

## The Financial Implications of Buying 9 Whybrow Gardens, Castle Village, Berkhamsted, Hertfordshire, HP4 2GU

Set out below are worked examples of the financial implications of buying the above property. Created on 25/2/2025.

**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 management fee costs for single or double occupancy of a 2 bedroom Bungalow, address 9 Whybrow Gardens, Castle Village, Berkhamsted, Hertfordshire, HP4 2GU, purchased for **£550,000 (Five Hundred and Fifty Thousand Pounds)**.

As a leasehold owner, you will be responsible for the following costs, which are applicable from: January 2025 to December 2025 and annually thereafter.

| Costs  | Single Occupancy |                  | Double Occupancy |                  |
|--|------------------|------------------|------------------|------------------|
|  | Monthly          | Annual           | Monthly          | Annual           |
| <b>Management Fee</b><br>Increasing each year in line with (CPIH). | £712.80          | £8,553.62        | £712.80          | £8,553.62        |
| <b>Ground Rent</b><br>Fixed for the duration of the lease          | £0.00            | £0.00            | £0.00            | £0.00            |
| <b>Total</b>   | <b>£712.80</b>   | <b>£8,553.62</b> | <b>£712.80</b>   | <b>£8,553.62</b> |

### **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** 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 Castle Village Management Limited 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, Castle Village Management Limited, 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 £550,000 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: 4% for a sale in the first year, 8% for a sale in the second year, and 12% for a sale in the third year, 16% for a sale in the fourth year and 20% thereafter of the sales price when the property is re-sold.**

| FEE   | Calculation Method    | Cost                           |
|---|-----------------------|--------------------------------|
| <b>EXAMPLE A: If you sell the property after 4 years and the property has <u>not changed</u> in value</b> |                       |                                |
| Sale Price  |                       | £550,000                       |
| The Assignment Fee if paid on sale  | 20% of the sale price | £110,000 Payable when you sell |

| FEE   | Calculation Method    | Cost                           |
|---|-----------------------|--------------------------------|
| <b>EXAMPLE B: If you sell the property after 4 years and the property has increased in value by 3% per annum.</b> |                       |                                |
| Sale Price  |                       | £637,601                       |
| The Assignment Fee if paid on sale  | 20% of the sale price | £127,520 Payable when you sell |

| FEE   | Calculation Method    | Cost                          |
|---|-----------------------|-------------------------------|
| <b>EXAMPLE C: If you sell the property after 4 years and the property has decreased in value by 3% per annum.</b> |                       |                               |
| Sale Price  |                       | £472,304                      |
| The Assignment Fee if paid on sale  | 20% of the sale price | £94,461 Payable when you sell |

| FEE   | Calculation Method    | Cost                          |
|---|-----------------------|-------------------------------|
| <b>EXAMPLE D: If you sell the property between 3 &amp; 4 years and the property has increased in value by 3% per annum.</b> |                       |                               |
| Sale Price  |                       | £619,030                      |
| The Assignment Fee if paid on sale  | 16% of the sale price | £99,045 Payable when you sell |

| FEE   | Calculation Method    | Cost                          |
|---|-----------------------|-------------------------------|
| <b>EXAMPLE E: If you sell the property between 3 &amp; 4 years and the property has decreased in value by 3% per annum.</b> |                       |                               |
| Sale Price  |                       | £486,911                      |
| The Assignment Fee if paid on sale  | 16% of the sale price | £77,906 Payable when you sell |

| FEE   | Calculation Method    | Cost                          |
|---|-----------------------|-------------------------------|
| <b>EXAMPLE F: If you sell the property between 2 &amp; 3 years and the property has increased in value by 3% per annum.</b> |                       |                               |
| Sale Price  |                       | £601,000                      |
| The Assignment Fee if paid on sale  | 12% of the sale price | £72,120 Payable when you sell |

| FEE   | Calculation Method    | Cost                          |
|---|-----------------------|-------------------------------|
| <b>EXAMPLE G: If you sell the property between 2 &amp; 3 years and the property has decreased in value by 3% per annum.</b> |                       |                               |
| Sale Price  |                       | £501,970                      |
| The Assignment Fee if paid on sale  | 12% of the sale price | £60,236 Payable when you sell |

| FEE   | Calculation Method   | Cost                          |
|---|----------------------|-------------------------------|
| <b>EXAMPLE H: If you sell the property between 1 &amp; 2 years and the property has increased in value by 3% per annum.</b> |                      |                               |
| Sale Price  |                      | £583,495                      |
| The Assignment Fee if paid on sale  | 8% of the sale price | £46,680 Payable when you sell |

| FEE   | Calculation Method   | Cost                          |
|---|----------------------|-------------------------------|
| <b>EXAMPLE I: If you sell the property between 1 &amp; 2 years and the property has decreased in value by 3% per annum.</b> |                      |                               |
| Sale Price  |                      | £517,495                      |
| The Assignment Fee if paid on sale  | 8% of the sale price | £41,400 Payable when you sell |

| FEE   | Calculation Method   | Cost                          |
|---|----------------------|-------------------------------|
| <b>EXAMPLE J: If you sell the property within 1 year and the property has increased in value by 3% per annum.</b> |                      |                               |
| Sale Price  |                      | £566,500                      |
| The Assignment Fee if paid on sale  | 4% of the sale price | £22,660 Payable when you sell |

| FEE   | Calculation Method   | Cost                          |
|---|----------------------|-------------------------------|
| <b>EXAMPLE K: If you sell the property within 1 year and the property has decreased in value by 3% per annum.</b> |                      |                               |
| Sale Price  |                      | £533,500                      |
| The Assignment Fee if paid on sale  | 4% of the sale price | £21,340 Payable when you sell |