

The Financial Implications of Buying 7 St Anthony House, Roseland Parc, Truro, Cornwall, TR2 5NH

Set out below are worked examples of the financial implications of buying the above property. Created on 14/5/2020.

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 Ground Floor Apartment, address 7 St Anthony House, Roseland Parc, Truro, Cornwall, TR2 5NH, purchased for **£175,000 (One Hundred and Seventy-Five Thousand Pounds)**.

As a leasehold owner, you will be responsible for the following costs, which are applicable from: Apr 2020 to Mar 2021 and annually thereafter.

| Costs | Calculation Method | Annual Cost |
|--|------------------------|------------------|
| Service Charge * | Monthly £465 | £5,581.00 |
| Total (double occupancy) additional cost per annum if applicable | Monthly £25.00 | £300.00 |
| Ground Rent | Monthly £0.83 | £10 |
| | Monthly £490.92 | £5,891.00 |

*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 Roseland 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, Roseland 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 £175,000 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. 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 |
|---|---------------------------|-----------------------------------|
| EXAMPLE A: If you sell the property after 6 years and the property has <u>not changed</u> in value | | |
| Sale Price | | £175,000 |
| The Assignment Fee if paid on sale | 10% of the sale price | £17,500 Payable when you sell OR |
| The Assignment Fee if pre-paid | 10% of the purchase price | £17,500 Payable when you purchase |

| 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 | | £208,959 |
| The Assignment Fee if paid on sale | 10% of the sale price | £20,896 Payable when you sell OR |
| The Assignment Fee if pre-paid | 10% of the purchase price | £17,500 Payable when you purchase |

| 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 | | £145,770 |
| The Assignment Fee if paid on sale | 10% of the sale price | £14,577 Payable when you sell OR |
| The Assignment Fee if pre-paid | 10% of the purchase price | £17,500 Payable when you purchase |

| 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 | | £185,658 |
| The Assignment Fee if paid on sale | 10% of the sale price | £18,566 Payable when you sell OR |
| The Assignment Fee if pre-paid | 10% of the purchase price | £17,500 Net payment |

| 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 | | £164,658 |
| The Assignment Fee if paid on sale | 10% of the sale price | £16,466 Payable when you sell OR |
| The Assignment Fee if pre-paid | 10% of the purchase price | £17,500 Net payment |

| 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 | | £180,250 |
| The Assignment Fee if paid on sale | 5% of the sale price | £9,012 Payable when you sell OR |
| The Assignment Fee if pre-paid | 5% of the purchase price | £8,750 Net payment |

| 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 | | £169,750 |
| The Assignment Fee if paid on sale | 5% of the sale price | £8,488 Payable when you sell OR |
| The Assignment Fee if pre-paid | 5% of the purchase price | £8,750 Net payment |