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## **Fee Information: Purchase of Leasehold Residential Property**

We provide a high quality, tailored residential conveyancing service for our clients.

This document sets out our typical charges for the purchase of a leasehold residential property, some information on what other costs you might expect to incur in making such a purchase and a summary of the process involved.

The charges and other costs set out in this document will also apply if you re-mortgage a leasehold residential property.

### ***Our charges***

We set out below our typical charges for the purchase of a leasehold residential property, 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 is in Wales.

The charges described are based on the following assumptions.

- The transaction is standard and no unforeseen matters shall 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.
- This is the assignment of an existing lease and is not the grant of a new lease.
- The transaction is concluded in a timely manner and no unforeseen complications arise.
- All parties to the transaction are co-operative and there is no unreasonable delay from third parties providing documentation.
- No indemnity policies are required. Additional disbursements may apply if indemnity policies are required.

If a transaction is not in line with the assumptions set out above, we will advise our clients of any additional charges.

For a more detailed, tailored quotation, please speak to your Simkins contact.

### ***Conveyancing fee***

Our fee for the legal work involved in purchasing a leasehold residential property is calculated at 0.5% of the purchase price of the property, subject to a minimum charge of £3,000.00. If the property is a new-build, our minimum charge is £4,500.

This includes any fee for acting on behalf of the mortgage lender.

## **Disbursements**

Disbursements are costs that are payable to third parties, such as Land Registry fees. We handle the payment of the disbursements on our clients' behalf. Disbursements are charged in addition to our conveyancing fee.

There are certain disbursements which will be set out in the individual lease relating to the property. The disbursements which we anticipate will apply are set out separately below. This list is not exhaustive and other disbursements may apply depending on the terms of the lease. We will update you on the specific fees upon receipt and review of the lease from the seller's solicitors.

- Search fees: £300 to £500 (depending on the local authority where the property is situated).
- HM Land Registry fee for electronic filing: Sliding scale according to value, currently £20 to £455 (for more detail see <https://www.gov.uk/government/collections/fees-hm-land-registry-guides>).
- Notice of transfer fee: This fee is chargeable if set out in the lease. It is often in the region of £30 to £60.
- Notice of charge fee (if the property is to be mortgaged): This fee is set out in the lease. It is often in the region of £30 to £60.
- Deed of covenant fee: This fee is provided by the management company for the property and can be difficult to estimate. Often it is between £100 and £250.
- Certificate of compliance fee: This is set out in the lease. It is often in the range of £100 to £250.

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

You should also be aware that ground rent and service charge are likely to apply throughout your ownership of the property. We will confirm the ground rent and the anticipated service charge as soon as we receive this information.

## **Other charges**

In addition to our conveyancing fees and disbursements, we make charges for electronic bank transfers, photocopying, printing and faxes.

Money transfers on completion of a purchase will be effected by way of priority payment and we impose a minimum charge for each purchase of £35.00 for photocopying, printing and faxes.

- Electronic money transfer fee – Priority Payment: £40.00.
- Electronic money transfer fee – BACS (three-day transfer): £5.00.
- Photocopying at 15p per A4 page (black & white), 60p per A4 page (colour). Larger format jobs priced on request.

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- Printing at 10p per A4 page (black & white), 60p per A4 page (colour).
- Faxes at 15p per A4 page.

## **VAT**

VAT is charged at 20% on our conveyancing fee, all disbursements (except Land Registry fees) and our other charges.

## **Time for payment**

Our fees are payable upon completion. If a transaction does not complete, we shall charge our reasonable time costs up to and including the date upon which the transaction aborts, subject to a cap of the conveyancing fee otherwise payable upon completion. We will also charge any and all other disbursements and other charges incurred up to the date upon which the transaction aborts.

We reserve the right to ask for money on account of our fees before starting work.

## **Example**

If a client purchases a leasehold property worth £1m, typically our total fees will be as follows:

	£
Conveyancing fee	5,000.00
Search fees	500.00
Notice of transfer fee	60.00
Notice of charge fee	60.00
Deed of covenant fee	250.00
Certificate of compliance fee	250.00
Electronic money transfer fee – completion of purchase	40.00
Electronic money transfer fee – payment of Stamp Duty/Land Tax	5.00
Photocopying, printing and faxes	35.00
<b>Sub-total</b>	<b>6,200.00</b>
VAT	1,240.00
Land Registry fee	270.00
<b>Total fees payable to Simkins LLP</b>	<b>7,710.00</b>

## ***Stamp Duty or Land Tax***

Purchases of land in England and Wales are subject to Stamp Duty or Land Tax. The tax payable depends on the purchase price of the property.

Clients can calculate the amount they will need to pay by using HMRC's website or, if the property is located in Wales, by using the Welsh Government's website. Links to those websites are given here:

Stamp duty: <https://www.tax.service.gov.uk/calculate-stamp-duty-land-tax/#/intro>

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

## ***How long will a purchase take?***

How long it will take from an offer being accepted until the purchaser can move into the property will depend on a number of factors. The average process takes between four to eight weeks.

It can be quicker or slower, depending on the parties in the chain. For example, a purchase for first time buyers purchasing a new-build property with a mortgage agreed in principle could take only four weeks. However, if the purchase is a leasehold property that requires an extension of the lease, this can take significantly longer, between two to three months. In such a situation, additional charges would apply.

## ***Stages of the process***

The precise stages involved in the purchase of a residential property vary according to the circumstances. However, the basic steps are set out below:

- Taking instructions and giving initial advice.
- Checking finances are in place to fund purchase and contacting lender's solicitors if needed.
- Receiving and advising on contract documents.
- Carrying out searches.
- Obtaining further planning documentation if required.
- Making any necessary enquiries of seller's solicitor.
- Giving advice on all documents and information received.
- Going through conditions of mortgage offer.
- Sending final contract for signature.
- Agreeing completion date.
- Exchanging contracts.

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- Arranging for all monies needed to be received.
- Completing purchase.
- Dealing with payment of Stamp Duty/Land Tax.
- Dealing with application for registration at the Land Registry.

We will keep our clients updated as to progress on a regular basis.

**Simkins LLP**  
**1 July 2019**