

## PURCHASER INFORMATION

### WELCOME



Built for independent, progressive thinking older people, the Waterside bungalows are situated in a leafy glade within the grounds of the retirement village and offer the security of living within an Integrated Retirement Community (IRC). This means that you live independently in your home which is linked to a wide range of amenities and activities at Middleton Hall designed to support the well-being of people living here. Should your needs change in the future you

are given priority for any waiting lists for our care services in Middleton Hall.

Moving to an independent living property in the Waterside has many benefits - a high-specification home in beautiful surroundings within a friendly, sociable community offering convenience, comfort and security.

This guide has been developed to provide you with up to date information on the development, the unique features and benefits of the bungalows and give you a taste of the services you can enjoy at Middleton Hall. It will help you understand the buying process of these unique properties, the charges and information on the Company providing you with complete peace of mind. We know moving home can be a worrying time and we will always be here to answer your questions and assist you, not just now, but for the months and years ahead.

### AIMS AND OBJECTIVES

#### The Waterside and Middleton Woods - Independent Living

- To provide retirement accommodation that is more spacious and of higher quality than standard retirement housing
- To build a positive and stimulating community where people help each other to enjoy independent lives
- To provide an umbrella of security, support and services available from excellent staff when needed
- To promote an active and healthy lifestyle to help residents maintain their independence and achieve their aspirations

## WATERSIDE BUNGALOWS – THE NEXT STEPS

If the Waterside development at Middleton Hall offers you the style of accommodation and retirement living you are looking for, the following details guide you through the purchase process.

### Eligibility criteria

Purchasers must be 55 years or older (when in joint names, at least one of a couple must be 55 or older). In addition to this, as is standard for purchasers of a property in a retirement village, a brief medical and financial assessment will be undertaken before contracts are exchanged to confirm suitability for independent living and ability to meet the service charge.

On acceptance of an offer by the current owner, an agreement of sale is drawn up and any deposit required paid at this time. Both parties' solicitors are forwarded all information. Middleton Hall acts as the agent for the sale – any negotiation or questions should be referred through us or your solicitor.

For those people needing to sell a property to proceed, we are happy to register their interest in a particular property and will keep in regular contact while their property is on the market. We will only deal with offers from purchasers who are able to proceed.

We advise customers to seek independent advice, support and representation as appropriate prior to a move to Middleton Hall Retirement Village. Middleton Hall is a member of the Property Redress Scheme.

### Details of the Lease

The Waterside Bungalows are being sold on a leasehold basis. Key elements of the lease are:

- 125 year lease
- Age restriction of 55 years or older
- Annual Service Charge payable
- Re-sales through Middleton Hall for a set fee
- Infrastructure Charge covering the costs of repairs and maintenance of the Waterside infrastructure (drainage systems, roads, paths, street lighting) and investment in new and existing retirement village central facilities (Orangery, any upgrades to The Health and Wellbeing Centre etc.).
- Written permission must be obtained to keep any pets in the premises or on the Waterside or Estate

A copy of the lease is available on request.

### Other costs to consider before purchase

There are a number of other costs involved in purchasing a property in The Waterside. All of these need to be considered when financing a move:

- Stamp duty
- Solicitor fees
- Costs for surveys and searches if not included in the legal fees
- Removal fees
- Moving telephone lines

An eight hour maintenance package is included, on arrival, to help fit curtain poles, hang curtains, move heavy furniture, hang pictures etc.

Please see the Key Facts sheet and sales brochure for full information.

## THE WATERSIDE – 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 property 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 Tenant 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 are able to comment on the services at any time.

The service charge for the Waterside has two main elements:

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

Each element is calculated on a proportional basis using the appropriate fraction. For example, the Waterside costs are currently split between 36 properties and the retirement village overheads between the number of accommodation units on site. (Currently 151.)

**Service Charge specific to the Waterside (“First Annual Service Cost”) will include:**

- Specific maintenance in the Waterside, including domestic electrical test, external window, drains and gutter cleaning, cleaning property fascia boards and archways, photo voltaic panels service, wood burner stove check and repainting of front door, garage and upright beams.
- External decoration of properties
- Basic maintenance of individual properties including annual maintenance check
- Cleaning and checking of the PV panels
- Electricity for street lighting/CCTV
- Membership of The Health and Wellbeing Centre (plus VAT)
- Audit fee

Service Charge shared with Middleton Woods includes:

- Coffee mornings
- Contribution to Minibus running costs and cost of Middleton Hall's drivers for regular trips

**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, art studio, 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 2023/24 for the Waterside is set at £6,502. (£541.83 monthly, £125.04 weekly).

Buildings insurance, including the PV panels, will be invoiced separately from the service charge.

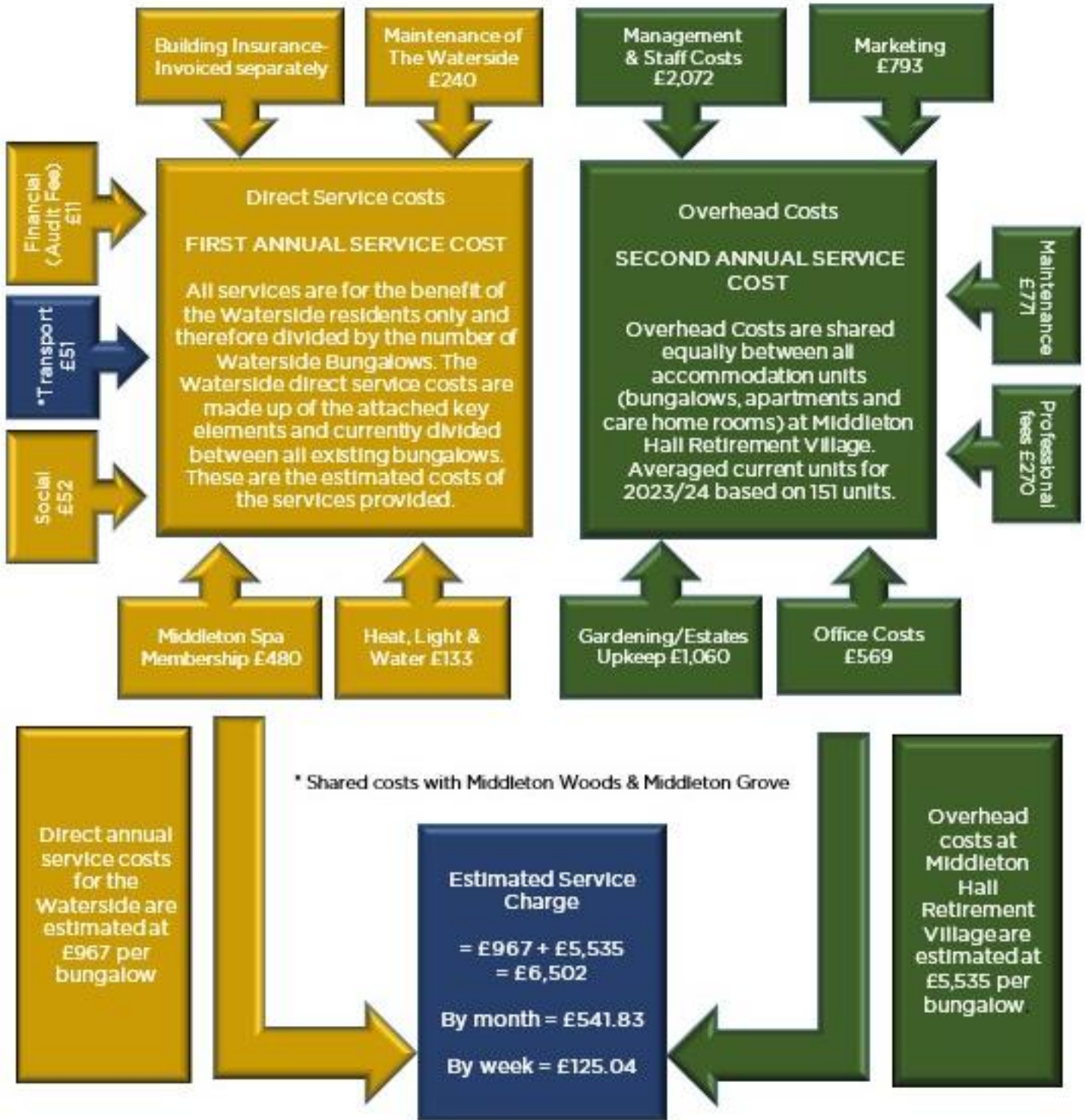
Any additional services provided or requested by residents may have an effect on the service charge but would be discussed with the residents prior to being instated.



## Estimated Service Charge for The Waterside Bungalows

April 1<sup>st</sup> 2023 – 31<sup>st</sup> March 2024

The illustration below shows the components of the service charge per bungalow for 2023/24



## THE INFRASTRUCTURE CHARGE

Considerable investment is needed to continually maintain and develop facilities on site for the benefit of residents and to ensure good re-sales prices of their properties. It is for this reason that many retirement villages charge a fixed percentage “event fee” on re-sale (often 10 - 12.5% or more). The amount paid ultimately depends on property prices.

Middleton Hall's equivalent is a fee called the Infrastructure Charge. Paid to Middleton Hall Ltd the fee will cover the repairs, maintenance and replacement of the infrastructure relating to the Waterside – drains, roads, paths, street lighting etc. and investment in new communal facilities. Middleton Hall has the responsibility to ensure that the facilities on site are kept up to date and in good repair.

The Infrastructure Charge is paid to Middleton Hall Ltd, and The Waterside residents will have no further liability or unexpected charges for contributing to repairs to the Waterside infrastructure, the main village facilities or new developments on site.

Middleton Hall offers a choice of two options to pay the Infrastructure Charge as a contribution to the costs of running the central facilities of the retirement village and infrastructure of the Waterside with the fees clearly set out.

### Option One - Percentage fee paid on re-sale

The percentage accumulates over time to reflect the increased cost over time with a capital gain element. It is set at 2% of the purchase price for the first three years and then grows by 0.5% for each year (or part of) up to a maximum of 5%, plus 25% of any capital gain on the property (re-sales price less purchase price). The capital gain element is designed to represent the inflation impact on the infrastructure charge.

At four and a half years, for example, the fee would be 3% of purchase and at 7 years it would be 4% (in both cases plus 25% of any capital gain on the property). Once you have lived in the property for more than 8 years (year 9) the fee is then held at 5%.

Residents pay all the fee on re-sale from the proceeds of sale.

This option may suit purchasers who anticipate being in their property for a relatively long time or for those who are concerned about their income/expenditure but have stronger capital assets. It is likely to be more expensive than paying annually (Option Two) for the first few years, depending on RPI inflation and property prices, however does provide a simple and peace of mind option in the longer term.

### Option Two – “Pay as you go”

The pay as you go option is based on an annual fee set for the duration of your ownership, subject to annual adjustment of RPI inflation (Retail Price Index, published by the Office of National Statistics each month).

The annually paid Infrastructure Charge has been set at £1,767.24 in 2023/24.

Purchasers choosing Option 2 (pay as you go) may change to Option 1 (pay on resale) at a later date. Payments already made would be offset against the final account. It is not possible to change from Option 1 to Option 2.

On re-sale, Middleton Hall reserves the right to review (up or down) the level of infrastructure charge that will apply to the incoming purchaser if there has been a change in costs. Under the terms of the lease, this can only be done “acting reasonably” – in other words, it cannot be increased without clear reasons. Middleton Hall regularly plans future expenditure to maintain the retirement village facilities and infrastructure carefully and discusses future projects with residents. In the event of a need to increase the level of infrastructure charge, financial information on expenditure in relation to infrastructure charge would be provided for and discussed with leaseholders.

### Comparative examples of the Infrastructure Charge payments

The following examples are based on a purchase made in the 2023/24 year, assuming a purchase price of **£400,000**

Example 1 - Property prices stay at current level RPI Increase 4% annually

|                               |                | Option 1<br>Pay on resale | Option 2<br>Pay as you go |
|-------------------------------|----------------|---------------------------|---------------------------|
| Years/part years of ownership | Property value | Total payable             | Total payable             |
| 1                             | £400,000       | £8,000                    | £1,767                    |
| 3                             | £400,000       | £8,000                    | £5,517                    |
| 6                             | £400,000       | £14,000                   | £11,722                   |
| 10                            | £400,000       | £20,000                   | £21,218                   |
| 20                            | £400,000       | £20,000                   | £52,625                   |
| 25                            | £400,000       | £20,000                   | £73,598                   |

Example 2 - Property prices stay at current level RPI increase 5% annually

|                               |                | Option 1<br>Pay on resale | Option 2<br>Pay as you go |
|-------------------------------|----------------|---------------------------|---------------------------|
| Years/part years of ownership | Property value | Total payable             | Total payable             |
| 1                             | £400,000       | £8,000                    | £1,767                    |
| 3                             | £400,000       | £8,000                    | £5,571                    |
| 6                             | £400,000       | £14,000                   | £12,021                   |
| 10                            | £400,000       | £20,000                   | £22,228                   |
| 20                            | £400,000       | £20,000                   | £58,435                   |
| 25                            | £400,000       | £20,000                   | £84,345                   |

Example 3 - Property prices stay at current level RPI decrease 1% annually

|                               |                | Option 1<br>Pay on resale | Option 2<br>Pay as you go |
|-------------------------------|----------------|---------------------------|---------------------------|
| Years/part years of ownership | Property value | Total payable             | Total payable             |
| 1                             | £400,000       | £8,000                    | £1,767                    |
| 3                             | £400,000       | £8,000                    | £5,249                    |
| 6                             | £400,000       | £14,000                   | £10,342                   |
| 10                            | £400,000       | £20,000                   | £16,898                   |
| 20                            | £400,000       | £20,000                   | £32,180                   |
| 25                            | £400,000       | £20,000                   | £39,264                   |

Example 4 - Property prices increase by 2% year on year RPI increase 5% annually

|                                  |                   | Option 1<br>Pay on resale | Option 2<br>Pay as you go |
|----------------------------------|-------------------|---------------------------|---------------------------|
| Years/part years<br>of ownership | Property<br>value | Total payable             | Total payable             |
| 1                                | £408,000          | £8,000                    | £1,767                    |
| 3                                | £424,483          | £12,040                   | £5,571                    |
| 6                                | £450,465          | £24,408                   | £12,021                   |
| 10                               | £487,598          | £39,509                   | £22,228                   |
| 20                               | £594,379          | £65,681                   | £58,435                   |
| 25                               | £656,242          | £80,844                   | £84,345                   |

It must be noted that property values may go up or down and are subject to market forces. The above examples are indicative and not intended as a forecast of property values.

## PROPERTY REALES

When you decide to sell your property, Middleton Hall has the right to act as agent exclusively for the first six months. There is a planning condition on the Waterside that properties can only be sold by Middleton Hall during this initial period. However, in the event that Middleton Hall has not been able to sell the property the leaseholder can request, after six months from the date of the estate agency contract, that the property is marketed jointly with an outside agency. This agency must be approved by Middleton Hall prior to appointing. Please note that when this process is agreed, estate agency fees will be payable to both the new agent and also to Middleton Hall.

When a joint agency process is in place, the outside agency would not be able to have full access to the retirement village to complete viewings. Therefore, Middleton Hall will continue to show potential buyers round the communal facilities, answer any questions on life at Middleton Hall Retirement Village, and discuss the purchaser information pack and lease.

The charge from Middleton Hall for this service is currently 2% of the selling price (subject to VAT). The charge from the additional agent will be as negotiated at the time and will be paid directly to the agent by the seller or their solicitor.

Prior to re-sale, under the terms of the lease, the property may need to be painted and decorated to ensure that it's in an 'as new' condition and is ready for re-sale. However, this may not be necessary if the property has been painted and decorated within the previous twelve months, and remains in an 'as new' condition. At this time, the Landlord (acting reasonably) may also request for additional refurbishments and repairs to be carried out, in order to facilitate the sale of the property. This ensures that the seller achieves the best price and that purchasers are buying a property suitable to move straight into. This process also protects the investment for all occupiers in the Waterside properties.

All redecoration, refurbishment and repairs will be discussed and costs agreed with the seller prior to putting the property on the market.

Any redecoration or refurbishment work completed during the re-sale process, by an external supplier must be paid directly, by the seller, to the supplier in line with their payment terms. Work completed by our internal teams, or organised by Middleton Hall,



will be invoiced directly by Middleton Hall. The payment terms for these works will be 14 days from the date of the invoice.

The asking price for a property is set by the seller in agreement with Middleton Hall. We aim for this to be a realistic price. The responsibility for all ongoing costs e.g. service charge, infrastructure charge, council tax, insurance and utilities remain with the owner until the date of sale completion.

In all cases Middleton Hall will receive the following fees paid by the seller:

- The infrastructure fee as determined by the lease, unless it has already been paid monthly in advance by direct debit.
- An estate agents fee (Commission) for re-sales, currently 2% of the selling price (subject to VAT).

The estate agent fee (Commission) includes Middleton Hall managing any administrative work required prior to the property being put on the market, as per the lease, and dealing with the questions and forms from solicitors to ensure that a sale goes through smoothly. Middleton Hall will ensure that the correct information is provided to sellers, buyers and solicitors and will also check information advertised on websites and via social media, to ensure the sale meets the legal requirements of disclosure.

Middleton Hall actively encourages potential buyers through the use of marketing literature, social media, website and other forms of marketing as well as regular show rounds and discussions with future customers, even when there are not any properties for sale. This helps to build our database of interested parties which can then in turn encourage a quick sale when properties come on to the market.

Middleton Hall does not actively market any individual properties until terms have been agreed with the seller and the estate agency contract has been signed.

#### A guide to the sales process:

An initial meeting is arranged to discuss the property sale where the points below are discussed, together with the terms and conditions required under the lease and the estate agency agreement.

- a. A full inspection of the property will be undertaken by Middleton Hall, and actions agreed with the seller. Under the terms of the Lease, the property must be returned to an 'as new condition' and repairs completed including:
  - EPC (Energy Performance Certificate) to be completed where required
  - Property to be redecorated as necessary.
  - Carpets to be cleaned or if marked or damaged, replaced.
  - Kitchen or bathroom units replaced if in a worn condition and any disability aids removed if necessary.
  - Any structural alterations not approved by Middleton Hall must be reinstated.
  - All repairs or servicing have to be completed.
  - All electrical goods remaining in the property will have a basic check and PAT (Portable Appliance Test).

Quotes will be obtained and timescales agreed for completion of any necessary works. Ideally, Middleton Hall requests that, where possible, the property should be vacated prior to refurbishment and being marketed. Where this is not possible, we will provide advice on de-cluttering, removing furniture and dressing the property for viewing. Experience of re-sales shows that fully refurbished properties that have had some furniture and personal possessions removed, sell more easily and often for a better price.

- b. A realistic sales value will be agreed between the seller and Middleton Hall. This will be based on current market value and will take into account the fact that all refurbishments and repairs will have been completed prior to completion of the sale. Any external valuation requested by the owner will be at their own expense.
- c. A full description of the contents will be included in the brochure.
- d. A marketing plan will be agreed, brochures and marketing literature produced and advice on a realistic date to launch the sale will be agreed. It is preferred that residents are not in the property when show arounds are taking place.
- e. Where a resident has not vacated prior to re-sale, we will agree a schedule of works with the seller before the property sale is completed.

The owner will be updated regularly on the status of the sale process.

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).

### Checklist for advertising properties for sale

The ARCO Code underlines the need for clarity and accuracy in property listings.

This checklist applies to all properties advertised on external platforms by Middleton Hall or by external estate agents.

The following is required to be included in any advertisement:

- Tag the property as a ‘Retirement property’ when uploading it to the portal. The listing header should then state that it is a ‘Retirement property’.
- State as the ‘Property type’ that it is a ‘Retirement property’.
- Leasehold
- Service charges and event fees apply
- Operated by Middleton Hall Limited
- Additional care is available within Middleton Hall’s care services
- EPC has been completed (add a link on website platforms)

All brochures and website text should be passed to Middleton Hall for compliance checking prior to going live.

## Lease provisions on forfeiture and liability

The Lease enables us to terminate it if payments are missed or if any of the Tenant Covenants are breached. For the avoidance of doubt, we cannot terminate leases summarily (a court order is required) and will always act reasonably before initiating the termination process (e.g. first seeking through dialogue to resolve any payment issues and breaches of covenants). Also, for the avoidance of doubt, the liability provisions in some older leases cannot exclude liability for injury or death as a result of our negligence.

## MIDDLETON HALL LIMITED

Middleton Hall Ltd was a privately owned company, founded in 1900, that is now owned by all its employees. It is a profitable and secure company, audited by Haines Watts. Accounts are files at Companies House.

Middleton Hall's Employee Ownership Trust recognises and rewards the valuable contributions that our employees, "Co-owners", make as well as ensuring Middleton Hall maintains its ethos where quality and customer service remain at the heart of the organisation.

Managing Director, Suzanne Graham, appointed in February 2021, is committed to retaining the unique spirit of Middleton Hall, delivering exceptional services to our community and continuing our journey to become a leading retirement village in the UK.

Jeremy Walford, Executive Chairman, and Lesley Henderson, Director, represent the Directors on the Employee Ownership Trust alongside two Co-owners and an independent chair. Jeremy and Lesley have been on the board of Middleton Hall for many years and have been a major driving force behind Middleton Hall's recent development from a Care Home to Retirement Village.

*April 2024*