

The Financial Implications of Buying Plot 51, Flat 4 Chase House, Gradwell Park, South Chailey, BN8 4FP

Set out below are worked examples of the financial implications of buying the above property. Created on 6/1/2021.

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 Deferred Management Fee costs for single or double occupancy of a 2 bedroom Ground Floor Apartment, address Plot 51, Flat 4 Chase House, Gradwell Park, South Chailey, BN8 4FP, purchased for **£470,000 (Four Hundred and Seventy Thousand Pounds)**.

As a leasehold owner, you will be responsible for the following costs, which are applicable from: Jan 2021 to Dec 2021 and annually thereafter.

Costs	Calculation Method	Annual Cost
Management Fee *	Monthly £687.50	£8,250.00
Ground Rent	Monthly £0.00	£0
	Monthly £687.50	£8,250.00

*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 **Management Fee** 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% when Gradwell Village 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 Management Fee, which is payable to the landlord, Gradwell Village Ltd, 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 £470,000 and in the future sell/assign it for the sale prices below, examples of the corresponding Deferred Management 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 15% 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			£470,000	
The DMF if paid on sale	15.0%	of the sale price	£70,500	Payable when you sell OR
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			£561,205	
The DMF if paid on sale	15.0%	of the sale price	£84,181	Payable when you sell OR
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			£391,497	
The DMF if paid on sale	15.0%	of the sale price	£58,725	Payable when you sell OR
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			£498,623	
The DMF if paid on sale	10.0%	of the sale price	£49,862	Payable when you sell OR
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			£442,223	
The DMF if paid on sale	10.0%	of the sale price	£44,222	Payable when you sell OR
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			£484,100	
The DMF if paid on sale	5.0%	of the sale price	£24,205	Payable when you sell OR
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			£455,900	
The DMF if paid on sale	5.0%	of the sale price	£22,795	Payable when you sell OR