

The Financial Implications of Buying 1 Stable Mews, The Rose, The Rose, Truro, Cornwall, TR2 5PD

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 1 Stable Mews, The Rose, The Rose, Truro, Cornwall, TR2 5PD, 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: Apr 2020 to Mar 2021 and annually thereafter.

Costs	Calculation Method	Annual Cost
Service Charge * Total (double occupancy) additional cost per annum if applicable	Monthly £465 Monthly £25.00	£5,581.00 £300.00
Ground Rent Currently £300.00 per annum, doubling every 20 years from the start of the lease	Monthly £25.00	£300
	Monthly £515.08	£6,181.00

*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**; (1.5% plus vat when Roseland 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, 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 £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, 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
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	10% of the sale price	£32,500 Payable when you sell OR
The Assignment Fee if pre-paid	10% of the purchase price	£32,500 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		£388,067
The Assignment Fee if paid on sale	10% of the sale price	£38,807 Payable when you sell OR
The Assignment Fee if pre-paid	10% of the purchase price	£32,500 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		£270,716
The Assignment Fee if paid on sale	10% of the sale price	£27,072 Payable when you sell OR
The Assignment Fee if pre-paid	10% of the purchase price	£32,500 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		£344,792
The Assignment Fee if paid on sale	5% of the sale price	£17,240 Payable when you sell OR
The Assignment Fee if pre-paid	5% of the purchase price	£16,250 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		£305,792
The Assignment Fee if paid on sale	5% of the sale price	£15,290 Payable when you sell OR
The Assignment Fee if pre-paid	5% of the purchase price	£16,250 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		£334,750
The Assignment Fee if paid on sale	2.5% of the sale price	£8,369 Payable when you sell OR
The Assignment Fee if pre-paid	2.5% of the purchase price	£8,125 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		£315,250
The Assignment Fee if paid on sale	2.5% of the sale price	£7,881 Payable when you sell OR
The Assignment Fee if pre-paid	2.5% of the purchase price	£8,125 Net payment