

The Financial Implications of Buying 49 Debden House (New Build), 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 30/9/2021.

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 49 Debden House (New Build), Fallow Drive, Saffron Walden, , CB11 3RP, purchased for **£425,000 (Four Hundred and Twenty-Five 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 |
| | Monthly £579.17 | £6,950.00 |

*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 £425,000 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 |
|---|-----------------------|-------------------------------|
| EXAMPLE A: If you sell the property after 6 years and the property has <u>not</u> changed in value | | |
| Sale Price | | £425,000 |
| The Assignment Fee if paid on sale | 15% of the sale price | £63,750 Payable when you sell |

| 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 | | £507,472 |
| The Assignment Fee if paid on sale | 15% of the sale price | £76,121 Payable when you sell |

| 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 | | £354,013 |
| The Assignment Fee if paid on sale | 15% of the sale price | £53,102 Payable when you sell |

| 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 | | £450,882 |
| The Assignment Fee if paid on sale | 6% of the sale price | £27,053 Payable when you sell |

| 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 | | £399,882 |
| The Assignment Fee if paid on sale | 6% of the sale price | £23,993 Payable when you sell |

| 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 | | £437,750 |
| The Assignment Fee if paid on sale | 3% of the sale price | £13,132 Payable when you sell |

| 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 | | £412,250 |
| The Assignment Fee if paid on sale | 3% of the sale price | £12,368 Payable when you sell |