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Legal Fee Information for

Purchase of a Freehold or Leasehold Residential Property

Introduction

Our Legal Fees cover all of the work required to complete the purchase of your new home, including dealing with registration at the Land Registry and dealing with the payment of Stamp Duty Land Tax (Stamp Duty) if the property is in England, or Land Transaction Tax (Land Tax) if the property you wish to buy is in Wales.

Legal Fees

Legal Fees are the amount you will be required to pay for all of the work performed by us in actioning your instructions, from commencement of your case to conclusion.

- Our average standard legal fee for a residential freehold property sale is £675.00 to £2,500.00 plus VAT. (£810.00 - £3000.00 inc. VAT)
- For Leasehold properties we typically charge a further £200.00 plus VAT (£234.00 Inc. VAT)
- The value of the property and any complexities of the purchase will dictate the final fee charged within this range.
- For purchases using a corporate vehicle there is a supplemental fee of £15+ VAT (£18 Inc. VAT) due to companies house registration requirements and additional documents required for lending purposes.
- Below we detail what services are covered in our standard fee.

We are required by our regulator to undertake Client Due Diligence (CDD) which is made of up KYC (Know Your Client) and AML (Anti Money Laundering) details of which are contained within our terms of engagement which will be sent to you when instructing us.

In addition to our standard charges as referred to above, the firm will apply a CDD charge of:

- We will charge the sum of £35.00 plus VAT (£42.00 inc. VAT) for electronic money transfers and £35.00 plus VAT (£42.00 inc. VAT) for archive fee when the matter is completed.
- VAT will be payable on our fees and some disbursements and we will clearly confirm which disbursements carry VAT in our formal quotation or as we advise you to incur them.

If at any stage our fees change, we will notify you and discuss the reason for any changes. This would typically occur if you change your instructions or your case involves an unforeseen complexity.

Our average fees assume that:

- a) This is a standard transaction and that no unforeseen matters arise including for example (but not limited to) a defect in title which requires remedying prior to completion or the preparation of additional documents ancillary to the main transaction.
- b) For Leasehold matters this is the assignment of an existing lease and is not the grant of a new lease.
- c) The transaction is concluded in a timely manner and no unforeseen complication arise.
- d) All parties to the transaction are co-operative and there is no unreasonable delay from third parties providing documentation.
- e) No indemnity policies are required. Additional disbursements may apply if indemnity policies are required.

Disbursements and Other Costs

Disbursements are costs related to your matter that are payable to third parties, such as Land Registry fees. We handle the payment of the disbursements on your behalf to ensure a smoother process. You will be provided with a full list of disbursements in our formal quotation. If you need to incur any further disbursements during your case, you will be notified in advance of the reason and the amount.

Typical disbursements and other costs that may apply in you matter will include: -

- Land Registry Priority Search fees (per title) £3.00
- Bankruptcy search fees £2.00
- Mortgage Lender's e-portal fee (if any) £12 plus VAT (£14.40)
- Company Mortgage (if any) £350.00 plus VAT (£420.00 Inc. VAT)
- Company Search (per search if required) £25.00 plus VAT (£30.00 Inc. VAT)
- Redemption of mortgage (if any) £150.00 plus VAT (£180.00 Inc. VAT)
- Help to Buy Equity Mortgage – typically £250 + VAT (£300 Inc. VAT)
- Help to Buy ISA (per bonus)- typically £50+VAT (£60+VAT Inc. VAT)
- Lifetime ISA – typically £100+VAT (£120 Inc. VAT)
- Mortgage Loan typically £150 + VAT (dependent upon the loan and lenders requirements) (£180 Inc. VAT)
- Registration of Unilateral Notice (if new build) £40.00 plus VAT (£48.00 Inc. VAT)
- Registration of each Charge/Debenture at Company House (if a company, if required) £23.00 plus VAT (£27.60 plus VAT)
- Lawyer checker £12 + VAT (£14.40 Inc. VAT)

Stamp Duty or Land Tax (on purchase)

SDLT (Stamp Duty*) applies to most property purchase transactions. We will advise you of the stamp duty applicable to your matter and you can visit the HMRC website for more information on the [HMRC's website](#).

HM Land Registry fee. The fees chargeable by the land registry can be found here <https://www.gov.uk/guidance/hm-land-registry-registration-services-fees>

Typical Property Search Fees

Search fees vary from case to case depending on the local authority. We will advise you which searches you need for your transaction and the cost of each search. Our average fee for a standard property search pack is £400.00. Typical local searches include:

- Local land charges search;
- Enquiries of the local authority;
- Environment search;
- Planning Search;
- Chancel repair liability indemnity; and
- Water and Drainage search

Other official local searches may be required by your lender and your conveyancer will use their local knowledge to confirm which local searches you will need. A standard local authority search will reveal whether any legal restrictions or obligations affect the property. These include tree preservation orders, smoke control orders, flood searches as well as the property's planning and building enforcement history. Other various searches maybe required depending on your location and can reveal whether the property is in the vicinity of any planned major infrastructure projects such as HS2 and Crossrail. Relevant searches can also reveal if the property is built on or near land that was affected by mining and can include a search for mine shafts and subsidence.

We will advise you which searches you need for your transaction and the cost of each search.

Anticipated disbursements for a leasehold purchase

There may be further disbursements for a Leasehold purchase or the purchase of a freehold property where there is a Management Company which if chargeable is set out in the Lease or Transfer and usually paid to the Landlord or Management Company.

These can include:

- **Notice of Transfer fee** - This fee, if chargeable, is set out in the lease and is often between £0 – £250 + VAT (£0 - £300 Inc. VAT)
- **Notice of Charge fee** - If the property is to be mortgaged. This fee is set out in the lease and is often between £0 – £250+ VAT (£0 - £300 Inc. VAT)
- **Deed of Covenant fee** - This fee is provided by the management company for the property and can be difficult to estimate but is often between £0 and £250. + VAT (£0 - £300 Inc. VAT)
- **Certificate of Compliance fee** - To be confirmed upon receipt of the lease as can range between £0 and £250. + VAT (£0 - £300 Inc. VAT)

These fees are set by the management company / freeholder and can vary from property to property. They can, on occasion, be significantly more than the ranges given above and VAT may be charged. We can give you an accurate figure once we have sight of your specific documents.

You should also be aware that ground rent and service charge are likely to apply throughout your ownership of the property.

How long will my property purchase take?

How long it will take from your offer being accepted until you can move in to your house will depend on a number of factors.

- The average process for a residential freehold property purchase is between 4 – 8 weeks.
- The average process for a residential leasehold property purchase is between 6 –12 weeks.

It can be quicker or slower, depending on a number of factors and we will notify you if we believe your transaction may take longer than average or if something occurs in your case to extend the transaction time we will inform you. Matters that can typically delay a transaction include delays in searches, issues with a mortgage offer, issues raised in a survey or delays from the other party or the other parties solicitors.

If you are buying a leasehold property that requires an extension of the lease, this can take longer. In such a situation, additional charges would apply and we will notify you of the additional charges and time estimate when we have engaged the landlord to discuss the extension.

Stages of the Process

The precise stages involved in the purchase of a residential property vary according to the circumstances. We have set out the key stages of a standard transaction: -

- Taking your instructions and giving you initial advice.
- Undertaking regulatory checks.
- Checking that finances are in place to fund the purchase and contact lender's solicitors if needed.
- Receiving and advising on contract documents.
- Carrying out and advising on searches.
- Obtaining of further planning documentation, if required.
- Making any necessary enquiries of seller's solicitor.
- Giving you advice on all documents and information received.
- For Leasehold properties - obtaining and advising on the Management Pack, the Lease and identifying transfer fees.
- Advising you on joint or shared ownership.
- Going through conditions of any mortgage offer if appropriate.
- Sending final contract to you for signature.
- Agreeing completion date (date from which you own the property).
- Exchanging contracts and notifying you that this has happened.
- Arranging for all monies needed to be received from your lender (if applicable) and you.
- Completing the purchase and notifying the relevant parties.
- Dealing with payment of Stamp Duty/Land Tax.
- Dealing with the application for registration at Land Registry.

Other Factors

Other Factors to consider which may affect your Legal Fees and disbursements are:

- Notice of Transfer fee – This fee if chargeable is set out in the lease.
- Notice of Charge fee (if the property is to be mortgaged) – This fee is set out in the lease.
- Deed of Covenant fee – This fee is provided by the management company for the property and can be difficult to estimate.
- Certificate of Compliance fee for leasehold matters.
- Value of the property.
- Where the property is situated
- Overseas client
- Purchasing or selling in the name of an individual or a company
- First-time buyer.
- New build.
- Listed buildings

- First registration of title.
- In purchase cases, whether primary residence, buy to let or second/holiday home.
- Multiple owners.
- Shared ownership scheme.
- Using a help to buy scheme, and whether it is an equity loan or ISA.
- Purchase under right to buy.
- Purchase at auction.
- Property has been repossessed.

These fees vary from property to property and can on occasion, be significantly more than the ranges given above. We can give you an accurate figure once we have sight of your specific documents.

Questions

If you have any questions relating to our services and our fees, please contact us on 0121 3287 0118 or by email at solicitors@loyntonlaw.co.uk.