



## BRIDGE HOUSE of TWYFORD

### TRANSFER FEE (EVENT FEE)

**Your lease includes a provision for a payment to Bridge House of Twyford on the sale of your property in the future when the lease is assigned to a new owner. This payment is a percentage of the price at which your property is sold and varies according to how long you have owned the property.**

The figure is normally 10% but is reduced to 8% if you have owned the property from one to two years and further reduced to 6% if you have only owned the property for up to one year prior to sale. The fee has three components, as follows.

First, Bridge House of Twyford have made a substantial investment in land, buildings and equipment in providing you with high quality communal facilities intended to enhance the quality of life and amenity for you and other residents. These costs are not recovered in the initial selling price of the properties.

Accordingly the payment provides Bridge House of Twyford 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, or without which the facilities could not be provided.

This payment should not be confused with the service charge, which covers the cost of providing services and generally maintaining and managing the estate.

Second, Bridge House of Twyford has the right to market the property exclusively for the first thirteen weeks. Only after this time can the vendor employ another estate agent (at their own expense). The transfer fee payment covers the costs incurred in selling and marketing properties.

Although vendors are not prevented from using an independent estate agent to dispose of the property, in practice the specialised nature of the property means Bridge House of Twyford is much more likely to achieve a sale than an estate agent and vendors will therefore in almost all cases choose to allow Bridge House of Twyford to



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arrange and manage the sale on their behalf.

Third, the payment covers the administrative and legal expenses that Bridge House of Twyford incurs in a future sale of your property.

So in summary, the payment is designed to compensate Bridge House of Twyford for:

1. The capital cost of providing communal facilities available to leaseholders and residents
2. Sale costs incurred by Bridge House of Twyford (similar to an estate agent's fee)
3. Legal and other administrative costs involved on a purchase or sale

Bridge House of Twyford regards this provision as a core term of the lease, which strikes a fair balance between the landlord and you the tenant for the reasons explained above.

Worked example of the impact of the transfer fee on the proceeds of a sale

Example 1 – Owner sells for a gross selling price of £515,000 and moves away

Length of ownership	Percentage	Transfer fee Payable
Up to 1 year	6% of £515,000	£30,900
1 to 2 years	8% of £515,000	£41,200
2 years and above	10% of £515,000	£51,500

NB The actual selling price may differ from the illustrated price. If the actual selling price is higher or lower the transfer fee payable will be correspondingly higher or lower.

Example 2 – Owner sells the same property for £515,000 and buys another in the village.

Should the owner wish to purchase another property within the development the following applies depending on the relative price of the new property.



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If the new property purchase price was £400,000 (i.e. lower), there would be no transfer fee required on this property.

If the new property purchase price was £600,000 (i.e. higher), a transfer fee would be required on the difference (£85,000) between the sale price (£515,000) and the new purchase price (£600,000) based on the length of ownership as above.

Length of Ownership	Percentage	Transfer fee Payable
Up to 1 year	6% of £85,000	£5,100
1 to 2 years	8% of £85,000	£6,800
2 years and above	10% of £85,000	£8,500

Hurstlane Ltd, Castle House, Victoria Street, Englefield Green, Surrey TW20 0QX  
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