dates of the billing period), the 'daily degrees' of the relevant year will be taken into account, with effect from the settlement service charges of 2014. An explanation of 'daily degrees' is given at the end of this document.

When individual meters apply

Consumption is measured for the individual accommodation concerned and costs are based on this for the relevant year.

The contribution for heating is determined (annually), based on the usage and costs incurred during the previous period together with the expected costs for the current and upcoming periods.

Vuilafvoer 'Waste disposal' (deductible)

These costs relate to the depreciation and maintenance of the waste container(s). The contribution is determined (annually), based on the costs incurred for the previous period together with the expected costs for the current and upcoming periods.

As all accommodations within buildings that have waste disposal containers benefit equally from the service, the cost is divided equally.

Wasmachinefonds 'Laundry fund' (non-deductible)

This concerns the fund to cover costs of purchasing and maintenance of washing machine(s), dryer(s) and associated facilities. It does not apply when coin-operated machines are in use. The fund is managed by the residents' committee.

A ceiling amount of €1,79 per accommodation has been fixed for the fund in 2019-2020.

The contribution ceiling is set each year in consultation with the Stadswonen Tenants' Association.

Water gemeenschappelijke Ruimten 'Water communal areas' (deductible)

This cost component applies to certain specific residential buildings to cover the costs of non-individual water consumption. The contribution is determined (annually), based on the consumption and costs incurred during the previous period together with the expected costs for the current and upcoming periods.

As all accommodations within a residential building benefit equally from this service, the cost is divided equally.

Water 'Water' (deductible)When recorded via a single main meter

The costs are comprised of the consumption costs together with standing charges for unheated tap water throughout the entire complex. The contribution is determined (annually), based on the consumption and costs incurred during the previous period together with the expected costs for the current and upcoming periods.

The costs are divided as follows:

- Single weighting for single-occupancy accommodations;
- Weighting of 1.5 for double-occupancy accommodations.

The division of water consumption is based on the principles determined by Nibud. Two-person households use 1.89 times the amount of water compared to a single-person household. According to Nibud, however, the costs amount to just 1.5 fold. This is because the price of water is not only based on consumption, but on standing charges too. When this is factored in, the cost differences are not as great. Stadswonen Rotterdam therefore assigns a weighting of 1.5 to double-occupancy accommodations.

When individual meters are in use

Consumption is measured for the individual accommodation concerned and costs are determined based on that for the relevant year.

The contribution for water is determined (annually), based on the usage and costs incurred during the previous period together with the expected costs for the current and upcoming periods.

Water Warm 'Warm water' (deductible)

This refers to a cost component which applies within certain specific complexes where the accommodations are equipped with their own cold water meters from Evides. The (warm) water, which is heated by a boiler and used for both the hot tap water and the central heating, is charged on to the residents through the service costs. The contribution is determined (annually), based on the consumption and costs incurred during the previous period together with the expected costs for the current and upcoming periods.

Costs are split equally between all the accommodations.

Zuiveringsheffing 'Pollution levy' (deductible)

The pollution levy is an environmental levy related to surface water, which is charged (as a legal fee) to residents of shared accommodations via Stadswonen Rotterdam. Residents of self-contained accommodations are charged directly by the water board ('waterschap'), in accordance with the District Water Control Board ('Hoogheemraadschap') policy. The water board taxes actually consist of two parts. A user tax that is the same for all homes (equally weighted) and a pollution levy that is calculated according to consumption.

Stadswonen Rotterdam has made an agreement with the water board to send them a statement of water consumption. The Water Board then calculates the costs based on this. Stadswonen Rotterdam splits the associated costs between the tenants according to the same weightings as used for water.

The contribution for the levy is determined (annually), based on the costs incurred during the previous period together with the expected costs for the current and upcoming periods.

Additional explanatory notes: daily degrees

In the event of the tenancy period not being aligned with the billing period, the heating costs per accommodation used to be evenly split over the relevant financial year. As of 2014 billing, 'daily degrees' have been taken into account when making the cost split calculation.

'Daily degrees' explained

The 'daily degrees' weighting assigned to a time period indicates how many degrees the average daily temperature within that period falls below the heating standard of 18° C. (source: 'Beleidsboek servicekosten en nutsvoorzieningen Huurcommissie juli 2014').

Calculation examples

Situation without 'daily degrees'

In a residential building consisting of 10 studios, each of the same size (20 m²), the annual heating bill (from the energy supplier and network manager) amounts to a total of 6,000 euros:

- 35% evenly split: 210 euros per accommodation
- 65% split proportionately by size: 390 euros per accommodation
600 euros per accommodation

During the billing year, accommodation A was rented by two different tenants. Tenant 1 lived there from 1 January till 30 April, tenant 2 lived there from 1 May till 31 December. This results in the following bill per tenant:

- Tenant 1 (January till end of April) 200 euro (600 x (4 months/12 months))
- Tenant 2 (May to December) 400 euro (600 x (8 months/12 months))
600 euros

When dividing the bill over non-aligned tenancy periods (the tenancy periods do not fully match the total billing period), the season during which each tenant was in occupancy has not been taken into account and the costs have been evenly split over the year.

Situation with 'daily degrees'

The same rental periods as before apply, but now the billing takes the following (fictitious) 'daily degrees' into account:

Jan	408,1
Feb	344,52
Mar	296,3
Apr	148
May	113,92
Jun	56,64
Jul	11,2
Aug	48,24
Sep	44,96
Oct	127,6
Nov	310,53
Dec	434,17
	2344,18

The earlier calculation example resulted in tenants 1 & 2 respectively incurring costs of 200 and 400 euros. In this example, the costs are split based on 'daily degrees', as they apply to the relevant periods/seasons, instead of number of days:

- Tenant 1: 600 euros x (1196.92 'daily degrees' period / 2344.18 'daily degrees year') = 306.36 euros
- Tenant 2: 600 euros x (1147.26 'daily degrees' period / 2344.18 'daily degrees year') = 293.64 euros
600.00 euros

This way, bill allocation for a non-aligned tenancy period takes the relevant seasonal factors when each tenant was in occupancy into account.