

Costs - Sale of a Leasehold Residential Property

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

Our fees for a Leasehold sale start at £1150 plus VAT and the average price for a transaction like this, without any added complications, is £1,450 plus VAT.

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

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

- If a freeholder or management company proves difficult to deal with or tardy in their responses so additional work is required to chase them.
- If there is a freeholder and/or 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, for example if consent to the transfer of the property is needed.
- 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 take to consider and prove the title to the buyer's lawyer.
- 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, negotiate provisions with the buyer to rectify the defect formally, e.g. a deed of rectification. This can be particularly prevalent for Leasehold property where defects are identified within the lease for the property.
- 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. We also have to consider whether freeholder consent would have been necessary for any alterations.
- 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 sale 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 and costs of such complications.

Disbursements

Disbursements are costs relating to the transaction that are payable to third parties, for example 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 Leasehold purchases:-

- Bank transfer fees for electronic 'CHAPS' transfer of funds are charged at £35 plus VAT per transfer
- Land Registry documents required to prove title. These cost £3.00 plus VAT per document.
- Administration fees payable to the freeholder and/or management company for providing their sale information packs or replies to enquiries required for the sale. These can range between zero (for a freeholder co-owned by the leaseholders) to £500 or more (where there are multiple agencies to deal with (e.g. if there is a freeholder, head leaseholder, management company and each employs a managing agent to represent them).

Stamp Duty Land Tax (SDLT)

A seller is not responsible for SDLT but please note, in certain circumstances, there may be tax payable e.g. if the property is shared ownership and the sale involves the seller staircasing to a 100% interest as part of the sale.

Mortgage lenders

If you have a mortgage on the property our fee will include initial correspondence with the lender to obtain an initial redemption (repayment) statement from them and, if appropriate, the title deeds. We will also obtain a final redemption statement from them calculated to the completion date once this is known/agreed and arrangement repayment of the mortgage from the sale proceeds on completion.

Please note our fees do not include any administration charges you have to pay to the lender for repayment of the mortgage.

If there is additional work to the above then this can result in additional charges based on the time spent at an hourly rate of £230 plus VAT. Examples of this include:-

- If you are in negative equity and the removal of the mortgage has to be negotiated.
- If there is more than one mortgage and more time has to be spent on dealing with their repayment.
- If you have a specialist mortgage, e.g. equity release, bridging finance, shared equity loan, and there are special requirements for repayment that have to be dealt with or we have to liaise with solicitors acting for the lender.

Timescale and Service

The time it will take to complete the sale 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 and the time it takes to deal with enquiries raised by the buyer's lawyer. It may also take a long time to obtain replies from a freeholder or management company as some can be at best slow and at worst obstructive.

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

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

- To take your initial instructions, open a file and complete client due diligence e.g. carrying out identification checks.
- Arrange for you to complete property information forms.
- To liaise with the freeholder and/or management company to obtain their sale information packs or standard replies to enquiries.
- To confirm instructions with the buyer's lawyer and issue draft contract papers to them.
- To deal with any enquiries raised by the buyer's lawyer as a result of the contract papers, buyer's searches, surveys and mortgage offer.

- To report to you with the contract and other relevant documentation for signature.
- If all outstanding issues have been dealt with satisfactorily and the chain is ready, to take your instructions in regard to exchange contracts and agreeing a completion date with the buyer and, if necessary, the chain.
- To exchange contracts and then prepare for completion.
- To complete the sale and deal with repayment of mortgages and payment of estate agents' fees, if appropriate.

As mentioned above, every transaction is different and most sales will differ from this 'standard' process in one way or another but this provides you with a general 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 sale, whilst documentation and enquiries are considered and dealt with and, whilst an initial estimate for a standard sale 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