



Fees for Property Services

Introduction

We appreciate the need for clients to get a clear sense of what it may cost when instructing us in their legal matters and so in accordance with the SRA rules, we set out a guide as to what our fees may look like in a residential property transaction. Please bear in mind that our client matters are varied in need and complexity, they are sometimes in differing jurisdictions which may also have an impact on costs. We will do our best upon taking specific instructions to give tailored cost advice.

Below is a detailed quote for average fees, based on a central London registered property at a value of approx. £1.5m-£2m with a single loan from a high street lender (specialist lenders will cost more):

	Estimated Cost (excluding VAT)
Legal fees	£6,000
Legal fees (acting for mortgage lender)	£600
Bank transfer charges	£40
AML Electronic Identity Search	£20
Lawyer checker fee	£40
Search pack (Local/drainage/environmental/chancel)	£500
VAT (on the above)	£1,440
Land Registry fee (no VAT payable)	£455
Bankruptcy Search (no VAT payable)	£2
OS1 Priority Search (no VAT) payable	£3

Total payable	£9,388
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Stamp Duty Land Tax (SDLT) is a compulsory tax levied by HMRC on a property purchase and the amount payable will depend on the purchase price. There are other factors that may affect the amount such as if it is a first time purchase or the buyer has other properties. Please see the government website where there is useful information and an SDLT calculator for an initial estimate.

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

Disbursements are necessary costs payable to third parties and vary according to each transaction. We will provide accurate figures as soon as we have full details of the specific transaction.

For transactions involving leasehold property in central London, the seller may be required to obtain a Licence to Assign. If so, we will make an additional charge for dealing with this which is usually £650 plus VAT.

The information on our fees is given on the basis that:

- It is straightforward transaction with no unexpected matters arising e.g. a defect in title, issues with funding or other unforeseen problems at the start.
- The parties to the transaction are in agreement on terms which remain the same throughout.
- In the case of a leasehold transaction, it is an assignment of an existing lease, not the grant of a new lease or lease extension.
- The transaction is completed in accordance with original timescale and no unexpected complications or delays arise, protracted matters will incur added fees.
- No indemnity policies are required which may attract additional cost and disbursement.

Matters likely to affect the cost

- Value of the property.
- Urgency of transaction.
- Off plan purchase or new build.
- A lock out or exclusivity agreement.

- Company purchase which will also need additional searches at Companies House and necessary resolutions.

Typical stages involved in a residential property transaction

Sale

- Taking client instructions and complete identification and anti-money laundering checks.
- Initial advice as needed.
- Provide you with property questionnaires and review.
- Establish sale proceeds will be sufficient to discharge any existing mortgages agents fees and costs.
- Prepare draft contract and sales pack.
- Review, take instructions on and reply to enquiries from the buyer's solicitor.
- Negotiate and agree contract and transfer with the buyer's solicitor.
- Agree completion date.
- Arrange for you to sign the contract.
- Exchange contracts, notify you and lender and request redemption statement.
- Send transfer to you for signature.
- Prepare completion statement.
- Reply to requisitions on title.
- Complete sale.
- Redeem any mortgage and pay any agents (if instructed).
- Provide you with statement and remit net sale proceeds.
- Where possible we can give you an estimate of costs after our initial meeting and consultation.

Purchase:

- Taking client instructions and complete identification and anti-money laundering checks including verifying source of funds whether for the deposit or the whole purchase price.
- Initial advice as needed.
- Check all finances are available to fund purchase and contact lender's solicitors (where appropriate).
- Obtain and review draft contract and supporting documents.
- Carrying out searches.
- Negotiate and agree contract with seller's solicitor.
- Receive surveyor's report if available and discuss legal points arising from it.
- Review planning documentation where appropriate.
- Raise preliminary enquiries.
- Advise on all documentation and information received and provide report on title to you.
- Review conditions of mortgage offer.
- Consider and advise on joint ownership.
- Deal with landlord's licence to assign (if necessary in case of leaseholds).
- Prepare draft transfer and any mortgage deeds.
- Agree completion date.
- Arrange for you to sign contract and remit deposit.
- Exchange contracts.
- Carry out pre-completion searches.
- Report on title to mortgage lender and request funds with the balance together with all costs and SDLT from you at least 5 working days before completion.
- Complete purchase.

- Prepare SDLT submission form for HMLR and pay tax.
- Serve any post completion notices (notice of assignment and or charge).
- Registration formalities at Land Registry for registration title and lenders security.

Remortgage:

- Taking client instructions and complete identification and anti-money laundering checks including verifying source of funds whether for the deposit or the whole purchase price.
- Initial advice as needed.
- Investigation of title according to instructions from your new bank including obtaining all new searches and replies to enquiries if required.
- If leasehold, obtaining any necessary consents from the landlord.
- Liaising with your existing lender to remove their mortgage from your title.
- Registration formalities at Land Registry to register the mortgage of the new lender against your title.
- Serving notice of charge.

Timescale

This varies and is usually determined by the buyer according to availability of funds and any related sale. The norm is three to four weeks from submission of the draft contract to exchange of contracts but it can be longer or shorter and we will advise you as the transaction progresses.

Completion can take place at any time after exchange on a date agreed by the parties at exchange but four weeks is the norm in residential transactions. Banks will usually require at least 5 working days' notice to draw down mortgage funds and sellers will often request four weeks to vacate or wish it linked to their related purchase.

Our ability to progress with the transaction will depend on a number of factors including:

- Your speed in providing us with suitable and sufficient ID and evidence of address, and adequate proof of source of funds.

- Any necessary mortgage offer and instructions to act for the lender.
- Whether sale/purchase dependent on simultaneous related sale or purchase.
- Us receiving full pre-contract package from seller with all relevant title documents and planning documents.
- Both parties' speed in providing replies and instructions to their lawyers.
- Obtaining search results from local authorities in a timely manner.
- Any title defects.
- Any physical defects/or breaches of planning permission and or listed building or building control.
- If leasehold, speed of landlord/managing agent in providing full management pack and responding to any queries or requests for consent.

Please note that this sample quote excludes costs for:

- Face to face meetings, except to verify your ID.
- Tax or structuring advice.
- In depth assessment and advice on planning documents other than on a superficial level.
- Lease extension.
- Title defect.
- Listed building.
- Advice relating to neighbouring and adjoining properties.
- Preparation of or dealing with additional documents such as lock out or exclusivity agreements if required.
- Drafting of co-habitation agreements and or trust deeds or any advice in this regard.
- Third party disbursements which we will do our best to notify you of as soon as we become aware.

Please feel free to contact us at www.maddoxlegal.co.uk, we will be more than happy to help in relation to any or all of these matters as required and will give a more tailored cost estimate once we have clear client instructions.