

The Financial Implications of Buying 5 The Priory, Priory Road, Abbotskerswell, Devon, TQ12 5PP

Set out below are worked examples of the financial implications of buying the above property. Created on 23/5/2022.

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 service charge costs for single or double occupancy of a 2 bedroom Apartment, address 5 The Priory, Priory Road, Abbotskerswell, Devon, TQ12 5PP, purchased for **£325,000 (Three Hundred and Twenty-Five Thousand Pounds)**.

As a leasehold owner, you will be responsible for the following costs, which are applicable from: May 2022 to Apr 2023 and annually thereafter.

Costs	Calculation Method	Annual Cost
Service Charge *	Monthly £652.20	£7,826.38
Ground Rent	Peppercorn	Peppercorn
	Monthly £652.20	£7,826.38

*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**; (1.5% when RV PROPERTY HOLDINGS LTD undertake sales and marketing or sellers choice of agent)
- 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 £325,000 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 2.5% for a sale in the first year, 5% for a sale in the second year, 7.5% for a sale in the third year, 10% for a sale in the fourth year, and 12.5% for all sales after the fourth 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		£325,000
The Assignment Fee if paid on sale	12.5% of the sale price	£40,625 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		£388,067
The Assignment Fee if paid on sale	12.5% of the sale price	£48,508 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		£270,716
The Assignment Fee if paid on sale	12.5% of the sale price	£33,840 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		£365,790
The Assignment Fee if paid on sale	10% of the sale price	£36,579 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		£287,720
The Assignment Fee if paid on sale	10% of the sale price	£28,772 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		£355,136
The Assignment Fee if paid on sale	7.5% of the sale price	£26,635 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		£296,619
The Assignment Fee if paid on sale	7.5% of the sale price	£22,246 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		£344,792
The Assignment Fee if paid on sale	5% of the sale price	£17,240 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		£305,792
The Assignment Fee if paid on sale	5% of the sale price	£15,290 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		£334,750
The Assignment Fee if paid on sale	2.5% of the sale price	£8,369 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		£315,250
The Assignment Fee if paid on sale	2.5% of the sale price	£7,881 Payable when you sell