

The Financial Implications of Buying 5 The Cedars, Cedars Village, Chorleywood, Hertfordshire, WD3 5GL

Set out below are worked examples of the financial implications of buying the above property. Created on 13/10/2021.

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 service charge costs for single or double occupancy of a 1 bedroom Apartment, address 5 The Cedars, Cedars Village, Chorleywood, Hertfordshire, WD3 5GL, purchased for **£295,000 (Two Hundred and Ninety-Five Thousand Pounds)**.

As a leasehold owner, you will be responsible for the following costs, which are applicable from: Oct 2021 to Sep 2022 and annually thereafter.

Costs	Calculation Method	Annual Cost
Service Charge *	Monthly £485	£5,816.00
Total (double occupancy) additional cost per annum if applicable	Monthly £25.00	£300.00
Ground Rent	Monthly £22.92	£275
	Monthly £532.58	£6,391.00

*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 **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 PROPERTY HOLDINGS LTD 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, RV PROPERTY HOLDINGS 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 £295,000 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 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.

FEE	Calculation Method	Cost
EXAMPLE A: If you sell the property after 6 years and the property has <u>not changed</u> in value		
Sale Price		£295,000
The Assignment Fee if paid on sale	12.5% of the sale price	£36,875 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		£352,245
The Assignment Fee if paid on sale	12.5% of the sale price	£44,031 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		£245,727
The Assignment Fee if paid on sale	12.5% of the sale price	£30,716 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		£312,966
The Assignment Fee if paid on sale	10% of the sale price	£31,297 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		£277,566
The Assignment Fee if paid on sale	10% of the sale price	£27,757 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		£303,850
The Assignment Fee if paid on sale	5% of the sale price	£15,192 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		£286,150
The Assignment Fee if paid on sale	5% of the sale price	£14,308 Payable when you sell