

Deferred Management Charge

At Audley we believe our residents should be able to live within their properties, safe in the knowledge that we will never knock on their doors to request financial assistance in recovering costs, as and when major works are required across the village.

Over the 125 year term of the lease expert lifecycle analysts have predicted that a third of the village will require replacement. A Deferred Management Charge is built up from contributions made from the sale of each property to pay for these repairs. This method ensures that everyone who lives in an Audley village can do so knowing there will always be sufficient funds to carry out any works, maintain the continued high standard of the village and, ensure that each property has the ability to increase its value within the housing market.

An example of some of the costs that will be required:-

	£
• Re-surfacing of roadway	350,000
• Re-roofing of all properties	2,200,000
• Re-wiring of club facilities	400,000
• Renewing of service supply	1,350,000
• Renewing of swimming pool	225,000
• Renewing of commercial kitchen	125,000

The simplicity of this process ensures each resident knows that any works carried out will be managed by Audley and, that there are sufficient funds available to pay for them.

Following much research and many years of experience it has been established that the Deferred Management Charge is the most cost effective and efficient method to pay for works and, in fact over a long term, work out at lower cumulative costs than most people would pay for major works on their own family home.

How much will you pay? You don't pay anything until you sell your property; you contribute a percentage of the sale price before receiving the proceeds. The table below shows what the total payment would be if you sold at any given time.

Year	House Value £	Increase in House Value £	Deferred Management Charge %	Forecast Fee £
Year 1	250,000		1%	2,500
Year 2	262,500	12,500	2%	5,250
Year 3	275,625	13,125	3%	8,268.75
Year 4	289,406	13,781	4%	11,576.24
Year 5	303,877	14,470	5%	15,193.85
Year 6	319,070	15,193	6%	19,144.20
Year 7	335,024	15,954	7%	23,451.68
Year 8	351,775	16,751	8%	28,142

The above table assumes that house prices increase by 5% per annum.