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Residential property matters

The manner in which our fees are calculated, depend on many factors which include (although the below isn't an exhaustive list):

- Whether the property has been significantly altered recently or is a newly built property – again this will usually generate a lot of construction and planning documentation which will need to be reviewed or in the case of a leasehold property, the draft lease will need to be reviewed and amended;
- The agreed timeframes for any transaction;
- Whether an exclusivity agreement needs to be entered into at the outset of a transaction;
- Whether a buyer requires a mortgage and this lender has separate legal representation;
- Whether the property is listed – this usually requires bespoke advice from our planning department;
- Whether the property is tenanted and is to remain tenanted following completion –this will require us to review the tenancy agreement and ensure all statutory obligations were complied with by the landlord when the tenancy was entered into;
- In the case of leasehold property, whether it is a new lease being granted or an assignment of an existing lease;
- In the case of leasehold premises, where the lease is short and requires extension (either by statute or on a voluntary basis).

What our fees include

Purchases

When we act for you on a purchase, as a general rule we will:

- Take your instructions and give you initial advice
- Receive and advise on the draft contract
- Carry out any relevant property searches
- Obtain further planning documentation if required
- Make any necessary enquiries of seller's solicitor
- Liaise with your surveyor on any points raised in his/her survey report
- Provide you with a comprehensive report on the title to the property
- Send the final contract to you for signature
- Agree a completion date (date from which you own the property)
- Exchange contracts and notify you that this has happened
- Notify your lender of the day we require your mortgage funds
- Arrange for you to be notified of the balance of monies needed from you
- Carry out the usual pre completion searches
- Complete the purchase
- Deal with payment of Stamp Duty Land Tax
- Deal with the application for registration at Land Registry

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Sales

When we act for you on a sale, as a general rule we will:

- Take your instructions and give you initial advice
- Draft the contract
- Prepare and send you the Property Information Forms to complete and return to us
- Collate the sales pack
- In the case of leasehold property, contact the landlord/managing agents to ascertain their fees for providing a pre-sale assignment pack
- In the case of leasehold property in which the landlord's consent is required (known as Licence to Assign) on a sale, obtain the landlord's requirements in this regard
- Liaise with you for your input and provide replies to any enquiries which the buyer's solicitor may raise
- Agree the form of contract and send this to you for signature
- Exchange contracts on your behalf
- Agree the form of Transfer Deed
- Obtain a redemption statement from your lender as to the amount owing on your mortgage on the completion date
- Obtain an invoice from your estate agents as to the commission they are due
- Prepare a financial statement for you as to the net amount due to you once all third party payment are made
- Circulate the Transfer Deed to you for signature
- Complete the Licence to Assign
- Complete the sale
- Send the title deeds to the buyers solicitors
- Repay your mortgage
- Settle your estate agents commission

Some examples of our fees

We tend to act on sales and purchases of properties ranging between prices of **£2,000,000** to **£25,000,000**.

Purchases

On a **freehold or leasehold purchase**, our starting point for calculating fees would be 0.175% of the purchase price plus VAT and disbursements.

In addition to this in respect of leasehold premises, there is usually a fee payable when we serve notice on the landlord that the ownership of the property has changed. The amount payable for this varies per property.

In respect of leasehold properties it is likely that ground rent and service charge will be payable throughout your ownership of the property. We will confirm the ground rent and the anticipated service charge as soon as we receive this information.

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Disbursements are costs related to your matter that are payable to third parties, such as Land Registry fees (the amount of which is dependent on the purchase price), search fees (we would estimate will cost between £400-500) and bank transfer fees (£30 inclusive of VAT per transfer) etc.

Stamp Duty or Land Tax

In addition to the above charges, stamp duty land tax will also be payable on completion of a purchase.

The amount of the tax depends on a few factors such as the purchase price of your property, whether you intend on purchasing the property by way of a company or other entity, and whether or not you own residential property (legally or beneficially) anywhere else in the world. You can calculate the amount you will need to pay by using HMRC's website:

<https://www.tax.service.gov.uk/calculate-stamp-duty-land-tax/#/intro> or if the property is located in Wales by using the Welsh Revenue Authority's website:

<https://beta.gov.wales/land-transaction-tax-calculator>.

The assessment of stamp duty land tax is quite complex and it is always best to seek legal advice if your personal circumstances are not straightforward.

Sales

On a sale of a **freehold or leasehold property** nature, our starting point for calculating fees would be 0.15% of the sale price plus VAT and disbursements.

If the lease of a property requires the consent of the landlord before you can sell the property, then you will also be responsible for the landlord's legal fees for dealing with this consent.

The amount of these fees varies per landlord but we would estimate most charge around £1,000-£1,200 plus VAT for dealing with these applications for consent.

Disbursements are costs related to your matter that are payable to third parties, such as Land Registry fees for obtaining title deeds (estimate £500) and bank transfer fees (£30 per transfer inclusive of VAT).

Mortgages

Our fees for dealing with finances and refinances depend on whether a lender is happy to instruct this firm to act on their behalf as well as the borrower (and whether we can act for both parties), or whether they are likely to instruct their own representation on a mortgage transaction.

Our minimum fee for acting on mortgage transactions is £2,750 plus VAT and disbursements.

If, we are acting for both lender and borrower (which we can only do if it is the borrowers main residence being mortgaged), then our fees will be 0.175% of the loan amount plus VAT and the usual disbursements.

If we are acting for the borrower solely, then our fees would be 0.2% of the loan amount plus VAT and the usual disbursements.

Examples of disbursements in this instance would include:

- (a) Land registry fees for registering the legal charge – amount depends on the value of the loan;
- (b) Property search fees (varies per Local Authority) – estimate £500;

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- (c) If leasehold property, there will be a fee payable by the landlord for receipting notice of the mortgage which you are obliged to serve under the terms of the lease. The cost of this varies per landlord but we would budget £100 plus VAT;
- (d) Land registry title deeds – estimate £50;
- (e) Bank transfer fees – £30 per transfer.

Matters which may alter the level of fees we charge

The above worked examples are useful as a guide but of course there are always instances where these simple calculations will need to be reviewed, to take into account the circumstances of a matter.

Such matters would include;

- Where we uncover a legal defect in the title which needs to be remedied;
- The transaction is not concluded in a timely manner;
- In the case of a purchase, where the purchaser is late in completing the transaction which causes us additional work;
- Where we uncover information about the title to, or the condition of, the property which we were not made aware of when we provided the quotation (such as there is a breach of planning law or building regulations or that construction documentation needs to be reviewed).

How long will my transaction take?

This question really does depend on the individual circumstances of a matter and there are always circumstances in which the usual timescale will be shorter or longer. We shall keep you advised.

As a general rule, it should take 3-4 weeks from receipt of a complete pack of contract papers for a party to be in a position to proceed to exchange of contracts.

However, there are circumstances which may mean this takes longer, and examples include:

- (a) Where one party (or both) to a transaction are in a chain (meaning they are purchasing and selling at the same time. For this, all transactions in the chain will need to be in a position to exchange contracts at the same time which can take some co-ordinating;
- (b) Where a buyer's mortgage offer is delayed in being produced;
- (c) Where a party or their solicitor have not been efficient in raising or responding to legal enquiries;
- (d) Where the consent of the landlord is required and they have not been forthcoming with their requirements;
- (e) Where there is a delay with any of the property search providers in returning a search;
- (f) Where you have to refer a legal point to a buyer's lender for their approval to proceed;
- (g) If an extension of the lease term needs to be negotiated and agreed before completion;
- (h) If a survey report reveals defects which require further investigation by third parties.

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It can of course take less time than this, should a property be much sought after and a buyer does not wish to wait for all property search results to be returned or the parties agree to a conditional contract.

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