

The Financial Implications of Buying 25 Pendower House, Roseland Parc, Truro, Cornwall, TR2 5NH

Set out below are worked examples of the financial implications of buying the above property. Created on 20/7/2020.

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, 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 25 Pendower House, Roseland Parc, Truro, Cornwall, TR2 5NH, purchased for **£279,000 (Two Hundred and Seventy-Nine 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 £279,000 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 10% for a sale in the first year, 5% for a sale in the second year. If you pre-pay the assignment fee on purchase the rate will be 5%. If you sell the property within 2 years of occupation and you have pre-paid the full assignment fee of 5%, 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		£279,000
The Assignment Fee if paid on sale	5% of the sale price	£13,950 Payable when you sell OR
The Assignment Fee if pre-paid	5% of the purchase price	£13,950 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		£333,141
The Assignment Fee if paid on sale	5% of the sale price	£16,657 Payable when you sell OR
The Assignment Fee if pre-paid	5% of the purchase price	£13,950 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		£232,399
The Assignment Fee if paid on sale	5% of the sale price	£11,620 Payable when you sell OR
The Assignment Fee if pre-paid	5% of the purchase price	£13,950 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		£295,991
The Assignment Fee if paid on sale	5% of the sale price	£14,800 Payable when you sell OR
The Assignment Fee if pre-paid	5% of the purchase price	£13,950 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		£262,511
The Assignment Fee if paid on sale	5% of the sale price	£13,126 Payable when you sell OR
The Assignment Fee if pre-paid	5% of the purchase price	£13,950 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		£287,370
The Assignment Fee if paid on sale	10% of the sale price	£28,737 Payable when you sell OR
The Assignment Fee if pre-paid	10% of the purchase price	£27,900 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		£270,630
The Assignment Fee if paid on sale	10% of the sale price	£27,063 Payable when you sell OR
The Assignment Fee if pre-paid	10% of the purchase price	£27,900 Net payment