

Middleton Woods – Charges Explained

The Service Charge

The service charge is a variable, not for profit charge for the overall costs of independent living at Middleton Hall. The charge is per apartment and there is no discount for single person occupancy. The service charge is payable to Middleton Hall Ltd by Direct Debit, monthly in advance. The service charge funds are held in trust for residents as required under the Landlord and Tenants Act 1987.

The service charge is based on actual costs only and is independently audited. The financial year runs from 1st April to 31st March. Residents receive one month's notice of the new charge. A copy of the annual service charge accounts is provided to each resident each autumn following the annual audit. Any surplus or deficit is refunded or collected at this time. Residents also get the opportunity to comment on the services prior to the production of the service charge budget for the following year, primarily through the Independent Residents' Committee.

The service charge for Middleton Woods has two main elements:

- Re-charge of specific costs for the Middleton Woods apartments & shared costs with The Waterside
- Contribution to the retirement village overheads

Each element is calculated on a proportional basis using the appropriate fraction. For example, the Middleton Woods costs will be split between 29 properties and the retirement village overheads between the number of accommodation units on site. (Currently 154.)

Service Charge specific to the Middleton Woods Apartments ("First Annual Service Cost") includes:

- Specific maintenance of Middleton Woods (fire alarms, lift, emergency lighting, call systems, electrical tests, entry phone, satellite services, drains and gutter cleaning), repairs of communal areas and external window cleaning.
- External decoration, internal decoration of corridors and communal areas and replacement of carpets and curtains in communal areas
- Basic Maintenance time of individual apartments including annual maintenance check (parts and materials paid by residents)
- Cost of buildings insurance and lift/public liabilities insurance for Middleton Woods
- Electricity cost for heating and lighting the communal areas



- Water rates for all apartments
- Membership of Middleton Spa (plus VAT)
- Housekeeping services in communal areas of Middleton Woods including delivery of post, newspapers and removal of rubbish from the Middleton Woods bin store, checking of apartments when unoccupied (if requested)
- 24 hour emergency cover
- Audit Fee

Service Charge shared with The Waterside includes:

- Coffee mornings
- Contribution to Minibus running costs and cost of Middleton Hall's drivers for regular shopping trips
- Independent Living Manager (if provided in the future)

Service Charge split between all residents of Middleton Hall Retirement Village ("Second Annual Service Cost") will include:

- Contribution to the retirement village overheads including bowling green and sports facilities, maintenance, gardening, CCTV, street lighting, library, reception and administration costs

Where Middleton Hall is unable to provide a service included in the charge external service providers will be employed.

The above list covers the majority of elements of the service charge, but is not exhaustive.

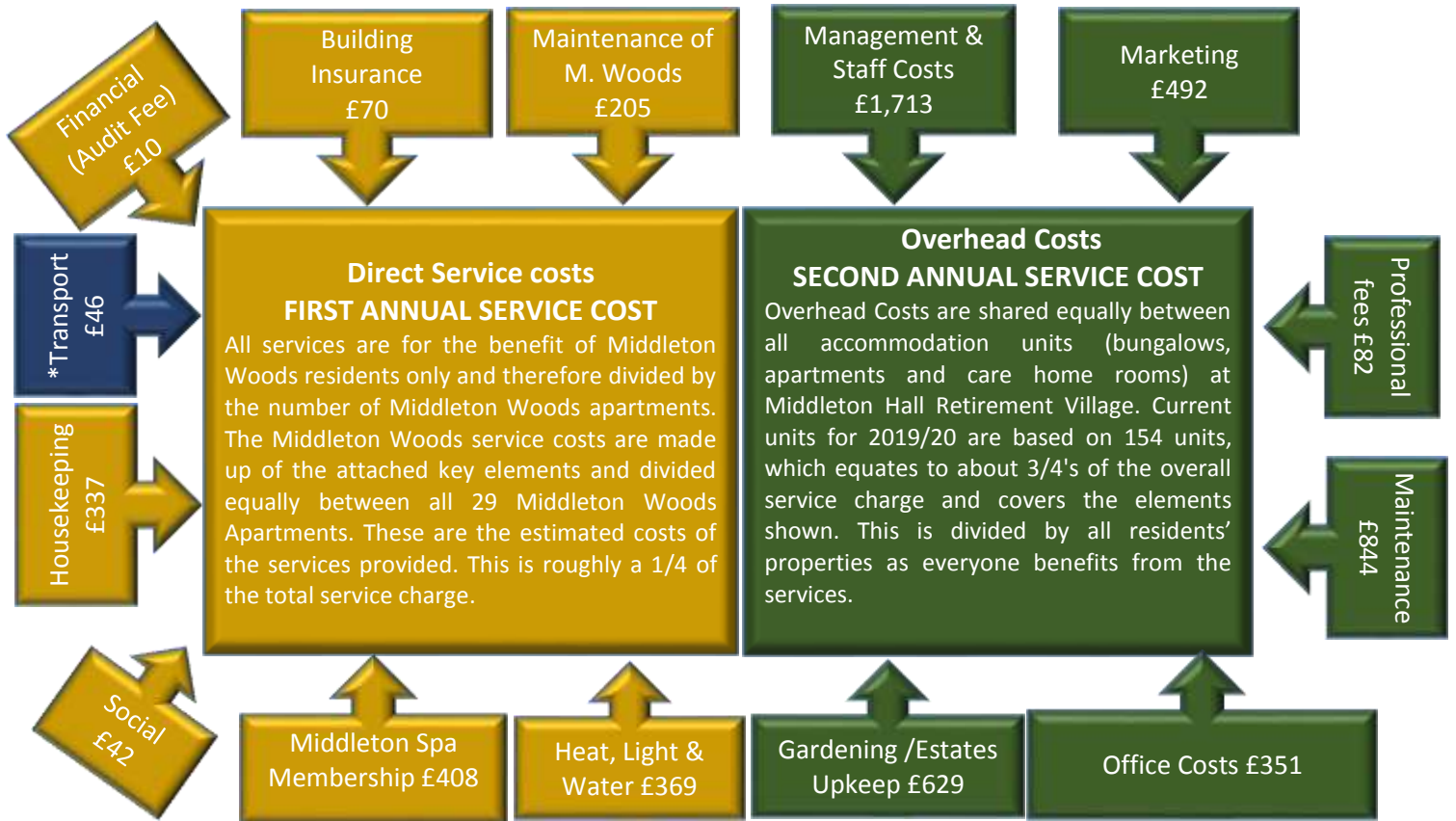
The Service Charge for 2019/20 for the Middleton Woods Apartments is set at £5,598. (£466.50 monthly, £107.65 weekly)



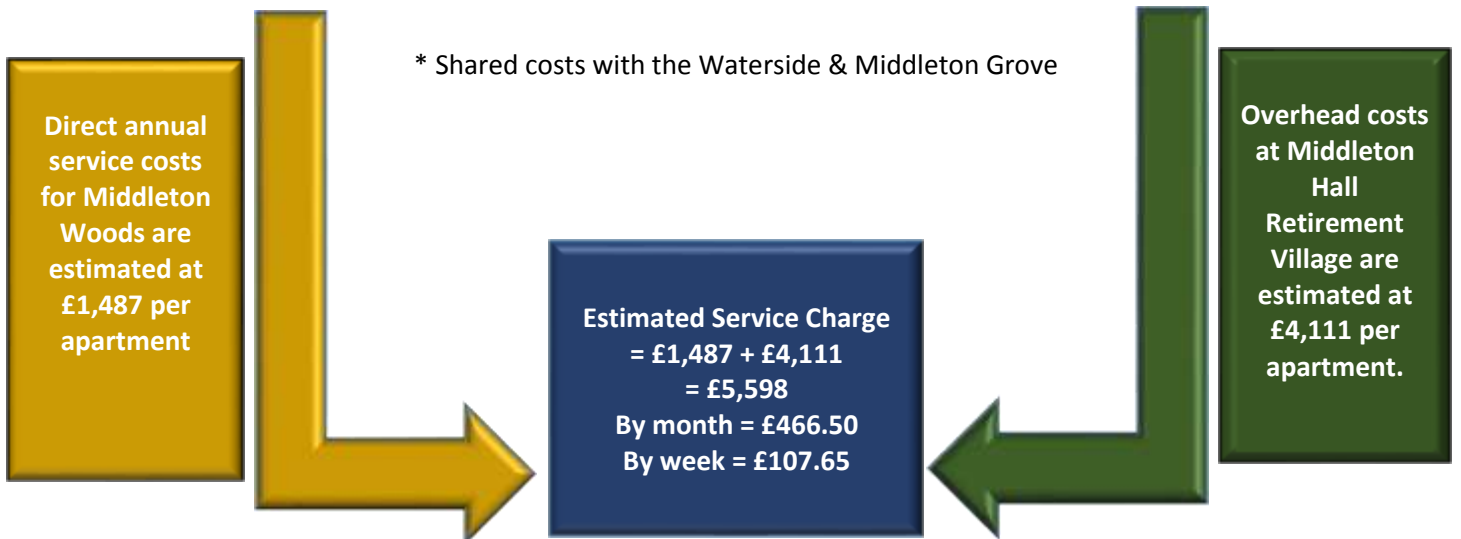
Estimated Service Charge for Middleton Woods

April 1st 2019 – 31st March 2020

The illustration below shows the components of the service charge per apartment for 2019/2020



* Shared costs with the Waterside & Middleton Grove



Middleton Woods Apartments – The Resales Process and Fees Payable

The Middleton Woods Apartments are all owner occupied.

On re-sale, under the terms of the lease, the property has to be brought back to an “as new” standard. This ensures that sellers get the best price and purchasers are buying a property suitable to move straight into.

The asking price for an apartment is set by the seller in agreement with Middleton Hall. We aim for this to be a realistic price to maintain the integrity of the Middleton Woods development. There is a standard specification for each apartment. Extras added by the current owners will be included if fitted (e.g. dishwashers) or negotiable if not (e.g. curtains). If you would like something extra fitted after purchase, we will be happy to arrange a quote.

When you decide to sell your property, Middleton Hall would normally act as agent for a sale. You have the right to appoint an outside agent.

Middleton Hall will receive the following fees paid by the seller:

- A transfer (lease reassignment) fee of 1% to cover administration costs whether or not the company is selling the property.
- On each lease re-assignment there is a contingency fund fee (1% of lease price) to cover major long-term repairs – drive resurfacing, roof repairs, window replacements etc. the current balance of the fund is available on request.
- A sales fee for re-sales, similar to an estate agent fee, currently 2% of the selling price (subject to VAT).

The Contingency Fund

On each lease re-assignment there is a contingency fund fee (1% of selling price) to cover major long-term repairs – drive resurfacing, roof repairs, window replacements etc. This fee is payable on resale of the apartment.

Each property has a liability for excess costs over the balance of the contingency fund, if for major capital expenditure the funds are insufficient.

Middleton Hall regularly plans future expenditure to maintain the retirement village facilities and infrastructure carefully and consults with residents on future projects.

The balance of the Contingency Fund at March 2019 is £24,070.95 and is held by Middleton Hall Ltd.



The Transfer (Lease reassignment) Fee

A transfer (lease reassignment) fee of 1% to cover administration costs whether or not the company is selling the apartment. This is payable on resale of the apartment.

Comparative examples of deferred costs

The Contingency fund and lease reassignment fees are set fees as set out in the lease. The sales fee is subject to market forces.

Apartment price on resale	Contingency Fund Contribution 1%	Transfer Fee 1%	Sales Fee (Currently 2% + VAT)	Total Payable
£150,000	£1,500	£1,500	£3,600	£6,600
£240,000	£2,400	£2,400	£5,760	£10,560
£295,000	£2,950	£2,950	£7,080	£12,980

Further costs on resale

A property will be placed on the market after the following conditions have been met:

- The property has to be redecorated
- Carpets cleaned or replaced if damaged
- Any alterations to the property not approved by Middleton Hall must be reinstated
- All electrical goods are in full working order
- The property has been vacated unless an alternative arrangement has been agreed

All prospective purchasers have to be approved by Middleton Hall and meet appropriate criteria – age (55 years and over), health assessment and financial assessment (to ensure their ability to meet the service charge and other costs of living at Middleton Hall).

The responsibility for all ongoing costs e.g. service charge, council tax and utilities remains with the owner until completion of the sale.

April 2019

