

## Costs - Purchase of a Freehold Residential Property

Our fees cover all of the work we estimate is required to complete the purchase of your new property. All prices shown are inclusive of VAT where this is chargeable unless otherwise shown.

Our fees for a freehold purchase start at £1100 plus VAT and the average price for a transaction like this, without any added complications, is £1,350.

You will appreciate, however, that no property is exactly the same and so, if there are any complications with the consequence that additional time needs to be spent on your matter, these will have a bearing on our fees and can increase them.

### Examples of circumstances in which our fees may be higher are:-

- If there is a management company for the development in which the property is situated and we have to investigate the management arrangements and deal with formalities arising from this.
- If the property's title is still unregistered (i.e. not registered at Land Registry) and this increases the amount of time that we have to investigate and consider the title.
- If there is a defect in the title of the property and we have to investigate and deal with arrangements for rectifying the defect, e.g. defective title indemnity insurance or, in some cases, suggest and agree provisions with the seller to rectify the defect formally.
- If alterations have been made to the property and we have to investigate the planning and building regulations position in more depth. More time may be spent in addition to this if alterations have been made but no planning permission or building control approval is evident.
- If the property is listed and we have to investigate the extent to which listed building consents have been obtained for the property and provide advice in regard to the same and any defects identified.

Please note this is not an exhaustive list and it would be impossible to identify here all of the complications which could incur in a purchase transaction and cause our fees to increase.

We will of course endeavour to advise you immediately of any complications we have identified and discuss with you the potential consequences of such complications including an estimate of additional fees and disbursements.

### Disbursements

Disbursements are costs relating to the transaction that are payable to third parties, for example searches and Land Registry fees. These are estimated at the start of the transaction but are confirmed as the transaction progresses. The following are disbursements which feature in most purchases:-

- Searches – we usually carry out three main searches being a local

authority search, drainage and water search and environmental search. If you purchase your property with the aid of a mortgage then all three of these searches must be carried out. The cost of this will depend on the local authority where the property is located but will usually be between £350 and £450 for all three searches.

Bank transfer fees for electronic 'CHAPS' transfer of funds are charged at £35 plus VAT per transfer

Land Registry searches to check for changes to the title of the property prior to completion. These cost £3.00 plus VAT per registered title.

Bankruptcy searches against the purchaser's name. These cost £2.00 per name plus VAT.

Land Registry registration fees depend on the price of the property you are purchasing – please see the following link for the range of charges that may apply:-

[www.gov.uk/guidance/hm-land-registry-registration-services-fees](http://www.gov.uk/guidance/hm-land-registry-registration-services-fees)

There may in some circumstances be other disbursements such as the following:-

- Additional searches e.g. mining, planning, highways
- Fees payable to a management company for notifying them of the purchase, for dealing with a deed of covenant or for transferring a share held by the seller in a management company.

The cost of these disbursements varies from property to property and so it is not practicable to estimate these until further information is known.

### Stamp Duty Land Tax/Land Transaction Tax

This is calculated based on the purchase price but is also dependent on a number of other factors and may, in some cases, require specialist tax advice by a specialist lawyer or accountant at additional cost. The following links should, however, allow you to estimate initially the tax due for your transaction:-

For properties in England:-

[www.tax.service.gov.uk/calculate-stamp-duty-land-tax/#/intro](http://www.tax.service.gov.uk/calculate-stamp-duty-land-tax/#/intro)

For properties in Wales:-

[www.gov.wales/land-transaction-tax-calculator](http://www.gov.wales/land-transaction-tax-calculator)

We charge a fee of £85 plus VAT to £150 plus VAT for drafting and submitting the Land Transaction Return for your purchase.

### Mortgage lenders

If you are buying with the aid of a mortgage then there will be an additional charge for acting for your mortgage lender or dealing with the solicitors acting for the mortgage lender, such as the case may be. Our fee for acting for a mortgage lender ranges from £175 plus VAT to £750 plus VAT when dealing with a mainstream lender

with few additional requirements to £500 plus VAT for dealing with a specialist lender who imposes many requirements to be satisfied prior to completing the purchase or dealing with a separate solicitor acting for the lender.

## Joint Ownership

If you are buying the property with another person then our fee will include initial basic advice in regard to how you may hold the property but it does not include any advice or work relating to any declaration of trust or special arrangements that you may have relating to your joint ownership.

If you require such advice then please tell the lawyer who is acting for you and they will direct you to a colleague who can assist you and provide a costs estimate.

## Newbuild Properties

The purchase of a newbuild property usually involves the consideration and investigation of a much more complicated title and greater amount of paperwork (e.g. planning permissions and documents, more complicated contract and transfer documents, management company arrangements) than the purchase of an existing property and is usually subject to a much tighter timeframe imposed by the developer selling the property.

For these reasons an additional fee is charged where the purchase involves a newly built property or one in the course of being constructed or converted. This fee ranges from £250 plus VAT to £350 plus VAT but may be higher if the development arrangements, and therefore the paperwork, is more complex or voluminous than is usually found.

## Help to Buy

Where you are purchasing the property with the aid of an equity loan from Help to Buy, again due to the additional paperwork that is entailed in dealing with this and the requirements stipulated by Help to Buy, we charge an additional fee for this which ranges between £400 plus VAT and £500 plus VAT.

## Timescale and Service

The time it will take to complete the purchase will depend on a number of factors. These include the potential complications referred to above, which can increase the timescale of the transaction, the length of the chain you are involved in, the time it takes for searches to be received, replies to enquiries received from the seller's solicitor and when your mortgage offer (if you are obtaining one) is received from the mortgage lender.

Please note there can often be further enquiries and issues arising from replies to enquiries, the search results and the mortgage offer and this can also extend the time it takes to complete the purchase.

In regard to service, the usual stages of a purchase transaction are as follows:-

- To take your initial instructions, open a file and complete client due diligence e.g. carrying out identification checks.
- To confirm instructions with the seller's solicitor and await

contract papers from them

- On receipt of contract papers, to consider them and raise appropriate enquiries with the seller's solicitor and request searches.
- If possible, to report to you on the initial contract papers, title and searches.
- To raise enquiries with the seller's solicitors on the search results when these are received.
- To report to you on replies to enquiries when received and, if appropriate, raise further enquiries with the seller's solicitor.
- If appropriate, to report to you on the mortgage offer when this is received and raise any further enquiries arising from this with the seller's solicitors.
- If appropriate, to consider your survey report and raise any relevant enquiries.
- To report to you with the contract and other relevant documentation for signature.
- To report to you when all enquiries have been answered and identify any problems or defects for resolution prior to exchange of contracts.
- If all outstanding issues have been dealt with satisfactorily, to take your instructions in regard to exchange contracts, request payment of deposit monies from you and agreeing a completion date with the seller and, if necessary, the chain.
- To exchange contracts and then prepare for completion, requesting your mortgage advance (if appropriate) and obtaining from you any funds you are required to provide for completion, including all fees, disbursements and Stamp Duty Land Tax.
- To complete the purchase and following this, register the property in your name at Land Registry.

As mentioned above, every transaction is different and most purchases will differ from this 'standard' process in one way or another but this provides you with a guide as to what to expect.

Please also note that there can, for various reasons, be what is seen to be long periods of time between the various stages of the purchase whilst documentation and enquiries are considered and dealt with and, whilst an initial estimate for a standard purchase transaction is 6 to 8 weeks from initial instruction to completion, just one complication or delay can cause the transaction to be much longer.

## Meet the Team

Details of the individuals who will carry out the work for you including their experience and qualifications and the lawyers who supervise them can be found here:-

[www.warners-solicitors.co.uk/people](http://www.warners-solicitors.co.uk/people)