

St Monica Trust

Lease purchase accommodation

A guide to funding arrangements and other details 2020-21



This leaflet contains information about the purchase of an apartment on the St Monica Trust lease purchase scheme. This document does not apply to The Chocolate Quarter where different fee arrangements apply. If you are interested in renting, please contact us for more information.

Lease owners pay two fees. The first is a **Capital Payment**, which covers the cost of ownership of the lease and is totally refundable. The second is a **Community Fee** and is a contribution to the running costs of the community, facilities and maintenance of the buildings and grounds.

Capital Payment

The capital payment is a one-off payment that is based on the market value of the apartment and represents 90% of this value. The remaining 10% of the value is covered by a 'peppercorn' rent within the community fee. This 10% element provides the Trust with a retained interest in the property and the provision of services to residents.

Site	Indicative price range
Monica Wills House	£185,000 - £285,000
Westbury Fields	£185,000 - £485,000
Cote Lane	£300,000 - £900,000
Sandford Station	£185,000 - £525,000

When the lease-owner(s) leave the apartments or die, the capital payment is repaid **in full** to the lease-owner(s) or their estate within 28 days of the property being returned to the Trust after grant of probate (where necessary) and a satisfactory inspection of the property by the Trust.

The only potential deductions are for works required to bring the property to the required standard prior to handover. St Monica then takes back ownership of the property and assumes responsibility for selling it on to the next lease-owner.

A small number of apartments are available on a shared ownership basis (depending on location, which is a percentage of market value and a rental element on the remaining percentage). More details about shared ownership are available from the sales team.

Community Fee

The community fee is an annual payment that is charged monthly in advance by direct debit. It covers (amongst others):

- 24 hour emergency response service including care and support assistance, porter security and emergency repairs.
- A weekly visit by the housekeeping team.
- Recreational activities and entertainment.
- Restaurant, health spa and fitness centre, computer suite and library service.
- Transport service.
- Buggy parks with recharging facilities.
- Welfare benefits advice.
- Communal television connection.
- Buildings and other insurances.
- Window cleaning and maintenance of the alarm call system, security equipment including CCTV, fire alarm system and lifts in communal areas.
- Physiotherapy and occupational therapy service (subject to referral or payment of appropriate fees).
- A contribution to the Sinking Fund.
- A management fee payable to the Trust.

The Community Fee is a variable charge based on actual costs only. Residents receive the annual community fee accounts for the previous year and a budget for the next year each autumn and are welcome to comment on these documents. Any shortfall in funding on the previous year will not be added to the community fee for the following year; any surplus income will be applied to the

sinking fund. The Community Fee and subsequently the sinking fund is held on trust for residents. In the event of a resident terminating the lease or passing away, the community fee remains payable for the duration of the four month notice period, or in case of death until probate has been granted, and paperwork has been completed

In the unlikely event of a major and sustained failure to provide a service or facility which we are obligated to deliver under the terms of the lease, we will minimise any inconvenience caused and provide other forms of redress including alternative arrangements and/or reflect the loss of service in reduced future service charges.

The amount of community fee that will be charged depends on the size of the property and the development they relate to.

There are different charges for singles and couples and the community fee is increased on 1 April each year. Residents receive 28 days' notice of the change. The increase is capped at a maximum of 3% above RPI.

The rates per annum from 1 April 2020 are shown overleaf:

Community Fee

Cote Lane - Oatley House

	<i>1 person</i>	<i>2 people</i>
Low	£8,179	£10,480
Medium	£8,988	£11,788
High	£9,743	£12,608
Premium	£10,561	£13,426

Cote Lane - St Augustines and Willowpool

	<i>1 person</i>	<i>2 people</i>
Low	£7,757	£8,920
Medium	£8,532	£9,813
High	£9,369	£10,774

Monica Wills House

	<i>1 person</i>	<i>2 people</i>
	£4,292	£5,259

Sandford Station

	<i>1 person</i>	<i>2 people</i>
Low	£6,450	£7,432
Medium	£7,432	£8,416
High	£8,416	£9,678
Premium	£9,678	£11,125

Westbury Fields

	<i>1 person</i>	<i>2 people</i>
Low	£6,987	£9,426
Medium	£8,009	£10,825
High	£8,637	£11,685

Questions and Answers

Will I get any equity growth on the apartment when I leave or die?

No. There are a number of reasons why the Trust operates the scheme in this way:

- Properties are not re-sold on the open market, and therefore occupants are able to expect a refund on their original purchase within a much shorter time-scale that is usually possible on the open market.
- Lease owners do not, therefore, have to pay estate agency fees, and are not susceptible to any downward fluctuations in the housing market.
- Also, lease owners are not required to have found another resident before being released from the agreement with the Trust.
- Any work required in a property before it can be returned to the Trust may be carried out by the Trust in advance of the surrender and deducted from the final amount refunded. This can be particularly useful when relatives are dealing with a lease owner's estate in that no money is required up front for the 'making good' of a property.

The capital payment is totally refundable.

The Trust only deducts amount due for the cost of reinstating the property and any other outstanding bills. There are no administration fees or other charges to pay on the termination of the lease.

What is shared ownership?

Shared ownership is an alternative to paying the full capital payment where a resident pays a smaller percentage capital payment and an additional rental element for the remaining amount of the property. More details are available from the sales team.

What are the arrangements for TV aerials and digital/satellite TV?

The TV aerial is communal and satellite TV is available. Residents should make their own arrangements for their TV contract and equipment.

Building insurance is included as part of the Community Fee. What about home contents?

Residents will need to organise their own home contents insurance.

How often will the external decoration be maintained?

There will be a rolling programme of maintenance work over a fixed period.

Can someone else buy an apartment for me/us?

The charity wishes to keep its dealings with residents as simple as possible, and the decision has therefore been taken that the owner and the occupier of each apartment should be one and the same person. Just as we will look to the lease-owner to pay all outgoings, so we will repay the resident at the end of the lease.

Third parties may wish to assist residents, but this should be a matter between the third party and the resident. Whether this is

done by way of a gift or a loan or some alternative arrangement will be for each individual to decide, based on their own circumstances.

How long do I/we have in which to complete my/our purchase?

From the date you make a reservation, we usually expect people to be able to complete and begin paying their community fee within 3 months. For some people, however, their related sale will take longer than this, and the Trust has established a separate arrangement whereby residents are able to rent for a maximum period of one year. Purchasers may convert over to the full capital payment at any stage during this time, depending on when their related sale completes.

Do I pay for my own utilities and council tax?

Yes. Residents will be responsible for their own bills in the same way they would be in their own homes now.

Do I/we need to instruct a solicitor in relation to my/our purchase?

Yes. Independent legal advice is essential for the purchase of a lease at St Monica. If a purchaser has a genuine reason for not wishing to instruct a solicitor, the Trust may assent to this, provided that the prospective resident undertakes to cover any additional legal costs accrued as a result of this.

Do I/we pay stamp duty?

Yes. Please note that the way stamp duty land tax (SDLT) is calculated changed on 4 December 2014. Visit www.gov.uk/stamp-duty-land-tax-rates for further information.

What services are offered by the care team to my/our own apartment?

We can arrange for home help, personal care and support services to be brought to you in your own home. The care team will provide you with a programme of care for as long as you need it. If you have a short-term need, this can quickly be accommodated, as can more prolonged care needs where a more permanent arrangement would be of most benefit. Prices for these services in 2020-2021 range from £19.10 to £27.35 per hour.

How is care at home arranged?

You will need to request a care plan from the retirement community manager, who will organise for an assessment to be carried out. The care plan will then be discussed with you (and anyone else you would like to be involved). The cost of your care plan will also need to be agreed before a programme is delivered.

More information

If you have any further queries about the lease purchase scheme, please contact us:

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