

## 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. Created 28/03/2019

**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, 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 2019 to 31st March 2020 and annually thereafter.

<b>Costs</b>	<b>Calculation Method</b>	<b>Annual Cost</b>
<b>Service Charge *</b>	Monthly £459.16	£5,510.00
<b>Total (double occupancy) additional cost per annum if applicable</b>	Monthly £25.00	£300.00
<b>Ground Rent</b> [Ground rents will be reviewed every 20 years based off a compounded annual increase of 2%.]	Monthly £25.00	£300.00
	Monthly £509.16	<b>£6,110.00</b>

\*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; 1.5% 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.

***The assignment fee, which is payable to the landlord, ROSELAND MANAGEMENT LIMITED provides a return on the original investment in developing the communal facilities in the Village. It does not contribute towards the costs of any services that are provided or to a sinking fund and accordingly is not held in trust for residents***

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. If you pre-pay the assignment fee on purchase the rate will be 10%.***

Fee	Calculation Method	Cost
<b>Example A: If you sell the property after 6 years and the property has <u>not</u> changed in value.</b>		
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
<b>Example B: If you sell the property after 6 years and the property has increased in value by 3% per annum.</b>		
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
<b>Example C: If you sell the property after 6 years and the property has decreased in value by 3% per annum.</b>		
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
<b>Example D: If you sell the property within 2 years and the property has increased in value by 3% per annum.</b>		
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
<b>Example E: If you sell the property within 2 years and the property has decreased in value by 3% per annum.</b>		
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
<b>Example F: If you sell the property within 1 year and the property has increased in value by 3% per annum.</b>		
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
<b>Example G: If you sell the property within 1 year and the property has decreased in value by 3% per annum.</b>		
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