



The

RESIDENCES

ELCOT PARK

The details

Interior / build quality

With a strong emphasis on sustainability, ecology, the environment, energy saving and meticulous attention to detail, each one of The Residences is built using traditional construction methods by a long established and respected specialists building company. Every Residence is unique, boasting charming traditional features from exposed beams and log burning stoves to the stunning timber sash windows providing exceptional views out to the estate and the countryside beyond.

These high quality, hand-crafted Residences have been considerably designed and constructed to echo the history and heritage, whilst also looking forward to paving the way for the next chapter in the Elcot Park story. Local materials have been used to ensure the design is in keeping with the vernacular of the estate and surrounding area. Every detail has been carefully considered within each Residence to ensure an exacting high quality finish.

The feature sash windows have been designed to maximise the natural light, reducing electric in the winter months. The windows have been designed to create fresh air movement throughout the home. The frames are made from hardwood, absorbing sound and helping to retain warmth. Each Residence is designed with privacy from the outside in, so that you can totally relax.

The specification and finishing touches of each Residence are then at the owner's discretion working alongside a shortlist of interior designers to create your exquisite home from home.

The benefits of owning a Residence at The Retreat Elcot Park:

- Ownership of a prime residence in the West Berkshire countryside
- Hassle-free, 'lock-up and leave' country residence
- A secure investment owned by you that generates a regular income when you are not using the property
- Built to an exceptionally high standard
- 24/7 concierge when needed – convenient and secure
- Supported by The Retreat Elcot Park, part of The Signet Collection



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FAQs

- I. Q. Are there any special conditions relating to the purchase of your Residence?
- A. Conditions of the lease and planning permission mean that you are required to use your Residence as a holiday home rather than as a primary residence. The lease shall limit owners staying at The Residence up to 25% of the year to allow the owners the opportunity to fully benefit from the tax advantages allowed for furnished holiday lets and to maximise the opportunity for rental income.
- II. Q. Are The Residences being sold freehold or leasehold?
- A. Each Residence shall be sold on a freehold basis.
- III. Q. Can I rent my Residence?
- A. Yes, your Residence shall be made available for rent through our exceptional rental service offered by The Retreat. All lettings are subject to strict site rules to protect The Residence's environment and maintain security.
- IV. Q. What costs are involved in renting out my Residence with The Retreat?
- A. We manage the whole booking process for you. This includes marketing and advertising your Residence, dealing with enquiries and making the rental bookings. All bookings made by

The Retreat will be subject to a 15% commission chargeable on the rental amount. As the owner you will be responsible on an ongoing basis for the following items: Annual testing on electrics and fire extinguishers, utility bills, cleaning and laundry. Insurance cover must be taken with our group policy to ensure the correct level of protection for a furnished holiday letting and to allow you to avail of competitive group pricing.

- V. Q. Can I change the dates I have given you to let my Residence for me?
- A. If for any reason you wish to change your reserved dates, The Retreat will do their utmost to move a booking to another property. This shall incur a 5% admin charge. Communication between us is critical to optimising usage out of your holiday home, so please do feel free to contact us as little or as much as you like.
- VI. Q. What about council tax?
- A. The Residences do not come under an obligation to pay council tax as they are not for permanent residency.

- VII. Q. What about business rates?
- A. Self-catering accommodation which is available for short-term lettings for more than 140 days in any given year and let for at least 70 days in the last 12 months is subject to Business Rate property tax. Since all furnished holiday let properties must be available to let for a minimum of 210 days a year and as the lease requires the Residence to be available for lettings for 274 days of the year to allow the opportunity to maximise rental income for the owner, The Residences shall fall into the Business Rate property tax category. Depending on the rateable value of your Residence you can claim Small Business Rates Relief and may have reduced or no Business Rates to pay.
- VIII. Q. Will I have to pay Stamp Duty?
- A. Yes, Stamp Duty shall be payable and as a holiday let falls into the criteria for higher rates Stamp Duty, you will have to pay an additional 3% of the property purchase price.
- IX. Q. Apart from the purchase price what other costs will I have to pay?
- A. An annual ground rent is payable for each Residence. This will be an annual fee of £300 to be reviewed in line with the retail price index (RPI). There will also an annual service charge of £3,350 plus VAT (see breakdown on enclosed sheet). This

shall cover the costs of maintaining landscaped areas, lighting of common areas, 24hr estate security, maintenance of road, car parking spaces and site infrastructure, insurance and sewage charges. The Retreat will set the maintenance charges at a level which represents value and ensures the high quality of the development can be maintained.

- X. Q. As an owner of a Residence shall I get any benefits at The Retreat?
- A. Yes, as an owner you shall have access to The Retreat members card allowing you the following discounts at The Retreat – food 20%, spa treatments 10% and complimentary room upgrade if booking a bedroom at the hotel.
- XI. Q. What are the utility charges?
- A. Each Residence shall have its own electricity meter for the electricity use of the Residence and the owner shall be responsible for supply and billing. Water, sewage and common area electricity are included in the annual service charge.
- XII. Q. Are there tax implications to owning a Residence?
- A. Yes. See the attached sheet.

XIII. Q. Are pets allowed?

A. Yes. Pets will be allowed subject to The Residence house rules, so as to maintain The Residence environment. Residence owners may nominate whether or not pets are allowed in their Residence when renting.

XIV. Q. What happens when reselling the leasehold on a Residence?

A. The Retreat reserves the rights to have first refusal to buy back at current market value before The Residence is put on the open market.

XV. Q. What guarantees are available with my property?

A. The Residence comes with structural defects insurance for a 10 year period.

XVI. Q. Can I secure a mortgage?

A. Yes. You should be able to obtain finance for your Residence and our advisors can offer a competitive financial service. Please ask us for more information.

XVII. Q. How will I receive my income from renting?

A. Every month we will make a payment directly into your bank account supported by a full letting statement of the income you have generated from the previous month less any expenses.

XVIII. Q. Can you furnish my Residence?

A. Yes, we require the Residence owners to work with one of our nominated interior designers to furnish the Residence selecting one of our packages for interiors and white good appliances.



Tax implications of owning a Residence

The following is a brief outline of the current (November 2022) rules relating to personal taxation of your Residence. The guide is solely for information only. We strongly recommend that you seek professional advice from an accountant or tax advisor in relation to your purchase.

General

Any income that you earn from letting your Residence is subject to income tax. When you sell the property, it will be subject to capital gains tax as a second home. The value of the property can also form part of your estate on death.

However, there are advantages and benefits to owning a Residence which shall qualify as a furnished holiday let.

Furnished Holiday Let (FHL)

Your Residence can be classified as a FHL if you meet the following conditions:

- Availability condition: The Residence must be available for letting for at least 210 days per year
- Pattern of occupation condition: If the total of all lettings that exceed 31 continuous days is more than 155 days during the year, this shall mean your Residence could not qualify as a FHL
- Letting condition: The property must be actually let for 105 days, you can elect to be treated as if you have met the rules during the 2 years following a year where you

did not satisfy the letting condition, as long as you can show that you intended to let the property on a furnished holiday letting basis. This enables owners to enjoy the tax benefits of a FHL during periods where there may be less demand. If your Residence does not meet the threshold by the fourth year, after two consecutive period of grace elections, it will no longer qualify as a FHL.

Mortgage interest relief

Full mortgage interest can be deducted from the profits of furnished holiday lets.

Income taxes and losses

The income from a FHL is determined after taking into account all the costs (other than the cost of the Residence itself) incurred in respect of the letting, including, but not restricted to, repairs and renewals, maintenance costs, agency and commission fees, insurance, change-over costs, heating and lighting costs, finance costs etc. You can also claim indirect costs of letting the Residence such as telephone calls and stationery.

Losses arising from letting activity can only be carried forward against future profits arising from the same letting business.

If you do not let the Residence at a market rate, or if you use the property yourself some of the expenses may be disallowed.

Capital allowances

You will be entitled to claim Capital Allowances on the furniture, furnishings, white goods etc. that are in your Residence but there are no capital allowances for the cost of acquiring The Residence itself. The allowances are deducted along with other expenses in calculating any profits from your FHL.

Pensions

The net income earned from your Residence is treated as 'relevant earnings' for pension purposes, allowing you to make tax-advantaged pension contributions.

Capital Gains Tax

Once the FHL has been owned by you for a complete year, any subsequent sale will be eligible for Business Asset Disposal Relief and so long as the owner has not used up their lifetime allowance, the gain will be taxed at 10% rather than at a higher rate.

The property will be eligible for roll over relief, which enables the payment of Capital Gains Tax to be deferred.

Record keeping and tax obligations

You must keep a record of all income that you earn from your Residence, whether as a FHL or not. You must also keep a record of all costs and you must retain all invoices and paperwork to support any deductions that you wish to claim.

You must disclose that income and relevant expenses on a self assessment tax return and there are penalties if you omit to declare all your income or if you fail to file your tax return on time.

Need further advice?

We work closely with a team of tax advisors who can give you specific advice on the purchase of your Residence and how this could affect you.

We can also recommend an independent financial advisor who can offer advice relating to pension aspects of owning a Residence and can also assist you with raising finance for your purchase.



Investment return summary

2 bedroom Residence

| | |
|---------------------------------|-----------------|
| Purchase price | £350,000 |
| SDLT and fees | £21,000 |
| Furniture and appliance package | £30,000 |
| TOTAL | £401,000 |

| | |
|---|---------|
| Income per annum (based on 28 week occupancy) | £37,590 |
|---|---------|

Associated costs per annum

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|----------------------------------|----------------|
| Residence booking commission | £5,638 |
| Property management fee | £4,020 |
| Change over fee (£80 per rental) | £2,240 |
| Repairs and maintenance | £500 |
| Sinking fund - roof | £600 |
| Total | £12,998 |

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|------------|---------|
| Net income | £24,591 |
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| Percentage return on investment | 6.1% |
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(Not including any capital appreciation)

N.B. The above calculations are based on estimates, individual costs may be lower or higher than shown in the example above.

Approximate rental calculations

| Month | Season | Weeks | Approx. rate | Occupancy | Weeks let |
|---------------------|--------|----------------|--------------|-----------|-----------|
| Apr | L | 3 | £900 | 33% | 1 |
| | H | 1 | £1,500 | 100% | 1 |
| May | H | 5 | £1,500 | 60% | 3 |
| Jun | H | 4 | £1,500 | 80% | 3.2 |
| Jul | H | 5 | £1,500 | 80% | 4 |
| Aug | H | 5 | £1,500 | 80% | 4 |
| Sep | H | 4 | £1,500 | 80% | 3.2 |
| Oct | M | 5 | £1,200 | 50% | 2.5 |
| Nov | L | 4 | £900 | 30% | 1.2 |
| | H | 1 | £1,500 | 100% | 1 |
| Dec | L | 3 | £900 | 30% | 0.9 |
| | H | 1 | £1,500 | 100% | 1 |
| Jan | L | 4 | £900 | 25% | 1 |
| Feb | L | 4 | £900 | 25% | 1 |
| Mar | L | 4 | £900 | 25% | 1 |
| Total | | 52 | | | 28 |
| Gross income | | £37,590 | | | |

N.B. All figures are estimates and have been compiled using the standard relevant industry published information.

Breakdown of annual service costs are as follows:

Service charge - £3,350 pa plus VAT

| | |
|---|---------|
| Landscaping and grounds maintenance | £150 pa |
| Water and sewage | £250 pa |
| Fire and safety testing | £55 pa |
| Window cleaning | £400 pa |
| Carpets cleaned | £250 pa |
| Oven cleaned | £70 pa |
| Internet | £240 pa |
| Insurance - property, public and products liability, contents and business interruption | £600 pa |
| Electricity - public environs | £40 pa |
| 24 hr security | £250 pa |
| PAT testing | £80 pa |
| Fixed wire electric testing (5 years) | £100 pa |
| Boiler serviced | £150 pa |
| Wastage management | £200 pa |
| Pest control | £110 pa |
| Administration | £250 pa |
| Bank charges | £30 pa |
| Sundry | £125 pa |

N.B. Costs are estimated and are likely to change from year to year.



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Register your interest now

For more information about
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These details are intended to give a general indication of the proposed specification. The developer operates a policy of continuous product development and reserves the right to alter any part of the development specification at any time. Floor plans shown are for reference using approximate measurements only. Exact layouts and sizes may vary. Some of the images contained within this brochure are computer generated. Please note, internal images are from another Signet Ltd. development and are indicative only.