

## Costs - New Mortgage/Remortgage of Residential Property

Our fees cover all of the work we estimate is required to complete the new mortgage or remortgage (as the case may be) of your property. All prices shown are inclusive of VAT where this is chargeable unless otherwise shown.

Our fees for a new mortgage start at £900 plus VAT and the average price for a transaction like this, without any added complications, is £1100 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 mortgage 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 the title and perhaps arrange for title to be registered at Land Registry.
- 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 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 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 mortgage transactions:-

- Searches – most mortgage lenders will require searches to be carried out on a property before they complete a mortgage. The standard searches are the local authority search, drainage and water search and environmental search. The cost of these searches ranges between £350 and £450 but can be higher. Some mortgage lenders, however, allow 'no search' indemnity insurance to be obtained in place of searches and if this is allowed, the cost will depend on the limit of indemnity required (usually the amount of the mortgage) and can range between around £20 and £100.
- 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 information packs or replies to enquiries required for the mortgage. These can range between zero (for a freehold co-owned by the property owners or 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)

There is usually no SDLT payable for a new mortgage.

### Timescale and Service

The time it will take to complete the mortgage will depend on a number of factors. These include the potential complications referred to above, which can increase the timescale of the transaction. 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.

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

- To take your initial instructions, open a file and complete client due diligence e.g. carrying out identification checks.
- To liaise with the freeholder and/or management company to obtain their information packs or standard replies to enquiries.
- To consider title and deal with any conditions arising from the mortgage offer.
- To report any adverse issues to the mortgage lender.

- To report to you with the mortgage deed for signature.
- If all outstanding issues have been dealt with satisfactorily, to take your instructions in regard to completion then prepare for completion.
- To complete the mortgage and deal with post completion formalities.

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

If there are no complications then it can take between three and six weeks to complete the new mortgage. If any complications arise then this can extend the timescale substantially.

## 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)