

COSTING GUIDE

# Residential Property

KEY CONTACT



**Karen Chui**

Principal Associate

t: 01279 712573

e: kchui@nockolds.co.uk

KEY CONTACT



**Mario Panayiotou**

Principal Associate

t: 020 3892 6806

e: mario@nockolds.co.uk

## Example 5: Purchase of a leasehold residential property value up to £650,000

Our fees cover all the work\* required to complete the purchase of your new home, 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.

### Legal Fees and Disbursements

- » Our legal fees range from £1,250 - £1,950;
- » Search fees range from £400 - £500;
- » Land Registry fee £20 - £270 (submitted electronically);
- » Electronic money transfer fee £30;
- » Electronic ID verification checks £15 (approximately per person);
- » VAT payable £256 - £396 (currently 20%);
- » We do not pay referral fees.

**Estimated total:** £1,971 - £3,161

Disbursements are costs related to your matter that are payable to third parties, such as search fees, Land Registry fees and Stamp Duty / Land Tax. We handle the payment of the disbursements on your behalf to ensure a smoother process.

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 term of the lease. We will update you on the specific fees upon receipt and review of the lease from the seller's solicitors.

## Other Leasehold Disbursements \*

- » **Notice of Transfer fee** - This fee if chargeable is usually set out in the lease. Often the fee is between £50 - £125 per notice;
- » **Notice of Charge fee (if the property is to be mortgaged)** - This fee is usually set out in the lease. Often the fee is between £50 - £125;
- » **Deed of Covenant fee** - This fee is provided by the management agents acting for the landlord and / or the management company for the property and can be difficult to estimate. Often it is between £100 - £175;
- » **Certificate of Compliance fee** - To be confirmed upon receipt of the lease and the leasehold sale pack from the management agents acting for the landlord and / or the management company and can range between £100 - £175.

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

\* These fees vary from property to property and can on occasion be significantly more than the ranges given above. We can give you an accurate figure once we have sight of your specific documents. Please call us for further information.

## Stamp Duty or Land Tax

If the **property is located in England or Northern Ireland** then Stamp Duty Land Tax (SDLT) may be payable to HM Revenue & Customs (HMRC) following your purchase. The amount is based on how much you paid for the property and when you bought it. Different rates apply according to the type of property and the type of purchaser. You can read more about SDLT [here](#). You can calculate how much SDLT will be payable by you using the [HMRC's SDLT calculator](#).

If the **property is located in Wales** then a Land Tax Transaction Tax (LTT) may be payable to the Welsh Revenue Authority (WRA) following your purchase. The amount is based on how much you paid for the property and when you bought it. Different rates apply according to the type of property and the type of purchaser. You can read more about LTT [here](#). You can calculate how much LTT will be payable by you using the [WRA's LTT calculator](#).

## Stages of the Process

The precise stages involved in the purchase of a residential leasehold property vary according to the circumstances. However, some key stages include:

- » Taking your instructions and giving you initial advice;
- » Checking finances are in place to fund your purchase and contacting the lender's solicitors if needed;
- » Receiving and advising you on contract documents;
- » Carrying out searches against the property;
- » Obtaining further planning documentation if required;
- » Making any necessary enquiries of the seller's solicitor;
- » Giving you advice on all documents and information received;
- » Going through conditions of mortgage offer (where applicable);
- » Sending the final contract to you for signature;

- » Drafting the transfer;
- » Advising you on joint ownership;
- » Obtaining pre-completion searches;
- » Agreeing a completion date (date from which you will own the property);
- » Exchanging contracts and notifying you that this has happened;
- » Arranging for all monies needed to be received from the lender and you;
- » Completing the purchase;
- » Dealing with payment of Stamp Duty / Land Tax;
- » Dealing with the application for registration of the property into your name with the Land Registry.

## How Long Will My Leasehold 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 average process takes between twelve to fifteen weeks from receipt of contract papers.

It can be quicker or slower, depending on the parties in the chain (particularly if there are a mixture of freehold and leasehold properties, mortgages and surveys). For example, if you are a first time buyer, purchasing a new build leasehold property with a mortgage in principle, it could take even longer. However, if you are buying a leasehold property that requires an extension of the lease, this can take significantly longer, between six and twelve months. In such a situation, additional charges would apply.

Please be aware that external factors such as Christmas and bank holidays, government pandemic restrictions and stamp duty holidays are known to slow things down but are beyond our control.

## Our Estimated Fee Assumes 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;
- » This is the transfer 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.

Below is a list of things that may increase the estimated cost and the length of time taken to complete your transaction:

- » Value of the property;
- » First time buyer;
- » Re-mortgage;
- » Freehold or leasehold;
- » New build;
- » First registration of title;
- » Whether there is a mortgage or not, or Islamic mortgage;
- » In purchase cases, whether primary residence, buy to let or second / holiday home;

- » Multiple owners;
- » Shared ownership scheme;
- » Using a help to buy scheme, and whether it is an equity loan or ISA;
- » Purchase under right to buy;
- » Purchase at auction;
- » Property has been repossessed.

**Note:** This list is not intended to be exhaustive. The important point is that the information you provide may affect the estimate you receive. Please call us to discuss the specifics so that we can give you a more accurate guide.