

## The Financial Implications of Buying New Build, Apartment 28 Debden House, Fallow Drive, Saffron Walden, CB11 3RP

Set out below are worked examples of the financial implications of buying the above property. Created on 28/09/2021.

**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 Assignment Fee costs for single or double occupancy of a 2 bedroom Second Floor Apartment, address New Build, Apartment 28 Debden House, Fallow Drive, Saffron Walden, , CB11 3RP, purchased for **£410,000 (Four Hundred and Ten 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 £579	£6,950.00
Ground Rent	Monthly £0.00	£0
	<b>Monthly £579.17</b>	<b>£6,950.00</b>

\*The Management Fee 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 **tax** which you may have to pay, including stamp duty;
- Any **costs of moving**;
- Any **estate agents fees**; (1.5% when RV Developments Newport Ltd undertake sales and marketing or sellers choice of agent)
- The **cost of ensuring the property is in good decorative order prior to the resale.**

*The Assignment Fee, which is payable to the landlord, RV Developments Newport 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 £410,000 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 3% for a sale in the first year, 6% for a sale in the second year, 10% for a sale in the third year and 15% for all sales after the third year.**

Fee	Calculation Method		Cost	
<b>Example A: If you sell the property after 6 years and the property has not changed in value.</b>				
Sale Price			£410,000	
The Assignment Fee if paid on sale	15.0%	of the sale price	£61,500	Payable when you sell
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			£489,561	
The Assignment Fee if paid on sale	15.0%	of the sale price	£73,434	Payable when you sell
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			£341,519	
The Assignment Fee if paid on sale	15.0%	of the sale price	£51,228	Payable when you sell
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			£434,969	
The Assignment Fee if paid on sale	6.0%	of the sale price	£26,098	Payable when you sell
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			£385,769	
The Assignment Fee if paid on sale	6.0%	of the sale price	£23,146	Payable when you sell
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			£422,300	
The Assignment Fee if paid on sale	3.0%	of the sale price	£12,669	Payable when you sell
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			£397,700	
The Assignment Fee if paid on sale	3.0%	of the sale price	£11,931	Payable when you sell