

## The Financial Implications of Buying 34 Debden House, Fallow Drive, Saffron Walden, N/A, CB11 3RP

Set out below are worked examples of the financial implications of buying the above property. Created on 29/9/2021.

**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 Apartment, address 34 Debden House, Fallow Drive, Saffron Walden, , CB11 3RP, purchased for **£472,500 (Four Hundred and Seventy-Two Thousand, Five Hundred 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 and revised in line with increase of Retail Price Index (RPI) .

### **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% plus vat when Debden Grange 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 £472,500 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 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 <u>not changed</u> in value</b>		
Sale Price		£472,500
The Assignment Fee if paid on sale	15% of the sale price	£70,875 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		£564,190
The Assignment Fee if paid on sale	15% of the sale price	£84,628 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		£393,579
The Assignment Fee if paid on sale	15% of the sale price	£59,037 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		£501,275
The Assignment Fee if paid on sale	6% of the sale price	£30,076 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		£444,575
The Assignment Fee if paid on sale	6% of the sale price	£26,674 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		£486,675
The Assignment Fee if paid on sale	3% of the sale price	£14,600 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		£458,325
The Assignment Fee if paid on sale	3% of the sale price	£13,750 Payable when you sell