



## HIGHWOOD MILL

### **Lease requirements**

What are the basic details of the lease?

All the leases are to be granted for a term of 125 years from 1 January 2017. The terms of the lease are typical of a residential lease for a property of this kind. The landlord remains responsible for all external repairs and maintenance and the buildings insurance, subject to reimbursement via the service charge. When you buy the lease, a breakdown of the service charges will be provided.

What are the restrictions on selling your property?

You can sell your lease at any time to anyone over the age of 55 (subject to the eligibility criteria being met and an assessment with our on-site care provider). It is important to note that when you sell your property and assign your lease an event fee is payable when the property is sold (see appendix for event fee example).

### **Selling your property**

What is the event fee?

When a retirement scheme is developed there are substantial costs involved in creating the high quality central facilities including the on-site restaurant, bar, library, lounge, activities room, hair dressing salon and therapy suite, as well as creating the landscaped gardens. The event fee represents the landlord with a return on that capital investment. This includes our resale estate agency fee when selling through us, and our legal costs to assign the lease. You are, of course free to use an agent of your choice, however you will be liable for their costs in addition to the event fee.

How much do I pay and when?

The event fee is triggered when the apartment is sold on. The event fee is payable at the rate of 5% of the sale price if you sell your property at any time after the end of the second year of ownership.

If you sell your property earlier, then the fee is reduced to 2.5% of the sale price during the first year and 3.5% of the sale price during the second year. Please seek adequate advice from your solicitor on this and all other aspects of the purchase.

What happens when I want to sell my property?

When you, or your estate, wish to sell the property you can choose to sell through Saxon Weald as we will hold a waiting list for Highwood Mill. You can also sell on the open market, subject to the requirements set out in the lease.

- An event fee is payable to the freeholder (Saxon Weald) on the sale of the property.
- You are still responsible for the service charge up until the point at which the property is sold, even if the apartment is vacant and in the process of being sold.
- On the sale of the property the lease is assignable to any qualifying person.

## **Appendix**

### Event fee example

Based on a two-bedroom apartment purchased at £300,000.

Assuming the property value has not changed when you sell.

If sold within one year of original purchase; 2.5% will be payable to Saxon Weald - £7,500

If sold within two years of original purchase; 3.5% will be payable to Saxon Weald - £10,500

If sold after two years of original purchase; 5% will be payable to Saxon Weald - £15,000

Note: This is an example for guidance only. Please discuss your individual circumstances and financial commitments with your solicitor, legal or financial adviser.

This example excludes:

- Any outstanding service charge that you owe
- The cost of any solicitor, conveyancer or legal adviser you appoint to manage with the sale of assignment
- Any tax which you may have to pay
- Any costs of moving.

Please note - The selling price of £300,000 has been used solely as a basis for illustration. The event fee and the actual selling price may differ from the above which will affect the amount payable.

## **The service charge**

How much are the service charges?

The monthly service charges will be from £432.00 for a one-bedroom apartment to purchase and from £445.00 for a two-bedroom apartment to purchase at the development.

This is the current estimation.

These will be reviewed in September of each year and any changes to the service charges will take effect from the following April. Service charges are paid monthly by direct debit.

By how much are the service charges likely to go up?

The service charge is operated on a 'not for profit' basis, in accordance with the relevant legislation. Therefore future increases will only reflect the actual costs of providing the services. It is not possible to give predictions for this, however, Saxon Weald are very conscious of the need to keep the costs affordable while continuing to give a quality service.