

Our Costs Explained

Owning your Bournehurst home

Surrounding your lodge are lush green grounds, roadways, lighting and infrastructure which we want to maintain to a high standard. For this reason, we retain the freehold on the land and provide each lodge on a 999 year leasehold title. This means we can allocate a management company to have responsibility over the maintenance of the estate grounds and communal facilities, instead of individual homeowners taking on this responsibility. In our lease agreements we can also ensure that each property within the Bournehurst estate remains in keeping with its neighbouring properties. Unlike many other leasehold properties, you will not pay a generic Ground Rent for your Bournehurst home.

Service and Maintenance Charge

The management company's services are paid for via an annual Service and Maintenance Charge. The Service and Maintenance Charge will be reviewed each year in accordance with the Royal Institution of Chartered Surveyors (RICS) Code of Practice to ensure the charge remains fair and reasonable. To give an estimate, the initial Service and Maintenance Charge will be circa £1,135 per year.

The monthly service charge contributes towards many services including, but not limited to:

- Maintenance of CCTV
- Landscaping around the estate
- Litter picking and cleaning of estate common parts
- Maintaining and replacing benches and other shared outdoor furniture
- Maintaining and replacing signage around the estate
- Maintenance of shared gardens and grounds
- Maintaining the roadways, swales and attenuation ponds
- Providing electricity to the street lights within the estate, and maintaining them
- The services within the communal areas
- The management company's charges to collect rents from you and to arrange all of the services above

Communal Area Rent

Bournehurst Park Village is made up of three elements:

- Phase one: an independently managed 67 bed care home which was completed in April 2018
- Phase two: 15 luxury lodges which are available for purchase from July 2019
- Phase three: a proposed apartment building with central communal facilities

The proposed services, such as a gym, infinity pool and restaurant, will become available upon completion of the communal facilities. The provision of the space for the amenities will be paid for via a Communal Area Rent (C.A.R) which you will **not** pay until phase three is complete and available for your use. The C.A.R is charged in order for the developer to be able to provide the space for the facilities without significantly increasing the purchase price of your property. Currently the apartments and the amenities should still be viewed as planned and proposed.

0151 374 2244

hello@bournehurst.co.uk

www.bournehurst.co.uk

this document is subject to contract

The Communal Area Rent will be set at £1,250 per annum and will only increase every 10 years so that the amount will first change in Year 11 (see below). The increase will be calculated at a fixed 2.95% per year - which is lower than the average Retail Price Index (RPI) over the last 30 years. We have outlined how the C.A.R will increase within the first twenty years below, the C.A.R will cease to be charged after 125 years.

| Years | C.A.R Rent Accumulator (How rent is calculated) | C.A.R Due Per Annum (What you'll actually pay) |
|-------|--|---|
| 1 | £1,250 | £1,250 |
| 2 | £1,287 | £1,250 |
| 3 | £1,325 | £1,250 |
| 4 | £1,364 | £1,250 |
| 5 | £1,404 | £1,250 |
| 6 | £1,446 | £1,250 |
| 7 | £1,488 | £1,250 |
| 8 | £1,532 | £1,250 |
| 9 | £1,577 | £1,250 |
| 10 | £1,624 | £1,250 |
| 11 | £1,672 | £1,672 |
| 12 | £1,721 | £1,672 |
| 13 | £1,772 | £1,672 |
| 14 | £1,824 | £1,672 |
| 15 | £1,878 | £1,672 |
| 16 | £1,933 | £1,672 |
| 17 | £1,990 | £1,672 |
| 18 | £2,049 | £1,672 |
| 19 | £2,110 | £1,672 |
| 20 | £2,172 | £1,672 |

Exit fees

Many retirement villages charge a percentage of the sale price if you choose to sell your retirement property. This is often up to 15% of the sale price. Unlike other retirement villages, we do *not* charge our homeowners an exit fee, or a deferred management charge, should you wish to sell your property.

To understand how our Communal Area Rent compares to exit fees, have a look at the table overleaf where we've used a £300,000 property as an example. Usually exit fees increase by 1% for every year you live in the retirement village, whereas our fees only increase every 10 years.

As you can see from the example overleaf, if you decided to sell your retirement property after 7 years of ownership in another retirement village, you may pay around £21,000 from your property sale price (and that does not include any variation in your property price which may have occurred in the seven years you've owned it). With our Communal Area Rent model, you would have paid £8,750 spread over seven years and any uplift in your property price from a boost in the property market will only benefit you, not us. This way, you know *exactly* what fees you have to pay from the day you move in, to the day you move out.



0151 374 2244

hello@bournehurst.co.uk

www.bournehurst.co.uk

this document is subject to contract

| Years of occupation | Exit Fees charged at other villages when selling a property (increasing 1% per year up to a maximum of 15%) | Our Communal Area Rent paid each year of occupation | Cumulative Communal Area Rent |
|---------------------|---|---|-------------------------------|
| 1 | £3,000 | £1,250 | £1,250 |
| 2 | £6,000 | £1,250 | £2,500 |
| 3 | £9,000 | £1,250 | £3,750 |
| 4 | £12,000 | £1,250 | £5,000 |
| 5 | £15,000 | £1,250 | £6,250 |
| 6 | £18,000 | £1,250 | £7,500 |
| 7 | £21,000 | £1,250 | £8,750 |
| 8 | £24,000 | £1,250 | £10,000 |
| 9 | £27,000 | £1,250 | £11,250 |
| 10 | £30,000 | £1,250 | £12,500 |
| 11 | £33,000 | £1,672 | £14,172 |
| 12 | £36,000 | £1,672 | £15,844 |
| 13 | £39,000 | £1,672 | £17,516 |
| 14 | £42,000 | £1,672 | £19,188 |
| 15 | £45,000 | £1,672 | £20,860 |

Selling your Bournehurst property

You are free to move out of Bournehurst Park Village should you wish to and the selling process will be very similar to any other residential property sale. However, we do ask that we have an opportunity to consider the purchase of the property at your desired asking price. Bournehurst properties can be owned by anyone but the new occupier of the property must be over the age of 55. We can offer an in-house sales service for 1.5% of the sale price. Each sale is subject to an admin fee of £75.

Care and Support Costs

With a 67 bed residential care home on site, there is a convenient opportunity to discuss tailored needs for care and support if required. You may also make independent arrangements for care if you wish.

Other costs for consideration

As described above, this is your own home and, as with all homes, there are other monthly and annual outgoings to consider, such as:

- Utilities (electric, gas and water)
- Phone and internet bills
- TV package and TV license
- Building and Contents Insurance
- Maintenance of your property and designated garden area
- Council tax



0151 374 2244

hello@bournehurst.co.uk

www.bournehurst.co.uk

this document is subject to contract