

The Financial Implications of Buying 4 Wolston Court, Lime Tree Village, Dunchurch, Warwickshire, CV22 7SQ

Set out below are worked examples of the financial implications of buying the above property. Created on 13/8/2020.

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 Cottage, address 4 Wolston Court, Lime Tree Village, Dunchurch, Warwickshire, CV22 7SQ, purchased for **£230,000 (Two Hundred and Thirty Thousand Pounds)**.

As a leasehold owner, you will be responsible for the following costs, which are applicable from: Oct 2019 to Sep 2020 and annually thereafter.

Costs	Calculation Method	Annual Cost
Service Charge * Total (double occupancy) additional cost per annum if applicable	Monthly £339 Monthly £25.00	£4,068.91 £300.00
Ground Rent	Monthly £20.83	£250
	Monthly £384.91	£4,618.91

*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 Lime Tree Village 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, Lime Tree Village 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 £230,000 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.

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		£230,000
The Assignment Fee if paid on sale	10% of the sale price	£23,000 Payable when you sell OR
The Assignment Fee if pre-paid	10% of the purchase price	£23,000 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		£274,632
The Assignment Fee if paid on sale	10% of the sale price	£27,463 Payable when you sell OR
The Assignment Fee if pre-paid	10% of the purchase price	£23,000 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		£191,584
The Assignment Fee if paid on sale	10% of the sale price	£19,158 Payable when you sell OR
The Assignment Fee if pre-paid	10% of the purchase price	£23,000 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		£244,007
The Assignment Fee if paid on sale	5% of the sale price	£12,200 Payable when you sell OR
The Assignment Fee if pre-paid	5% of the purchase price	£11,500 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		£216,407
The Assignment Fee if paid on sale	5% of the sale price	£10,820 Payable when you sell OR
The Assignment Fee if pre-paid	5% of the purchase price	£11,500 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		£236,900
The Assignment Fee if paid on sale	2.5% of the sale price	£5,922 Payable when you sell OR
The Assignment Fee if pre-paid	2.5% of the purchase price	£5,750 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		£223,100
The Assignment Fee if paid on sale	2.5% of the sale price	£5,578 Payable when you sell OR
The Assignment Fee if pre-paid	2.5% of the purchase price	£5,750 Net payment