

## **RESIDENTIAL CONVEYANCING – PURCHASE OF PROPERTY AND SALE OF PROPERTY**

### **OUR APPROACH TO PRICING**

#### **What is residential conveyancing?**

Residential conveyancing is the legal process of buying and selling residential properties, including leasehold flats, which may also include a mortgage or a remortgage.

#### **What will affect the cost of our work?**

No property purchase is exactly the same, and our fees will reflect your particular requirements and circumstances. Factors which may affect overall costs include whether the legal title is defective, whether all or part of the property is unregistered, if planning permission has not been obtained or has been breached or if building regulations have not been obtained.

For example, our fees for the purchase of a listed building in an Area of Outstanding Natural Beauty with a mortgage, a property connected to private drainage (such as a septic tank) or private water supply, or with private/shared access or a property in the course of construction, will be more than dealing with the purchase of an existing property connected to mains services on an adopted road. We also take factors such as time constraints for the matter into consideration.

These factors mean that we cannot give you a reliable estimate of our fees until we have all of the details of the transaction itself.

#### **What are our typical fees?**

We will always give you an individual cost estimate at the start of the transaction, taking into account the specific features of your instruction or 'matter'.

### **Purchases**

#### **Properties up to £600,000**

Our fees for dealing with the purchase of a freehold property with a purchase price below £600,000 would start at £1,950 (£2,340 including VAT) and £2,750 (£3,300 including VAT) for leasehold properties. However, our fees for the purchase of a property which has added complexities (for example a listed building with a mortgage) could be £5,000 (£6,000 including VAT) or more.

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#### **Properties over £600,000**

For properties with a purchase price of over £600,000, our fees start at 0.4% of the purchase price for freehold properties. For leasehold properties, a further £550 (£660 including VAT) will be added to the fee estimate to account for the additional work required in reviewing the Lease and Leasehold Information Pack provided by the Freeholder or their Agents. Where there are added complexities (for example a listed building with a mortgage) our fees could be 0.5% of the purchase price or more.

## **Sales**

#### **Properties up to £600,000**

Our fees for dealing with the sale of a freehold property with a sale price below £600,000 would start at £1,700 (£2,040 including VAT) and £2,250 (£2,700 including VAT) for leasehold properties. Where additional complexities arise (for example, arranging a Deed of Variation on a Leasehold Property or dealing with enquiries with a freehold management company) our fees could be increased to account for the additional time spent.

#### **Properties over £600,000**

For properties with a sale price of over £600,000, our fees start at 0.3% of the purchase price for freehold properties. For leasehold properties, a further £550 (£660 including VAT) will be added to the fee estimate to account for the additional work required in responding to enquiries relating to the Lease and Leasehold Information Pack provided by the Freeholder or their Agents. Where additional complexities arise (for example, arranging a Deed of Variation on a Leasehold Property or dealing with enquiries with a freehold management company) our fees could be increased to account for the additional time spent.

From time to time we will be required to account for additional complexities which may arise on a case-by-case basis. We will base these additional charges on the time which is likely to be spent, at the hourly rate of the individual assigned to dealing with your matter. In some instances, the complexity of a matter may warrant a Solicitor / Licensed Conveyancer / Legal Executive with additional experience and will therefore be charged at a higher hourly rate.

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### **Remortgages**

Our fees for dealing with a remortgage start at £850 (£1,020 including VAT), and will depend on the requirements of your lender as each lender has different requirements which affect the work which we have to do.

However, all of these figures may vary in cases with exceptional circumstances. This is why we will always give you an individual cost estimate at the start of the transaction, taking into account the specific features of your instruction or 'matter'. If we identify unexpected complications, we will always inform you as soon as we can, and will discuss the potential consequences with you before any extra charges are incurred.

### **What is the basis of our charges?**

The costs quoted here are based on our standard hourly rates for those individuals who work on these types of matters. Michelmores' standard hourly rates range from £195 to £640 (£234 to £768 including VAT) with different types and complexities of work being dealt with at different rates and levels of seniority. The rates for those working on your matter, and an indication of timescale and costs, will be confirmed if you decide to instruct us.

In addition to our fees for our time spent dealing with the matter, there may be additional costs that you have to pay, these are called disbursements. Disbursements are sums of money which we would pay out to third parties on your behalf in connection with your instruction. More details about disbursements are set out below.

VAT will also be charged on our fees and usually on disbursements.

In every case we will be able to give you details of the costs which would be incurred for your matter, and which individuals would work on your matter, if you decide to instruct us.

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### Example fee – a simple property purchase

A typical simple property purchase would involve the following actions and timescales:

ACTION	LIKELY TIMESCALE
Raising enquiries on your behalf in relation to the property	Approximately 1-2 weeks
Investigating the property's title, applying for searches in relation to the property and reporting to you	Approximately 2-3 weeks
Preparing and negotiating the terms of the property purchase contract and the other transfer documents	Approximately 2-4 weeks
Dealing with exchange of contracts	Approximately 2-4 weeks
Dealing with legal completion	Approximately 1-2 weeks after exchange
Dealing with the payment of Stamp Duty Land Tax	As soon as possible after completion and required to be within 30 days of completion. From March 2019, the payment must be submitted within 14 days of completion.
Applying to HM Land Registry to register you as the new owner of the property	Approximately 2-4 weeks for a simple transaction, but could be up to 6 months for a more complex transaction

Our fees for a simple property purchase as outlined above would be usually £1,950 + VAT (£2,340 including VAT) for freehold.

This is an indicative estimated cost based on the following assumptions:

1. The title to the Property:
  - a. is correctly registered in the Seller's name,
  - b. is registered with title absolute,
  - c. does not include unanticipated incumbrances, covenants or adverse rights which might otherwise adversely impact on your use of the Property as a residential property,
  - d. correctly includes the full extent of the Property within the official title plan, with boundaries on the ground tallying with those shown on the lease/title,
  - e. the lease does not require extending or any variations; and,

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- f. includes all necessary rights to access the Property and to use and connect to services, and to occupy the property free from unreasonable interruption.
- 2. All necessary planning permissions, building regulations approvals and completion certificates, listed building consents (if applicable), conservation area consents and approved installer's certificates have been and/or will be obtained, all relevant copies will be provided, and evidence of sign off of any conditions to any of the same provided as the purchase progresses.
- 3. You will obtain your own advice from your surveyor and planning consultants as may be necessary.
- 4. The Seller will provide all relevant information that we would expect to see and the Seller and the Seller's Solicitors will provide replies to reasonable enquiries and progress matters in a reasonable way to enable us to carry out our due diligence exercises.
- 5. If there is more than one Seller, all parties are in agreement about proceeding with the sale and have instructed the same Solicitor to act for them in connection with the sale.
- 6. You do not require this matter to proceed to an accelerated time-scale for exchange of contracts and/or completion that might require your purchase to take priority due to urgent deadlines in order to achieve the same.
- 7. This is to be a cash purchase and you hold all monies required to complete the purchase in UK clearing bank accounts held in your name, and do not require any form of borrowing or third party funding to assist you in connection with the purchase.
- 8. The Property can be directly accessed from a public highway and benefits from a mains water supply and a mains foul drainage connection.
- 9. You are intending to purchase the Property for use as a residential dwelling.
- 10. There is nothing unanticipated which will be revealed in the replies to enquiries, search results, and other documentation produced that might impact on the value or marketability of the property, prevent this matter from proceeding or otherwise necessitate additional legal work being undertaken in order to resolve.
- 11. The matter will proceed to a standard exchange of contracts with completion taking place on the contractual completion date.
- 12. You will obtain appropriate advice from accountants with regard to all tax aspects of your purchase and do not require tax advice to be provided by Michelmores. If this is not the case, I would be happy to introduce you to a colleague in our private client team who would be happy to assist and could provide a fees indication for that distinct work.

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If the property was a leasehold (as opposed to a freehold) property, but otherwise the same as set out above, our fees would be usually £2,750 + VAT (£3,300 including VAT).

If you are taking out a mortgage on the property with a high street lender, without any unusual requirements on the part of the lender, then our legal fees would not increase, but the lender may charge a fee for legal work which can be in the region of £50 to £250 (£60 to £300 including VAT).

There may be additional costs that you have to pay, which are disbursements. Examples include search fees, Land Registry fees, payments to a landlord/management company and/or Stamp Duty Land Tax. VAT will also be charged on our fees and usually on disbursements.

### What other costs may be incurred?

Our fees do not include any external costs and charges that we may incur as part of the purchase (e.g. search fees, Land Registry fees, money transfer fees, Stamp Duty Land Tax, payments to the landlord/management company {if the property is leasehold}, travel expenses). These are disbursements.

There will be a number of additional costs that will need to be paid as part of the process, these come under the category of disbursements mentioned above and examples of these are set out below:

DISBURSEMENT	COST (EXCLUDING VAT)	COST (INCLUDING VAT, IF ANY)
Anticipated Searches	£320.00	£384.00
Land Charges Search Fee	£4.00	£4.80
Land Registry Priority Search Fee	£10.20	£12.24
Bankruptcy Search Fee	£9.00	£10.80
Telegraphic Transfer Fee	£25.00	£30.00
Land Registry Registration Fees	Other costs may include Land Registry application fees which depend on the value of the property and are available <a href="#">HERE</a>	
Stamp Duty Land Tax	Stamp Duty Land Tax is payable on purchases. The calculation depends on a number of circumstances. Guidance is available <a href="#">HERE</a>	

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DISBURSEMENT	COST (EXCLUDING VAT)	COST (INCLUDING VAT, IF ANY)
Printing/Copying (per A4 page)	£0.09 (B&W) £0.49 (Colour)	£0.11 (B&W) £0.59 (Colour)

If we are required to travel to meetings outside of our offices, we may charge you for the time it takes us to travel to these meetings, and the cost of any other expenses we incur as part of this, for example mileage charges (at £0.45 per mile, £0.54 per mile including VAT), or train or aeroplane tickets.

You will be responsible for these items, and we will notify you should these costs be incurred.

We charge an administration fee for undertaking identity checks on our clients. This fee is £12 (plus VAT) for each individual client, £30 (plus VAT) for each UK corporate client and £100 (plus VAT) for each overseas corporate client. To view our Interest Policy, please click [HERE](#).

### Is VAT payable?

VAT is charged at the prevailing rate (which is currently 20%) on all our fees, and many of the disbursements which we may incur on your behalf.

### Example fee - a simple property sale

A typical simple property sale would involve the following actions and timescales:

ACTION	LIKELY TIMESCALE
Responding to enquiries on your behalf in relation to the property	Approximately 1-2 weeks
Preparing and negotiating the terms of the property sale contract and the other transfer documents	Approximately 2-4 weeks
Dealing with exchange of contracts	Approximately 2-4 weeks
Dealing with legal completion	Approximately 1-2 weeks after exchange

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Our fees for a simple property sale as outlined above would be usually £1,700 (£2,040 including VAT). This is an indicative estimated cost based on the following assumptions:

1. The title to the Property:
  - a. is correctly registered in the Seller's name,
  - b. is registered with title absolute,
  - c. does not include unanticipated incumbrances, covenants or adverse rights which might otherwise adversely impact on your use of the Property as a residential property,
  - d. correctly includes the full extent of the Property within the official title plan, with boundaries on the ground tallying with those shown on the lease/title,
  - e. the lease does not require extending or any variations; and,
  - f. includes all necessary rights to access the Property and to use and connect to services, and to occupy the property free from unreasonable interruption.
2. All necessary planning permissions, building regulations approvals and completion certificates, listed building consents (if applicable), conservation area consents and approved installer's certificates will be provided together with evidence of sign off of any conditions to any of the same.
3. If there is more than one Seller, all parties are in agreement about proceeding with the sale and have instructed the same Solicitor to act for them in connection with the sale.
4. You do not require this matter to proceed to an accelerated time-scale for exchange of contracts and/or completion that might require your sale to take priority due to urgent deadlines in order to achieve the same.
5. You will obtain appropriate advice from accountants with regard to all tax aspects of your sale and do not require tax advice to be provided by Michelmores. If this is not the case, I would be happy to introduce you to a colleague in our private client team who would be happy to assist and could provide a fees indication for that distinct work.

If the property was a leasehold (as opposed to a freehold) property, but otherwise the same as set out above, our fees would be usually £2,250 (£2,700 including VAT).

If there was a mortgage being redeemed on the property with a high street lender, then no additional legal fees would be incurred, but a money transfer fee of £25 (£30 including VAT) would be payable to send monies to the lender.

There may be additional costs that you have to pay, which are disbursements. VAT will also be charged on our fees and usually on disbursements.



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### What other costs may be incurred?

Our fees do not include any external costs and charges that we may incur as part of the sale (e.g. search fees, Land Registry fees, money transfer fees, Stamp Duty Land Tax, payments to the Landlord/Management Company {if the property is leasehold}, travel expenses). These are disbursements.

There will be a number of additional costs that will need to be paid as part of the process, these come under the category of disbursements mentioned above and examples of these are set out below:

DISBURSEMENT	COST (EXCLUDING VAT)	COST (INCLUDING VAT, IF ANY)
Anticipated Searches	£25.00	£30.00
Telegraphic Transfer Fee	£25.00	£30.00
Fee to Landlord/Management company	As the landlord/management company can set their own fee, it is difficult for us to estimate, but it could be between £50.00 and £300.00	It is down to each management company/landlord whether VAT is chargeable.
Copy title documents from the Land Registry	£6.00 to £15.00	£7.20 to £18.00
Anti-Money Laundering Checks (per individual)	£12.00	£14.40
Anti-Money Laundering Checks (per company)	£30.00	£36.00
Printing/Copying (per A4 page)	£0.09 (B&W) £0.49 (Colour)	£0.11 (B&W) £0.59 (Colour)

If we are required to travel to meetings outside of our offices, we may charge you for the time it takes us to travel to these meetings, and the cost of any other expenses we incur as part of this, for example mileage charges (at £0.45 per mile, £0.54 per mile including VAT), or train or aeroplane tickets.

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### **Is VAT payable?**

VAT is charged at the prevailing rate (which is currently 20%) on all our fees, and many of the disbursements which we may incur on your behalf.

### **Who would do the work and how is it supervised?**

Details of the people normally involved in this work are given on our website. Please click [HERE](#).

Each matter will be supervised by a Partner in the Firm. The Partner is responsible for the proper supervision of the lawyers and other staff involved in the matter.

Our Partners are hands-on and involved in day-to-day work and supervision, as well as being key account managers.

### **What happens if you are not happy about our work or about your bill?**

We are committed to providing a high-quality legal service to all our clients. When something goes wrong, we need you to tell us about it. This will help us to improve our standards. However, if you have any complaint or concerns about our work or about the bill, see our complaints procedure [HERE](#).