

JOHN BIRKBY & CO

SOLICITORS

GUIDE TO CONVEYANCING FEES

The following information has been produced to provide guidance and transparency as to our fees in dealing with house sales and purchases. However, each matter is different in relation to price, whether it is a sale or purchase or linked transactions and freehold or leasehold (many older houses in Oldham are subject to long leases from the late 1800s). We do not have an on-line conveyancing calculator but a detailed personalised quotation of our fees can be obtained by calling us on 0161 626 5686 or emailing using the contact form.

Factors which are likely to increase the cost of our service include: -

- The legal title is defective or part of the property is unregistered
- If part of the property (sometimes part of the garden) does not actually belong to the seller
- If building regulations or planning permissions have not been obtained
- If crucial documents are not provided or are missing including copies of a lease, fensa certificates, guarantees or consents to work
- Additional disbursements may apply if indemnity policies are required
- There are additional documents to prepare (for example a declaration of trust)
- Unforeseen complications arise
- Our fees assume all parties to the transaction are co-operative and there is no unreasonable delay from third parties providing documentation

Purchase of freehold or leasehold residential property

Our legal fees cover all the work (assuming there are no complicating factors) required to complete the purchase of your new home, including dealing with the 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 you wish to buy is in Wales.

If the property is a leasehold house then our fees will include notifying the landlord or their agents of your purchase, (although not their fees which are set out separately below). If you purchase a leasehold flat, or converted flat, we will charge an additional £180 (including VAT) to cover the additional enquiries which we will need to make of the managing agents and landlord, whose fees will also be payable in addition to our fees.

If you are purchasing a new build property, we will charge an additional £180 to cover the additional legal work required.

Our conveyancing legal fees on a purchase

Our average legal fees based upon our average purchase price of £120,000 are £696 including VAT but excluding search fees and disbursements. This is for a freehold property or long leasehold house. The fee for the purchase of a purpose-built leasehold flat would be £876.

Search fees

In addition you will need to pay search fees for a local authority search (to check on any planning permissions, charges affecting the property, liability in relation to roadways, conservation areas or tree preservation orders), a mining search to see if there are any past or future coal mining works or mine shafts which may affect the property, an environmental search (looking at the past uses of the land to check for risk contamination) and a water authority and drainage search (which looks at the details of the mains water supply and drainage).

These fees are payable in addition to our legal fees. Local authority, mining, environmental and water searches in the Oldham MBC area currently cost £225 including VAT (but maybe more if your lender does not accept personal searches of the local authority).

We also will carry out a land registry search shortly before completion of your purchase and bankruptcy searches on behalf of your mortgage provider. These are normally £8.40 including VAT.

Disbursements on a purchase

These are costs related to your matter that are payable to third parties, including land registry fees and stamp duty. We handle the payment of the disbursements on your behalf to ensure a smoother process and in compliance with the Council of Mortgage Lender's Handbook.

The amount of the land registry fee depends upon the purchase price. You can calculate the amount you need to pay by using the Land Registry Calculator.

Stamp duty or Land Tax. This depends on the purchase price, whether you are first time buyers or own more than one property. You can calculate the amount you will need to pay by using the HMRC calculator. We do not charge for stamp duty submissions.

Other additional disbursements may include:

- Notice of transfer fee and notice of charge fee (if there is a mortgage). If the property is leasehold (even on a long leasehold house) the fee is often between £0 - £300
- Deed of covenant fee. This fee is provided by the management company for the property (normally when you are buying a flat) and can be difficult to estimate, but may be in the region of £300 including vat.
- Certificate of compliance fee. This is difficult to estimate and is generally payable on a leasehold flat or property where the consent of the landlord is required by the Land Registry before registration can be completed. This will be confirmed upon receipt of the information from the managing agents or landlord but can range between £180 - £300

EXAMPLE: Using the information set out above, our quotation based on the purchase of a freehold house for £120,000 (not a new build) would be:

Legal fees (estimated)	£696
Search fees	£225
Pre-completion searches	£ 8.40
Land registry fee	<u>£ 95</u>
ESTIMATED TOTAL	£1,024.40

This assumes no stamp duty is payable. Please use the HMRC calculator to check.

Sale of freehold or leasehold residential property

Our legal fees cover all the work (assuming there are no complicating factors) required to complete the sale of your house, including drafting the contract, liaising with you to answer the preliminary enquiries, dealing with exchange of contracts and completion including redemption of any mortgage or legal charges secured against the property.

If the property is a leasehold house then our fees will include liaising with the freeholder, (although not their fees which are set out separately below). If you sell a leasehold flat, or converted flat, we will charge an additional £180 (including VAT) to cover the additional enquiries which we will need to make of the managing agents and landlord, whose fees will also be payable in addition to our fees.

Our conveyancing legal fees on a sale

Our average legal fees based upon our average sale price of £120,000 are £636 including VAT but excluding disbursements. This is for a freehold property or long leasehold house. The fee for the sale of a purpose-built leasehold flat would be £756.

This figure includes the bank charges for repaying one mortgage. We will charge an additional fee of £36 to redeem each additional mortgages. If you require the proceeds of sale transmitting to you by same day bank transfer, we will charge £36 per bank transfer.

Disbursements on a sale

The main disbursements on a sale are land registry office copy fees. The fee for one copy of the land register and plan is £7.20 including VAT. Additional documents, for example copy lease or transfer held by the land registry cost £3.60 each.

Fensa certificate (for replacement windows) - £12 plus vat if you have not retained these.

Indemnity insurance may be requested by the buyer to cover missing documents or lack building regulation approval. Details will be provided should these be required as they depend upon the risk being insured against and the value of the property.

If you sell a leasehold property you will be responsible for obtaining a leasehold resale pack from the landlord and/or management company which provides necessary information for the buyer. The charges for this are fixed by the landlord and/or management company but you should budget for £250 - £300 for each pack required.

EXAMPLE: Using the information set out above, our quotation based on the sale of a freehold house for £120,000 subject to one mortgage would be:

Legal fees (estimated)	£636
Land registry office copies	<u>£ 7.20</u>
ESTIMATED TOTAL	£643.20

How long will my house sale or purchase take?

How long it will take from your offer being accepted until you can move into your house, or complete your sale, will depend upon a number of factors. The average process takes between 8-12 weeks.

It can be quicker or slower, depending on the parties in the chain. For example, if you are a first-time buyer, purchasing an empty property with a mortgage in principle, it will take less time than a transaction which is part of a chain. Generally, the longer the chain, the longer a transaction will take. We can only proceed to complete as quickly as the slowest party in the chain, as everyone's transaction will be dependent upon the other transactions.

The main causes for a delay in the transaction include: -

- A party fails to promptly instruct their conveyancer
- A party is slow in providing the necessary ID evidence required by their conveyancer
- There is a delay in applying for a mortgage by the buyer
- A mortgage company may require further reports and surveys before issuing their offer
- A party may go on holiday or be working away
- The landlord or management company delays in issuing their replies to the enquiries.

Re-mortgages

Normally we will be acting on your behalf in relation to a re-mortgage linked to a transfer of equity and therefore it is difficult for us to give you an accurate indication of our fees. Our fee on a re-mortgage alone (without a linked transfer) would be £316 including VAT and redeeming by bank transfer one mortgage but excluding the search fees and registration fees.

On a re-mortgage with a new mortgage lender we will need to carry out searches including local authority search, mining search, drainage and water search and environmental search. If the property is in Oldham MBC these will be £225 (but maybe more if your lender does not accept personal searches of the local authority).

There will be land registry search fees and registration fee which will depend upon the amount of your re-mortgage.

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