RICHMOND VILLAGES

Part of Bupa

# ALL YOU NEED TO KNOW

## ABOUT PURCHASING A PROPERTY AT RICHMOND VILLAGES

# INDEX


1. INTRODUCTION 3

2. TYPES OF PROPERTY 3

3. THE LEASE 3

4. COSTS

   4.1 Transfer fee payment 4

   4.2 Service Charge 5

   4.3 Ground Rent 6

   4.4 Village Suites 7

5. SELLING YOUR PROPERTY 8

6. FREQUENTLY ASKED QUESTIONS 9

APPENDIX 11

Transfer Fee Examples

# 1. INTRODUCTION

This explanatory booklet aims to provide you with the key information you need to know about owning a property at a Richmond Village and to answer the most frequently asked questions.

Richmond Villages is a wholly owned subsidiary of Bupa, a leading international healthcare group. Bupa is a British company, formed in 1947 when 17 industrial provident associations merged to form The British United Provident Association – 'Bupa'. Bupa has no shareholders and is therefore able to reinvest all profits into increasing and improving healthcare services for customers and communities.

Bupa's purpose is simple – longer, healthier, happier lives.

# 2. TYPES OF PROPERTY

There are two types of property available to purchase:-

Village Apartments – situated in the grounds surrounding the Village Centre Complex.

Village Suites – situated within the Village Centre Complex, closer to all amenities and supported by a comprehensive hotel style services package which includes meals, maid and laundry service as well as all utilities.

# 3. THE LEASE

All of the properties at Richmond Villages are sold on a 125-year lease or balance thereof. The main reasons for selling properties on a leasehold basis are to:

- Retain high standards of presentation and consistency in the management of the village and ensure continuity of the lifestyle, care and support services
- Maintain the quality of the buildings, estate and environment.

The lease is a legal document that clearly sets out the responsibilities of Richmond Villages (the freeholder and landlord) and the lessee (you as the property owner). Your solicitor will advise you on the terms and conditions of your lease and your obligations as a leaseholder.

# 4. COSTS

In addition to the purchase price of your property the following additional costs need to be taken into consideration:-

## 4.1 Transfer fee payment

Your lease includes a provision for a payment to Richmond Villages on:

The sale of your apartment in the future when the lease is transferred to a new owner (**Transfer fee payment**).

The transfer fee is a payment which you will be required to pay when you sell your apartment. The transfer fee payment is a percentage of the price at which your apartment is sold and varies according to how long you have owned the property.

If you have owned the property for less than one year the transfer fee payment is 6% of the sale price.

If you have owned the property for one year or more but for less than two years the transfer fee payment is 8% of the sale price.

If you have owned the property for two years or more the transfer fee payment is 10% of the sale price.

Richmond Villages makes provision for this charge within your lease because we have made a substantial investment in land, buildings and equipment to provide you with high quality communal facilities intended to enhance the quality of life and amenity for you and other village residents.

Accordingly the payment provides Richmond Villages 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. Without these fees the facilities would not be provided.

The purpose of the transfer fee payment should not be confused with the service charge which covers the cost of providing various services and generally maintaining and managing the buildings, communal facilities and the estate on an ongoing basis.

Richmond Villages regards the transfer fee payment provision as a core term of the lease which strikes a fair balance between the landlord and the tenant for the reasons explained above.

A worked example of the transfer fee payment is included in the Appendix.

In addition to the above it is still important that your legal representatives advise you on the transfer fee payment provisions and you should specifically ask them to do this as well as asking for general advice on the other terms of the lease. The lease and other documents that will be received by your solicitor in due course explain the fee structure and your solicitor will be required to sign a certificate to the effect that the transfer fee payment has been explained to

you and you fully understand the financial implications of the transfer fee payment.

If you have any questions in relation to the transfer fee payment or any other issues raised above, please do not hesitate to raise these with your village adviser and/or your legal representative.

## 4.2 Service Charge

A key benefit to living at a Richmond Village is the level of support and services that are available to make life more comfortable and enjoyable. As a leaseholder you have full use of all the communal facilities, grounds and gardens within the village.

(a) The service charge is within the scope of the Landlord & Tenant Act (i.e. it is non-profit-making).

(b) The service charge is reported in the annual accounts. A meeting is held with residents to discuss the service charge every year.

(c) The scheme has a 10-year capital plan; this is a rolling, forward-looking maintenance and capital replacement programme which anticipates when major items of repair or replacement are envisaged at the service charge meeting.

(d) Part of the service charge contributions go to a 'Reserve fund' to cover the costs of future maintenance. Solicitors' formal enquiries of the scheme will cover unforeseeable costs.

(e) The scheme permits sub-letting only by exception (it is not promoted as a buy-to-let opportunity).

(f) Richmond Villages does not receive commission from third parties in relation to services covered by the service charge.

(g) Richmond Villages aims to notify residents in November of the service charge for the following calendar year.

The following core services we provide are paid for via the service charge and include:

**Property Management**

- Management, administration and supervision of the village facilities, village services and care and support services
- Maintaining and repairing the village facilities, buildings (including the exterior of your apartment) and services
- Insuring all of the buildings including your apartment (excluding contents insurance for which you will be responsible)
- Managing and or undertaking statutory testing of equipment, services and mechanical and electrical installations within the village facilities
- Cleaning of the village facilities
- Heating of the village facilities
- Lighting of the village facilities, grounds and gardens
- Periodic testing of smoke alarms within the Dwellings
- Periodic testing of emergency call system within the Dwellings
- Annual replacement of smoke alarm batteries within the Dwellings

**Care and Support**

- Management and registration of the domiciliary care agency
- Administering and obtaining Disclosure and Barring Service and Safeguarding of Vulnerable Adults checks on all relevant staff engaged in providing the services
- Staffing of 24 hour /7 day per week on site emergency call monitoring and response
- Periodic wellness assessment and review
- Liaising with GPs and other appropriate healthcare practitioners
- Supporting the general wellbeing of residents and facilitating access to healthcare services through provision of transport to local GP, dental and NHS outpatients appointments where possible but subject to the constraints of the Village transport service
- Collection and delivery of prescribed medication during periods of ill-health or incapacity
- Facilitating seasonal flu vaccinations in collaboration with local GP(s)
- Health promotional activities (to promote good physical health and mobility including aerobic, gym and water based exercise)
- Social wellbeing activities (regular and varied activities, events and outings to facilitate social interaction and quality of life)
- Scheduled transport to local towns and shopping centres

**Reserve Fund**

A reserve fund is a fund built up over time so that money is available when needed to pay for major repairs and improvements.

The reserve fund charge is based on a ten-year programme for major items of future capital replacement and/or maintenance expenditure (window replacement for example). Its purpose is to spread these costs over time and thus make them more equitably apportion such costs to residents. The reserve fund charge is included within the service charge that you pay.

## 4.3 Ground Rent

Your lease will include a ground rent which will be payable annually. The ground rent is subject to five yearly rent reviews from the commencement date specified in your lease. At each review the ground rent is increased by either a proportion equivalent to any increase in the Retail Prices Index or the initial rent x 2.5% per annum compounded, whichever is the greater.

## 4.4 Village Suites

Everyone has different requirements and personal needs but all residents who purchase or live in a Village Suite pay for a 'hotel style service package'. We base our 'hotel style service package' on the assumption that you are able to dress and bathe yourself. We also assume that you can prepare a simple breakfast – make a cup of tea and a light snack using the provisions we have brought to your kitchen. If you need help with any of these tasks, we will be able to provide this through our Domiciliary Care Team at an extra charge.

### The Village Suite hotel style services package includes:

**Food and drink**

- On-site food and non-alcoholic beverages taken with your meals
- Meals can be taken in the restaurant or delivered to your apartment*
- Restocking your kitchenette with basic provisions e.g. milk, butter, bread, cereals, tea, coffee etc.

**Laundry**

- Collection, laundering, ironing and return delivery of all personal clothing items**
- Weekly change of bed linen (unless emergency occurs)
- Towels laundered twice weekly (unless emergency occurs)

**Daily maid service**

- Daily visit to tidy apartment
  - Empty bins
  - Clean sinks in kitchenette
  - Clean work surfaces
  - Clean sinks in bathroom
  - Clean toilet
  - Make bed
- Weekly full apartment clean
- Annual deep clean

**Utilities**

- Heating, lighting and water charges.

**Post and newspaper delivery**

- All mail and newspapers are delivered by hand to each apartment

* There may be a charge for room service.

** Dry cleaning items are not included.

# 5. SELLING YOUR PROPERTY

## Richmond Villages can assist you in the sale of your property in the future.

We offer a free estate agency service to assist you or your personal representatives in selling your property. You can instruct a further estate agent or multiple agents if you wish – they can work alongside Richmond Villages or instead of Richmond Villages if you prefer. However, you will be responsible for all of the fees and expenses of any other agents which you appoint.

## Richmond Villages' estate agency service

**Full-time on-site sales team**

All of our Villages have a team of well-trained and experienced Village Advisers based on site to assist you or your family in securing a sale of your property. Our Village Advisers will complete an assessment of your property and make recommendations on what actions need to be undertaken to present your property at its best. Please note that this is not a survey or valuation report. They can also assist you with costing, organising and overseeing any removals, cleaning, dressing, redecoration, refurbishment or upgrading works that will maximise the value of your property and make it most attractive to potential purchasers. The Village Advisers will show prospective clients around and will assist in the progression of a sale from reservation to completion.

**Taking your instructions on the sale of your property**

Do I have to sell or offer my property back to Richmond Villages?

Yes, you have to give Richmond Villages first refusal to buy your property at a price you want to sell it at before selling it to somebody else. This is described as a pre-emption right. If you subsequently decide to sell for a lower figure you must then offer it back to Richmond Villages at this lower price. In the majority of cases Richmond Villages do not exercise their pre-emption right and do not buy properties back. The transfer fee payment still applies whether you sell to Richmond Villages or any other party.

Based upon our extensive knowledge of recent and current transactions within the village, our Village Advisers will be able to provide you with information that will assist you in deciding what price you wish the property to be marketed at.

**Marketing and advertising**

Richmond Villages' marketing team are constantly active in advertising and promoting the Village and any properties available. Advertising of the Village takes the form of a combination of local, regional and national advertising and editorial pieces, as well as specific promotions through mailings, open days and events within the Village. Village staff are regularly engaged in community based networking to promote the Village and increase local awareness of the lifestyle, facilities, services and accommodation options.

Richmond Villages has a comprehensive website (www.richmond-villages.com)

which features each village and any properties available for purchase, and actively manages all web based enquiries. In addition Richmond Villages maintains a comprehensive database of interested parties and is able to match these potential purchaser's requirements to the property types available at any point in time. Richmond Villages produces high quality sales and marketing literature and brochures designed to explain the lifestyle, accommodation, care services and benefits of village life to potential residents.

## 6. FREQUENTLY ASKED QUESTIONS

**Do I have a dedicated car parking space?**

If you have a car, a space will be allocated as close to your apartment as possible for your exclusive use. If you do not own a car, or cease to drive, you will not have any allocated parking. All unallocated parking is available for guests and visitors. All cars must be taxed, insured and legally road worthy.

**Does the service charge cover my household contents insurance?**

No, the service charge only covers building insurance and you are strongly advised to take out your own insurance for household contents.

**Does the service charge cover internal decoration and maintenance of my suite or apartment?**

You are responsible for the internal decoration and maintenance of your suite or apartment.

**Are pets e.g. cats and dogs, permitted?**

Yes. Pets are allowed as long as they are not causing a nuisance to your neighbours or other residents.

**Is there accommodation available for friends and family?**

Yes, but this is subject to forward booking and availability. Richmond Retreats offers accommodation within the village. Please speak to the village advisers for details of prices and availability.

**Is the domiciliary care agency and care home managed solely by Richmond Villages?**

Yes, both the domiciliary care agency and the care home are managed by Richmond Villages as are all other services within the village.

**Does the domiciliary care agency provide nursing care?**

No, the domiciliary care agency is able to provide personal care and other services in your own home.

**Is there a care home on site?**

Yes, all of our Villages have a care home. Please contact the Village Adviser to find out about care services provided at each location.

### Do I need to get any advice?

Like any property purchase it is advisable to get appropriate legal and financial advice.

### Do Richmond Villages sell properties to investors or for buy-to-let purposes?

Richmond Villages sell to owner occupiers only and consent from Richmond Villages is required prior to any sub-letting.

### How much have service charge costs changed in recent years?

Details of the annual service charge costs over recent years can be found on our website under the leasehold costs page of each village. For details of the current years interim service charge please contact the village adviser. The interim service charge is a budgeted figure and the actual costs are confirmed following each year end and are subject to external audit. This may result in a refund or additional payment.

# APPENDIX

**Payment to Richmond Villages on sale of apartment (Transfer fee)**

**EXAMPLE 1**

| | |
|---|---|
| Example sale price of apartment | £150,000 |
| **Sale Fee** | |
| If sold within 1 year of original purchase (6%) | £9,000 |
| If sold within 2 years of original purchase (8%) | £12,000 |
| If sold after 3 years of original purchase (10%) | £15,000 |

**EXAMPLE 2**

| | |
|---|---|
| Example sale price of apartment | £300,000 |
| **Sale Fee** | |
| If sold within 1 year of original purchase (6%) | £18,000 |
| If sold within 2 years of original purchase (8%) | £24,000 |
| If sold after 3 years of original purchase (10%) | £30,000 |

RICHMOND
VILLAGES
Part of Bupa

Richmond Villages, Unit 5, The Court, Holywell Business Park, Southam CV47 0FS
Tel: 01926 679502 www.richmond-villages.com