



NEWLANDS

of Stow

Fees & Charges Explained 5.10.1

As proud members of the Associated Retirement Community Operators (ARCO), we are committed to their consumer code and all it entails. In particular, we want our homeowners to understand from the outset any additional fees and service charges that will apply to their purchase.

Naturally, there are costs associated with experiencing the exceptional lifestyle offered by Newlands of Stow but we are confident our homeowners and their families will recognise the outstanding value provided.

Our pricing structure is designed to be clear, transparent and fair.

Management Service Charge

We offer a comprehensive level of support, care and services designed to make life comfortable, enjoyable and stress-free. The core maintenance services are paid for via a management service charge, which covers many of those fundamentals that homeowners would normally pay for, such as buildings insurance, window cleaning and the cultivating of private gardens.

We tend to our spectacular communal gardens all year round, manage safety and security through our door and gate, entry and exit systems and have qualified staff on emergency 24-hour call. These are just a few of the requirements we ensure we meet.

The annual fee is chargeable weekly and collected in advance, each month. It is reviewed every year to reflect the changes in the cost of delivering the services but any increases are based solely on changes in actual costs. Hence the service charge is a “variable charge”.

The service charge covers all those components that make Newlands of Stow the very warm, welcoming and special place it continues to be, including:

Property

- Routine maintenance to the buildings
- Structural Surveys
- External cleaning of windows and gutters and internal cleaning of communal areas
- Buildings insurance

Communal Facilities

- Heating, lighting and maintenance of all communal areas, including lifts
- Laundry services
- Housekeeping services

Gardens & Estate Management

- Garden and grounds maintenance for communal areas
- Refuse services
- Gardening sundries
- Handyman services
- Operation and maintenance of all external lighting
- Upkeep of private roads
- 24-hour staff present on site

Care & Support

- Initial health and well-being assessment
- On site domiciliary care agency providing 24-hour monitoring and response to emergency alarm units
- Support and liaison with appropriate medical professionals and / or agencies
- Social Events & Activities Management Through Concierge Services
- Provision of concierge service seven days a week
- Coordinate, facilitate and organise social events
- Provide a liaison with local clubs and societies
- Promote integration within the community to ensure our home owners get the very best from their retirement living experience

Transport

- Use of village transport for group outings
- Purchase / hire, replacement and upkeep of all vehicles
- Contribution to the cost of the drivers, extra charges apply for solo trips

Management & Administration Through Customer Service

- Reception and booking services
- Advice regarding on site services, including care
- General administration
- Quarterly meetings, minutes, correspondence and disbursements
- Costs associated with providing the above, including accountancy, book-keeping, bank charges and audit certification

Something To Note

As the property you live in is owned by you, you will still be responsible for the water and energy bills associated with your home, as well as the council tax, home contents insurance, phone line/broadband and the TV license fee.

Reserve Fund

Your management service charge covers regular on-going costs of running and maintaining Newlands of Stow. However, occasionally more expensive structural repairs or improvements may be necessary.

To reduce the burden of these major repairs on owners, Newlands of Stow builds up a reserve fund over time, which allows us to manage all significant repairs to the exterior of the

properties and the structure. This provides you with the reassurance that if a substantial replacement is required, the work will be completed professionally and in a timely fashion.

Professional surveyors carry out regular site inspections to determine future capital investment needs. A rolling capital investment program is in place to ensure that the properties are always safe and maintained in good condition.

Sometimes also referred to as a 'sinking' fund, the reserve fund ensures that money is available when needed for any such major repairs and improvements. Collecting the fund is included in the service charge which you pay, it provides you with peace of mind that the fabric of your home will be protected and with it, the value of your home.

If the reserve fund cannot meet the cost of works, the shortfall will be collected via an addition to the service charge.

The Reserve Fund is held on trust for residents as required by the Landlord and Tenant Act 1987.

Leasehold Properties: Ground Rent

All properties sold through Newlands of Stow are on 125-year assignable leases. The original date was 2009.

Advantages for homeowners of this leasehold arrangement include:

- Knowing that the overall site will be managed and the lifestyle, care and support services provided will be to a maintained consistently high standard
- Overall maintenance of the community facilities, gardens and property exteriors will be upheld to protect the value of your home
- On-going property services will be provided with maintenance managed professionally
- The lease is a legal document that clearly details the responsibilities of Berkeley Healthcare Ltd (the freeholder and the manager) and the lessee (the owner). Your solicitor will advise you on the contents of the lease
- Subject to your lease, there is a ground rent payable annually*. The ground rent is reviewed every five years as set out in your lease. This will now only be applicable to properties with existing leases and not any new builds or properties which require a new lease to be issued.

Newlands of Stow Property Transfer Fee

Your lease includes a provision for a payment to Newlands of Stow (specifically the Landlord, Berkeley Healthcare Ltd,) on the future sale of your property when the lease is assigned to a new owner. This payment is a percentage of the price at which your property is sold and varies according to how long you have owned the property; it is sometimes referred to as a deferred management charge.

The figure is 10% of the property value but is reduced to 8% if you have owned the property for up to two years and further reduced to 6% if you have only owned the property for up to one year prior to sale. This fee should not be confused with the management service charge, which covers the cost of providing services and generally maintaining as well as managing the village on a day-to-day basis.

Instead, the property transfer fee reflects a number of key factors:

- Your living environment, fantastic quality of life and comfort, are all possible because Newlands of Stow has invested substantially in land, buildings and equipment, meeting
- those needs you require. The scale of this investment is not recovered in the initial selling price of the properties
- The payment provides Newlands of Stow with a return on its capital investment in the communal facilities over the lifetime of the development, which would otherwise need to be added to the initial sale price or, without which, the facilities could not be provided
- We offer support for resales through our estate agency partners. The transfer fee payment covers the costs incurred in selling and marketing properties (it does not include your solicitors fees). Should you wish to use another agent other than one Newlands is partnered with, you will be liable for their own fees.
- The payment also covers the administrative and legal expenses that Newlands of Stow incurs in a future sale of your property.

In Summary, The Property Transfer Fee Covers:

1. The capital costs of providing a range of communal facilities to leaseholders and residents
2. Sale costs incurred by Newlands of Stow, similar to an estate agent's fee
3. Legal and other administrative costs involved on a purchase or sale.

Newlands of Stow regards this provision as a core term of the lease, which strikes a fair balance between the landlord and you the tenant for the reasons explained above.

Worked example of the impact of the transfer fee on the proceeds of a sale –

Example 1: Owner sells for a gross selling price of £515,000 and moves away.

Length of ownership	Percentage	Transfer fee payable
Up to 1 year	5% of £515,000	£25,750
1 to 2 years	6% of £515,000	£30,900
2 years and above	7.5% of £515,000	£38,625

NB The actual selling price may differ from illustrated price. If the actual selling price is higher or lower the transfer fee payable will be correspondingly higher or lower.

Example 2: Owner sells the same property for £515,000 and buys another property in the same retirement village.

If the new property purchase price £400,000 (i.e. lower), there would be no transfer fee required on this property sale.

If the new property purchase price was £600,000 (i.e. higher) a transfer fee would be required on the difference (£85,000) between the sale price (£515,000) and the new purchase price (£600,000) based on the length of ownership as above.

Assisted Living Primary Package

For those who choose the extra reassurance, care and support of our assisted living services, we offer a primary package that includes:

- Provision of a sumptuous, healthy three-course meal daily, prepared by our chef
- Weekly Laundry service
- Daily housekeeping
- Weekly Housekeeping
- Social and recreational activities
- Monthly well-being assessments
- Transport

More details of how this offering can enhance your quality of life can be found on our website. We offer this primary package with a weekly cost or can tailor a bespoke package to suit the individual.

Managing The Finances

The service charge budget and accounts are published annually and are available to customers and residents.

Annual accounts are published and shared with the residents. Finance 1:1 meetings are held with residents once the accounts have been issued. Feedback from residents is welcomed and taken into account. Should there be any interruption to services, alternative arrangements are made. Any surplus or deficit in the budget is amended in the budget for the following year.

We do not have a financial interest in any other firm involved in running Newlands of Stow or receive an incentive or commission from third party suppliers relating to any of the services promoted to customers or paid for by residents through the service charge.

To Note

As the property you live in is owned by you, you will still be responsible for the water and energy bills associated with your home, as well as the council tax, home contents insurance and the TV license fee.

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