

The Financial Implications of Buying 16 Nare House, Roseland Parc, Truro, Cornwall TR2 5NH

Set out below are worked examples of the financial implications of buying the above property. Created on 10.09.2019

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, telephone rates and charges, (if applicable see key facts), contents insurance, television licence, broadband / satellite / cable subscriptions and any other bills.
- Electricity, gas, water included in service charge

The costs shown are based upon the purchase cost and service charge costs for single & double occupancy of a 2 bedroom “Fully Serviced” apartment, address 16 Nare House, purchased for **£169,500,000 (one hundred and sixty nine thousand five hundred 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.

Costs	Calculation Method	Annual Cost
Service Charge * Single occupancy	Monthly £459.16	£5,510.00
Additional cost per annum double occupancy if applicable	Monthly £25.00	£300.00
Fully serviced charge single occupancy (OPTION TO REMOVE)	Monthly £1,324.18	£15,890.16
Fully serviced charge double occupancy (OPTION TO REMOVE)	Monthly £1,765.59	£21,187.08
Ground Rent	Monthly £0.83	£10.00
Single occupancy	Monthly £1,784.18	£21,410.16
Double occupancy	Monthly £2,250.59	£27,007.08

*** 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; (Inclusive if using RV Services property re-sales service)
- 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 **£169,500** 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 5% for a sale in the first year, 10% for a sale in the second year, and 12.5% for all sales after the second year. If you pre-pay the assignment fee on purchase the rate will be 12.5%.

Fee	Calculation Method	Cost
Example A: If you sell the property after 6 years and the property has <u>not</u> changed in value.		
Sale Price		£169,500
The Assignment Fee if paid on sale	12.5% of the sale price	£21,188 Payable when you sell OR
The Assignment Fee if pre-paid	12.5% of the purchase price	£21,188 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		£202,392
The Assignment Fee if paid on sale	12.5% of the sale price	£25,299 Payable when you sell OR
The Assignment Fee if pre-paid	12.5% of the purchase price	£21,188 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		£141,189
The Assignment Fee if paid on sale	12.5% of the sale price	£17,649 Payable when you sell OR
The Assignment Fee if pre-paid	12.5% of the purchase price	£21,188 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		£179,823
The Assignment Fee if paid on sale	10.0% of the sale price	£17,982 Payable when you sell OR
The Assignment Fee if pre-paid	10.0% of the purchase price	£16,950 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		£159,483
The Assignment Fee if paid on sale	10.0% of the sale price	£15,948 Payable when you sell OR
The Assignment Fee if pre-paid	10.0% of the purchase price	£16,950 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		£174,585
The Assignment Fee if paid on sale	5.0% of the sale price	£8,729 Payable when you sell OR
The Assignment Fee if pre-paid	5.0% of the purchase price	£8,475 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		£164,415
The Assignment Fee if paid on sale	5.0% of the sale price	£8,221 Payable when you sell OR
The Assignment Fee if pre-paid	5.0% of the purchase price	£8,475 Net payment