

## The Financial Implications of Buying 2 Homewood Court, Cedars Village, Chorleywood, Hertfordshire, WD3 5GB

Set out below are worked examples of the financial implications of buying the above property. Created on 03/11/2021.

**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 Mrs Harris occupying the 2 bedroom Apartment, address 2 Homewood Court, Cedars Village, Chorleywood, Hertfordshire, WD3 5GB, purchased for **£375,000 (Three Hundred and Seventy 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
<b>Service Charge *</b> Double occupancy is an additional £300 per annum if applicable	Monthly £535.25	£6,423.00
<b>Ground Rent</b>	Monthly £21.25	£255
	<b>Monthly £556.50</b>	<b>£6,678.00</b>

\*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 £375,000 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 does not change over time: it is 12.5% whenever a property is sold.**

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			£375,000	
The Assignment Fee if paid on sale	12.5%	of the sale price	£46,875	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			£447,770	
The Assignment Fee if paid on sale	12.5%	of the sale price	£55,971	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			£312,365	
The Assignment Fee if paid on sale	12.5%	of the sale price	£39,046	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			£397,838	
The Assignment Fee if paid on sale	12.5%	of the sale price	£49,730	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			£352,838	
The Assignment Fee if paid on sale	12.5%	of the sale price	£44,105	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			£386,250	
The Assignment Fee if paid on sale	12.5%	of the sale price	£48,281	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			£363,750	
The Assignment Fee if paid on sale	12.5%	of the sale price	£45,469	Payable when you sell

I/We confirm that I have read and understand the financial implications of purchasing; 2 Homewood Court, Cedars Village, Chorleywood, Hertfordshire, WD3 5GB

Signed by Purchaser/s .....

Print name/s .....

Date .....

Signed by Village Manager .....

Print name .....

Date .....

