

JOHN WELCH & STAMMERS SOLICITORS – EXAMPLE COSTS

Leasehold sale

How much will the work cost?

Fixed fees

Most solicitors charge a fee proportionate to the value of the property, so the cost of the work depends on the sale price of your property, together with a number of factors including the complexity of the title and third-party involvement.

Our fees range from £1200 plus VAT**, and disbursements for a freehold property with a value up to £250,000 to £4,250 plus VAT and disbursements for a freehold property with a value of up to £2,000,000. For properties with a value of more than £2,000,000 you would need to discuss the fee with a solicitor in the office.

Example quote for a flat being sold for £325,000

Legal fee	£1300.00
VAT @ 20 %**	£260.00
Official copies (approx.)	£35.00
Identification check x 2 (inclusive of VAT)	£15.00
Bank fees x 2 (inclusive of VAT)	£72.00
Estimated total	£1682.00

** The current rate of VAT is 20%

Hourly rates

It is unlikely but may be necessary to agree an hourly rate with you, if it is not possible to give you an accurate estimate of the likely costs involved with your purchase.

Hourly rates are based on the qualification and experience of your legal representative and will be given where needed or on request.

All professional costs, whether fixed fee or hourly rate, are subject to VAT.

In what circumstances could the costs change?

We want to ensure you only pay for the service you receive, so, as an example, a simple flat sale with one standard mortgage to redeem will cost less than selling a property with a complex leasehold title, involving more than one lender and a management company that we need to engage with. It is also important to appreciate that on the sale of a leasehold property, we will be required to obtain a Leasehold Information Pack, the cost of which differs

considerably between different managing agents. Should you pay your ground rent and service charge to different companies, then there will be two Leasehold Information Packs to acquire and this means that there will be two differing charges. It is important that you budget accordingly and be aware that there are costs that we do not know but will be payable.

Some factors which could typically increase the cost of the service you require are:

- if the legal title is defective, the lease needs to be extended or a deed of variation is required;
- if this is the assignment of an existing lease and is not the grant of a new lease;
- if the title is unregistered;
- if there is an intermediary leasehold title;
- if there is a management company that we need to engage with to obtain a pre-sale pack or to obtain a consent to the sale;
- if there is a freeholder with whom we need to engage in order to obtain a pre-sale pack or obtain consent to the sale;
- if we need to comply with a restriction on the title;
- if we discover that the correct consents have not been obtained for alteration works;
- if you have more than one mortgage secured against the property;
- if you are selling through an auction or have tight deadlines to meet;
- if documents or information are requested from you or any other party, which requires our work to be duplicated.

What are disbursements?

Disbursements are charges levied by third parties which apply to your transaction, and which we will pay on your behalf. These costs are fixed by the third-party supplier and we cannot influence them.

HM Land Registry fees

We will need to obtain official copies of each title document relating to your property and this will include an office copy of your lease. These documents generally cost £7.00 and £15.00 each.

The above fees are not subject to VAT.

Electronic transfer fee

The charge levied by the practice (which includes the cost payable by us to the bank) for each payment is £36.00 inclusive of VAT.

Other disbursements

When selling a leasehold property, there are often additional charges payable to third parties such as the freeholder or a management company. Examples of these are:

- management/pre-sale pack (Law Society form LPE1);
- certificate of consent;
- deed of covenant;
- application to join a management company;

- transfer of a share certificate in the management company.

The above fees generally range from £100.00 to £600.00 but vary from property to property and vary considerably depending on the freeholders, landlords and managing agents; they could be significantly more than the range given, but we will let you know what these third parties charge when we have engaged with them. These charges may or may not be subject to VAT.

What we will do for you

We will let you have a breakdown of our fees. It may include some or all of the following matters:

- obtaining a redemption figure from your lender and checking with you that the figure is correct;
- obtaining office copy entries and any supporting documents from HM Land Registry which will enable us to prepare the contract to prove that you have the right to sell the property;
- requesting and reviewing the information supplied by the freeholder and/or managing agent (the 'pre-sale pack'/Leasehold Information Pack);
- preparing a bundle of contract documents to be sent to the buyer's solicitor;
- answering any enquiries raised by the buyer's solicitor and agreeing any amendments to the contract;
- approving the transfer deed;
- exchanging contracts;
- preparing a completion statement for your approval, including the calculation of any apportionments of ground rent and service charges;
- on completion, receiving the sale proceeds from the buyer's solicitors, repaying your mortgage, paying the estate agents and our fees and then accounting to you for the net sale proceeds.

How long will it take?

Generally speaking, your sale should take between four and six weeks after we have received the mortgage offer to complete but this depends on many factors, including the speed of the buyer's searches, mortgage funding and the co-operation of all parties. If a pre-sale pack is required from a management company, it can take much longer to complete than the standard four to six weeks.

If you are in a 'chain', any dates will need to be agreed with all parties.

In what circumstances will the above matters not apply to me?

It is important to note that the information above relates to residential conveyancing for individuals who are selling their own property. If any of the circumstances below apply, it is likely to involve additional work or you may require advice from another department within the practice:

- if you are selling a tenanted property;
- if you are acting in your capacity as director of a company and/or require the discharge of any company mortgages at Companies House;

- if the property you are selling is to be transferred out of an existing title and documents need to be drafted or negotiated;
- if you are selling the property as an executor or acting as an attorney under a lasting power of attorney.

Overview of the conveyancing process

As members of the Law Society's Conveyancing Quality Scheme we follow the Law Society Conveyancing Protocol which is designed to make the conveyancing process as straightforward and efficient as possible.

The steps involved in the sale of your property will include the following:

- If the title to your property is unregistered, we will ask you to supply your title deeds. It is likely however that your property will be registered, and if it is, we can obtain title documents from HM Land Registry electronically.
- Once you have instructed us to proceed, we will send to you a short questionnaire and the relevant protocol forms (property information form, fittings and contents form and a leasehold information form) for completion.
- Once we have received your completed paperwork, along with the memorandum of sale from the selling agents (or details of the buyer's solicitors from you if it is private sale) and requested, paid for and received the Leasehold Information Pack from the managing agents and/or freeholder, we will prepare the contract pack for the buyer's solicitors.
- As soon as your buyer is in a position to proceed (that is once they have concluded their financial arrangements and completed survey and enquiries and searches), we shall discuss with you and agree with your buyer's solicitor a suitable completion date for your sale. We will obtain up-to-date figures from the managing agents and/or freeholders to enable us to calculate apportionments and prepare a completion statement showing the amount due from the buyer's solicitor. If you have a related purchase, we will agree this date with your seller's solicitor.
- Once contracts have been exchanged, there is a legally binding agreement between you and your buyer for the sale and purchase of your property.
- On the completion date, we will notify you when we have received the sale proceeds and advise your estate agent if the sale was negotiated by them and pay their account. We will also pay off any mortgage which you have secured on your property, and either return the net proceeds to you or apply those funds to your related purchase.