

The Financial Implications of Buying 24 Chase House, 18 Gradwell End, South Chailey, N/A, BN8 4FP

Set out below are worked examples of the financial implications of buying the above property. Created on 6/5/2022.

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 24 Chase House, 18 Gradwell End, South Chailey, , BN8 4FP, purchased for **£580,000 (Five Hundred and Eighty Thousand Pounds)**.

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

| Costs | Calculation Method | Annual Cost |
|------------------|------------------------|------------------|
| Management Fee * | Monthly £728.83 | £8,746.00 |
| Ground Rent | Monthly £0.00 | £0 |
| | Monthly £728.83 | £8,746.00 |

*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**;
- The **cost of ensuring the property is in good decorative order prior to the resale.**

The Assignment Fee, which is payable to the landlord, Gradwell Village 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 £580,000 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 fourth year.

| FEE | Calculation Method | Cost |
|---|-----------------------|-------------------------------|
| EXAMPLE A: If you sell the property after 4 years and the property has <u>not changed</u> in value | | |
| Sale Price | | £580,000 |
| The Assignment Fee if paid on sale | 15% of the sale price | £87,000 Payable when you sell |

| FEE | Calculation Method | Cost |
|---|-----------------------|--------------------------------|
| EXAMPLE B: If you sell the property after 4 years and the property has increased in value by 3% per annum. | | |
| Sale Price | | £692,550 |
| The Assignment Fee if paid on sale | 15% of the sale price | £103,882 Payable when you sell |

| FEE | Calculation Method | Cost |
|---|-----------------------|-------------------------------|
| EXAMPLE C: If you sell the property after 4 years and the property has decreased in value by 3% per annum. | | |
| Sale Price | | £483,124 |
| The Assignment Fee if paid on sale | 15% of the sale price | £72,469 Payable when you sell |

| FEE | Calculation Method | Cost |
|---|-----------------------|-------------------------------|
| EXAMPLE D: If you sell the property between 3 & 4 years and the property has increased in value by 3% per annum. | | |
| Sale Price | | £652,795 |
| The Assignment Fee if paid on sale | 10% of the sale price | £65,280 Payable when you sell |

| FEE | Calculation Method | Cost |
|---|-----------------------|-------------------------------|
| EXAMPLE E: If you sell the property between 3 & 4 years and the property has decreased in value by 3% per annum. | | |
| Sale Price | | £513,470 |
| The Assignment Fee if paid on sale | 10% of the sale price | £51,347 Payable when you sell |

| FEE | Calculation Method | Cost |
|---|-----------------------|-------------------------------|
| EXAMPLE F: If you sell the property between 2 & 3 years and the property has increased in value by 3% per annum. | | |
| Sale Price | | £633,782 |
| The Assignment Fee if paid on sale | 10% of the sale price | £63,378 Payable when you sell |

| FEE | Calculation Method | Cost |
|---|-----------------------|-------------------------------|
| EXAMPLE G: If you sell the property between 2 & 3 years and the property has decreased in value by 3% per annum. | | |
| Sale Price | | £529,350 |
| The Assignment Fee if paid on sale | 10% of the sale price | £52,935 Payable when you sell |

| FEE | Calculation Method | Cost |
|---|----------------------|-------------------------------|
| EXAMPLE H: If you sell the property between 1 & 2 years and the property has increased in value by 3% per annum. | | |
| Sale Price | | £615,322 |
| The Assignment Fee if paid on sale | 6% of the sale price | £36,919 Payable when you sell |

| FEE | Calculation Method | Cost |
|---|----------------------|-------------------------------|
| EXAMPLE I: If you sell the property between 1 & 2 years and the property has decreased in value by 3% per annum. | | |
| Sale Price | | £545,722 |
| The Assignment Fee if paid on sale | 6% of the sale price | £32,743 Payable when you sell |

| FEE | Calculation Method | Cost |
|---|----------------------|-------------------------------|
| EXAMPLE J: If you sell the property within 1 year and the property has increased in value by 3% per annum. | | |
| Sale Price | | £597,400 |
| The Assignment Fee if paid on sale | 3% of the sale price | £17,922 Payable when you sell |

| FEE | Calculation Method | Cost |
|---|----------------------|-------------------------------|
| EXAMPLE K: If you sell the property within 1 year and the property has decreased in value by 3% per annum. | | |
| Sale Price | | £562,600 |
| The Assignment Fee if paid on sale | 3% of the sale price | £16,878 Payable when you sell |