

The Financial Implications of Buying 37 Cassia House, Cassia House, West Byfleet, Surrey, KT14 6FP under the Open Market Lease

Set out below are worked examples of the financial implications of buying the above property. Created on 1/11/2024.

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 community could go down as well as up.

EXAMPLE 1: INDEX-LINKED ANNUAL COSTS

This first example deals with the 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, contents insurance, television licence, cable subscriptions and any other bills.

The costs shown are based upon the Purchase Cost, Management Fee and Utilities Fee for single or double occupancy of a 2 bedroom Apartment, address 37 Cassia House, Cassia House, West Byfleet, Surrey, KT14 6FP, purchased for **£783,550**.

As a leasehold owner, you will be responsible for the following costs, which are applicable from: Jan 2024 to Dec 2024 and annually thereafter.

Costs (for both single and double occupancy)	Monthly	Annual
Management Fee Reviewed every year and increased in line with Consumer Price Index with Housing (CPIH) every April, using October indexation figure starting April 2026.	£498.33	£5,980.00
Ground Rent Not applicable	£0.00	£0.00
Total	£0.00	£0.00

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 **Management Fee, Utilities Fee** 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/event;
- Any **estate agents fees**; (1.5% plus VAT for the services provided by Retirement Villages.)
- 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.**

A Deferred Management Fee (called an 'Event Fee' in the lease) is payable on resale to the landlord, N/A. The Fee is calculated based on the length of ownership. The Deferred Management Fee provides a return on the original investment in developing the communal facilities. It does not contribute towards the costs of any services that are provided.

If you purchase the property for **£783,550** and in the future sell it for the sale prices below, examples A to G show the Deferred Management Fee payable if the property value has stayed the same, increased in value by 3%/year, or decreased in value by 3%/year.

The proportion of the sales price payable changes: 10% for a sale in the first year, and 15% thereafter.

FEE	Calculation Method	Cost
EXAMPLE A: If you sell the property after 2 years and the property has <u>not changed</u> in value		
Sale Price		£783,550
The Deferred Management Fee if paid on sale	15% of the sale price	£117,532 Payable when you sell

FEE	Calculation Method	Cost
EXAMPLE B: If you sell the property after 2 years and the property has increased in value by 3% per annum.		
Sale Price		£856,206
The Deferred Management Fee if paid on sale	15% of the sale price	£128,431 Payable when you sell

FEE	Calculation Method	Cost
EXAMPLE C: If you sell the property after 2 years and the property has decreased in value by 3% per annum.		
Sale Price		£715,125
The Deferred Management Fee if paid on sale	15% of the sale price	£107,269 Payable when you sell

FEE	Calculation Method	Cost
EXAMPLE D: If you sell the property between 1 & 2 years and the property has increased in value by 3% per annum.		
Sale Price		£831,268
The Deferred Management Fee if paid on sale	15% of the sale price	£124,690 Payable when you sell

FEE	Calculation Method	Cost
EXAMPLE E: If you sell the property between 1 & 2 years and the property has decreased in value by 3% per annum.		
Sale Price		£737,242
The Deferred Management Fee if paid on sale	15% of the sale price	£110,586 Payable when you sell

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		£807,056
The Deferred Management Fee if paid on sale	10% of the sale price	£80,706 Payable when you sell

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		£760,044
The Deferred Management Fee if paid on sale	10% of the sale price	£76,004 Payable when you sell