

## The Financial Implications of Buying New Build, Apartment 35 Debden House, Fallow Drive, Saffron Walden, N/A, CB11 3RP

Set out below are worked examples of the financial implications of buying the above property. Created on 28/8/2020.

**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 1 bedroom Second Floor Apartment, address New Build, Apartment 35 Debden House, Fallow Drive, Saffron Walden, , CB11 3RP, purchased for **£320,000 (Three Hundred and Twenty 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
Service Charge *	Monthly £648	£7,774.00
Ground Rent	Monthly £0.00	£0
	<b>Monthly £647.83</b>	<b>£7,774.00</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% when RV Developments Newport 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 Developments Newport 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 £320,000 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
<b>EXAMPLE A: If you sell the property after 6 years and the property has <u>not changed</u> in value</b>		
Sale Price		£320,000
The Assignment Fee if paid on sale	10% of the sale price	£32,000 Payable when you sell OR

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		£382,097
The Assignment Fee if paid on sale	10% of the sale price	£38,210 Payable when you sell OR

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		£266,551
The Assignment Fee if paid on sale	10% of the sale price	£26,655 Payable when you sell OR

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		£339,488
The Assignment Fee if paid on sale	5% of the sale price	£16,974 Payable when you sell OR

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		£301,088
The Assignment Fee if paid on sale	5% of the sale price	£15,054 Payable when you sell OR

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		£329,600
The Assignment Fee if paid on sale	2.5% of the sale price	£8,240 Payable when you sell OR

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		£310,400
The Assignment Fee if paid on sale	2.5% of the sale price	£7,760 Payable when you sell OR