

Transfer Charge

What is the Transfer Charge?

When your apartment is sold a Transfer Charge must be paid. The charge will be 4.5% of the price you sell the apartment for, or receive for transferring the lease.

What does the Transfer Charge pay for?

Part of the Transfer Charge (2% of the sale price) will be used to redecorate your apartment and get it into a good state for resale and the balance is put into a fund for the future maintenance of the building.

This means the level of contribution you make while you are living in the apartment and which you pay through the Service Charge for long term maintenance costs is reduced.

Sometimes, when an apartment is sold it will only need a deep-clean and some minor maintenance but, some apartments will need to be completely redecorated.

The level of work that is required will be at the discretion of the managing agent but we will do our best to ensure the right balance is struck between getting your apartments sold quickly and ensuring as much money as possible goes into the future maintenance fund.

The remaining part of the Transfer Charge (2.5% of the sale price) is paid to Rusty Oak Ltd and will cover the cost of *managing* the refurbishment of the apartment, advance funding of the refurbishment work ahead of the sale, marketing the apartment (so you do not need to employ an estate agent or pay for advertising) and promoting Honeybourne Gate on a continuous basis to maintain property values.

Apartments in developments similar to Honeybourne Gate sell best and maintain good values when the development is continuously promoted.

This includes hosting events for local organisations, inviting potential purchasers to have lunch in the restaurant, sponsoring concerts and exhibitions for the benefit of apartment owners and their guests/members of the local community who may one day be interested in becoming apartment owners.

This work is funded from the Transfer Charge so that it does not have to be paid for from the Service Charge.

Are there circumstances when the Transfer Premium will be waived?

Under certain circumstances the landlord (entirely at his discretion) may waive the Transfer Charge. Currently the circumstances under which the charge may be waived are as follows:

- i.) Should a re-sale occur within one year of a previous purchase/resale then the transfer premium payable will be the actual cost of preparing the apartment for resale. Additionally, 0.5% of the gross proceeds of the sale will be contributed to the Contingency Fund and 0.5% of the gross proceeds of the sale to Rusty Oak Ltd to cover the sale costs.
- ii.) Should a re-sale occur between one and two years after a previous purchase/resale then the transfer premium payable will be the actual cost of preparing the apartment for resale. Additionally, 1% of the gross proceeds of the sale will be contributed to the Contingency Fund and 1% of the gross proceeds of the sale to Rusty Oak Ltd to cover sale costs.

Should the Landlord agree that an apartment can be sub-let then a management fee will be agreed in lieu of a Transfer Charge.

Additional services paid for from the Transfer Premium

Rusty Oak Ltd will also provide other services funded from income from the transfer premium without further charge such as:

- Landlord approvals of alterations – no charge is made,
- Approval of potential purchasers – no charge is made,
- Obtaining benefit advice and arranging care for prospective purchasers – no charge is made,
- Providing benefit assistance for owners, for example managing, attendance allowance applications – no charge is made,
- Issuing contracts. When appointing contractors and obtaining services including insurance – no charge is made (over and above the managing agents fee paid from the Service Charge). No commissions are accepted from any supplier either by Oak Retirement Ltd (the Managing Agent) or Rusty Oak Ltd ensuring that these companies always act in the interests of Honeybourne Gate and the apartment owners.