

The Financial Implications of Buying 4 The Walled Garden, Roseland Parc, Tregony, Truro, TR2 5PD

Set out below are worked examples of the financial implications of buying the above property.

Note: These worked examples are for guidance only. Please discuss your individual circumstances and financial commitments with your solicitor, other legal or financial adviser.

This illustration is not a forecast and, like any other investment, the value of properties in the village could go down as well as up.

EXAMPLE 1: TYPICAL ANNUAL COSTS

This first example deals with the potential annual costs of buying a retirement property. **It excludes:**

- The cost of any **mortgage** you may have, and;
- The **personal monthly bills** for which you would be liable, such as council tax, electricity, gas, water, telephone rates and charges, (if applicable), contents insurance, television licence, broadband / satellite / cable subscriptions and any other bills.

The costs shown are based upon the purchase cost and service charge costs for single or double occupancy of a one bedroom apartment, address 4 The Walled Garden, Roselands Parc - purchased for **£315,000 (Three Hundred and Fifteen Thousand Pounds)**

As a leasehold owner, you will be responsible for the following costs, which are applicable from: 1st April 2018 to 31st March 2019 and annually thereafter.

Costs	Calculation Method	Annual Cost
Service Charge *	Monthly £447.16	£5,366.00
Total (double occupancy) additional cost per annum if applicable	Monthly £25.00	£300.00
Ground Rent [The Ground Rent will double every 20 years]	Monthly £25.00	£300.00
	Monthly £497.16	£5,966.00

*The service charge is reviewed every year in consultation with residents.

EXAMPLE 2: A SALE (Otherwise known as assignment) of your property

This second example deals with some of the one-off costs if you were to sell (otherwise known as to “assign”) your property. **It excludes:**

- Any outstanding **ground rent** or **service charge** that you owe;
- Any **mortgage costs**, including the cost of paying off (sometimes referred to as redeeming) your mortgage;
- The costs of any **solicitor**, conveyancer or legal adviser you appoint to deal with the sale/assignment;
- Any **estate agents fees**; 2% plus vat when RV Services Ltd undertake sales and marketing or sellers choice of agent
- Any **tax** which you may have to pay, including stamp duty;
- Any **costs of moving**;
- The **cost of ensuring the property is in good decorative order prior to the resale.**

If you purchase the property for **£315,000** and in the future sell/assign it for the sale prices below, examples of the corresponding assignment fees incurred on the sale/assignment of the property are indicated underneath the sale prices:-

The proportion of the sales price payable changes: it is 2.5% for a sale in the first year, 5% for a sale in the second year, and 10% for all sales after the second year.

Fee	Calculation Method	Cost
Example A: If you sell the property after 6 years and the property has not changed in value.		
Sale Price		£315,000
The Assignment Fee if paid on sale	10.0% of the sale price	£31,500 Payable when you sell OR
The Assignment Fee if pre-paid	10.0% of the purchase price	£31,500 Payable when you purchase
Fee	Calculation Method	Cost
Example B: If you sell the property after 6 years and the property has increased in value by 3% per annum.		
Sale Price		£376,126
The Assignment Fee if paid on sale	10.0% of the sale price	£37,613 Payable when you sell OR
The Assignment Fee if pre-paid	10.0% of the purchase price	£31,500 Payable when you purchase
Fee	Calculation Method	Cost
Example C: If you sell the property after 6 years and the property has decreased in value by 3% per annum.		
Sale Price		£262,386
The Assignment Fee if paid on sale	10.0% of the sale price	£26,239 Payable when you sell OR
The Assignment Fee if pre-paid	10.0% of the purchase price	£31,500 Payable when you purchase
Fee	Calculation Method	Cost
Example D: If you sell the property within 2 years and the property has increased in value by 3% per annum.		
Sale Price		£334,184
The Assignment Fee if paid on sale	5.0% of the sale price	£16,709 Payable when you sell OR
The Assignment Fee if pre-paid	5.0% of the purchase price	£15,750 Net payment
Fee	Calculation Method	Cost
Example E: If you sell the property within 2 years and the property has decreased in value by 3% per annum.		
Sale Price		£296,384
The Assignment Fee if paid on sale	5.0% of the sale price	£14,819 Payable when you sell OR
The Assignment Fee if pre-paid	5.0% of the purchase price	£15,750 Net payment
Fee	Calculation Method	Cost
Example F: If you sell the property within 1 year and the property has increased in value by 3% per annum.		
Sale Price		£324,450
The Assignment Fee if paid on sale	2.5% of the sale price	£8,111 Payable when you sell OR
The Assignment Fee if pre-paid	2.5% of the purchase price	£7,875 Net payment
Fee	Calculation Method	Cost
Example G: If you sell the property within 1 year and the property has decreased in value by 3% per annum.		
Sale Price		£305,550
The Assignment Fee if paid on sale	2.5% of the sale price	£7,639 Payable when you sell OR
The Assignment Fee if pre-paid	2.5% of the purchase price	£7,875 Net payment

