

## The Financial Implications of Buying New Build, 3 Meadow View, Moat Park, Great Easton, Essex, CM6 2DL

Set out below are worked examples of the financial implications of buying the above property. Created on 18/12/2019.

**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 Cottage, address New Build, 3 Meadow View, Moat Park, Great Easton, Essex, CM6 2DL, purchased for **£505,000 (Five Hundred and Five Thousand Pounds)**.

As a leasehold owner, you will be responsible for the following costs, which are applicable from: Jan 2020 to Dec 2020 and annually thereafter.

Costs	Calculation Method	Annual Cost
<b>Service Charge *</b>	Monthly £428	£5,136.00
Total (double occupancy) additional cost per annum if applicable	Monthly £25.00	£300.00
<b>Ground Rent</b>	Monthly £25.00	£300
	<b>Monthly £478.00</b>	<b>£5,736.00</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**; (1.5% plus vat when RV Moat House 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 Moat House 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 £505,000 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, and 10% for all sales after the second year. If you pre-pay the assignment fee on purchase the rate will be 10%. If you sell the property within 2 years of occupation and you have pre-paid the full assignment fee of 10%, the difference will be refunded.**

FEE	Calculation Method	Cost
<b>EXAMPLE A: If you sell the property after 6 years and the property has <u>not changed</u> in value</b>		
Sale Price		£505,000
The Assignment Fee if paid on sale	10% of the sale price	£50,500 Payable when you sell OR
The Assignment Fee if pre-paid	10% of the purchase price	£50,500 Payable when you purchase

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		£602,996
The Assignment Fee if paid on sale	10% of the sale price	£60,300 Payable when you sell OR
The Assignment Fee if pre-paid	10% of the purchase price	£50,500 Payable when you purchase

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		£420,651
The Assignment Fee if paid on sale	10% of the sale price	£42,065 Payable when you sell OR
The Assignment Fee if pre-paid	10% of the purchase price	£50,500 Payable when you purchase

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		£535,754
The Assignment Fee if paid on sale	5% of the sale price	£26,788 Payable when you sell OR
The Assignment Fee if pre-paid	5% of the purchase price	£25,250 Net payment

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		£475,154
The Assignment Fee if paid on sale	5% of the sale price	£23,758 Payable when you sell OR
The Assignment Fee if pre-paid	5% of the purchase price	£25,250 Net payment

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		£520,150
The Assignment Fee if paid on sale	2.5% of the sale price	£13,004 Payable when you sell OR
The Assignment Fee if pre-paid	2.5% of the purchase price	£12,625 Net payment

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		£489,850
The Assignment Fee if paid on sale	2.5% of the sale price	£12,246 Payable when you sell OR
The Assignment Fee if pre-paid	2.5% of the purchase price	£12,625 Net payment