

## Purchase of a Leasehold Property

### HOW LONG WILL MY PROPERTY PURCHASE TAKE?

How long it will take from your offer being accepted until you can move in to your house will depend on a number of factors. The typical process takes between 6 - 10 weeks. It can be quicker or slower, depending on the parties in the chain. For example, if you are a first-time buyer, purchasing a new build property with a mortgage in principle, it could take several months as the timing will depend on how long it takes to build and finish your new home.

### HOW MUCH WILL IT COST?

Typical cost of a Leasehold Property Purchase for a 1<sup>st</sup> time buyer: -

<b>Purchase Costs – Property Value £500,000 (England)</b>		
	<b>(£)</b>	<b>VAT (£)</b>
Legal Fees	3,150.00	630
<b>TOTAL LEGAL FEES</b>	<b>3,150.00</b>	<b>630</b>
Disbursements & administration charges - these will vary according to individual circumstances and the property price; we will always confirm figures.		
Search Report Bundle (Approx. cost)	300	60
Bankruptcy Search (per person)	2	0
Bank Transfer Fee (per transfer)	35	7
HM Land Registry Search	3	0
Land Registry Fee (HM Land Registry fees are calculated on a sliding scale depending on the price of the house)	150	0
AML - Electronic ID Verification Services (checks per individual client - these charges may increase where additional checks are required or there is an international element to the matter).	25	5
Total Additional Costs	515	72
<b>SDLT (Stamp Duty Land Tax) (will vary according to the property price and transaction details)</b>	<b>10,000.00</b>	<b>0</b>
<b>TOTAL</b>	<b>13,665.00</b>	<b>702.00</b>
<b>GRAND TOTAL</b>	<b>14,367.00</b>	

For a range of property values the legal fees are as follows, plus the cost of disbursements, administration charges and land/property transaction tax: -

Property Value (£)	Legal Fees (£)	VAT (£)	Total (£)
Up to 350,000	2,400	480	2,880
350,000 - 499,000	2,775	555	3,330
500,000 - 749,999	3,150	630	3,780
750,000 - 850,000	3,900	780	4,680

These costs are indicative, and we will always provide an estimate prior to starting work. If your property is valued at over £850,000 please call and we would be happy to provide an individual estimate.

## LAND OR PROPERTY TRANSACTIONS TAX

This is a tax on property transactions it varies according to the price of the property purchased and may increase substantially for more expensive properties or if this is a second home or buy to let property. The link below takes you to a tax calculator on the government website: -

- You pay SDLT if you buy a property in England:  
<https://www.tax.service.gov.uk/calculate-stamp-duty-land-tax/#/intro>.

We can of course advise you on this cost.

## ANTICIPATED DISBURSEMENTS

- Notice of Transfer fee - This fee if chargeable is set out in the lease. Often the fee is between £50 - £125 plus VAT.
- Notice of Charge fee (if the property is to be mortgaged) - This fee is set out in the lease. Often the fee is between £50 - £125 plus VAT
- 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 - £400 plus VAT
- Certificate of Compliance fee - to be confirmed upon receipt of the lease, as can range between £75 - £150 plus VAT

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

You should also be aware that ground rent and service charge are likely to apply throughout your ownership.

## Our fees include:

- Taking your instructions, giving you initial advice, and completing identity checks
- 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 you advice on all documents and information received
- Going through conditions of mortgage offer with you
- Sending final contract to you for signature
- Agreeing completion date
- Exchanging contracts and notifying you that this has happened
- Arranging for all monies needed to be received from lender and you
- Completing the transaction
- Dealing with payment of Stamp Duty Land Tax

#### Our fees assume that:

- This is a standard transaction and that no unforeseen matters 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
- 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.
- This is the assignment of an existing lease and is not the grant of a new lease

#### FACTORS THAT WILL AFFECT THE COST OF THE TRANSACTION

- The value of the property
- Whether there are multiple owners
- Whether the property was purchased under right to buy
- Whether you are a first-time buyer
- Whether the property is new build
- Whether the property is a primary residence
- Whether you are using a help to buy scheme, and whether it is an equity loan or ISA
- Whether there is a particular urgency to the matter

#### THE KEY STAGES OF YOUR MATTER

The precise stages involved in the purchase of a residential leasehold property vary according to the circumstances. However, below we have suggested key stages that may be included:

- Taking your instructions and give you initial advice
- Checking finances are in place to fund the purchase and contacting the 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 you advice on all documents and information received
- Going through conditions of mortgage offer

- Sending final contract to you for signature
- Drafting Transfer
- Advising you on joint ownership
- Obtaining pre-completion searches
- Agreeing a completion date
- Exchanging contracts and notify you that this has happened
- Arranging for all monies needed to be received from lender and you
- Completing purchase
- Dealing with payment of Stamp Duty Land Tax
- Dealing with application for registration at Land Registry

Please call and speak to Dan Francis for advice and a more specific estimate of costs - 01202 292424