

# Purchase of a Freehold Property

## 1. HOW LONG WILL MY HOUSE PURCHASE TAKE?

How long it will take from your offer being accepted until you can move into 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.

## 2. HOW MUCH WILL IT COST?

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

<b>Purchase Costs – Property Value £500,000 (England)</b>		
	(£)	VAT (£)
Legal Fees	2,990	598
<b>TOTAL LEGAL FEES</b>	<b>2,990.00</b>	<b>598.00</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 – see notes for variations)	19.50	3.90
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 – there may also be additional charges if we are required to complete Source of Wealth and Source of Funds checks and the client has complex financial affairs – see the Terms of Business for more details or the Matter Detail Sheet for any additional charges).	25	5
<b>Total Additional Costs</b>	<b>499.50</b>	<b>68.90</b>
<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>13,489.50</b>	<b>666.90</b>
<b>GRAND TOTAL</b>	<b>14,156.40</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 349,999	2,390	478	2,868
350,000 - 499,999	2,720	544	3,264

500,000 - 749,999	2,990	598	3,588
750,000 - 850,000	3,800	760	4,560

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 these costs.

Our fees include: -

- Taking your instructions, giving you initial advice, and completing identity checks.
- 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.
- Dealing with anti-money laundering (AML) regulatory requirements such as straight forward client identification and simple source of wealth/funds checks.
- 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 (date from which you own the property).
- Exchanging contracts and notifying 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.
- Registration of title.

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.

### **3. FACTORS THAT WILL AFFECT THE COST OF THE TRANSACTION**

- The value of the property.
- Whether there are multiple owners.
- Whether the property is part of a shared ownership scheme.
- 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 requires first registration of title.
- Whether the property is a primary residence, buy to let or second/holiday home.
- Whether you are using a help to buy scheme, and whether it is an equity loan or ISA.
- Whether you purchased at auction.
- Whether the property has been repossessed.
- Whether there is a particular urgency to the matter.
- The complexity of the ID and verification checks - when instructing us, see the Terms of Business for further details and the Matter Detail Sheet for any additional charges.
- The complexity of the clients financial affairs when we are required to complete Source of Wealth and Source of Funds checks - see the Terms of Business for further details and the Matter Detail Sheet for any additional charges.

#### **Banking Charges**

In the example above the same day bank transfer and administration fee has been included. Our fees to cover various financial transfers are as follows: -

<b>Activity</b>	<b>Bank Charge</b>	<b>Admin Charge</b>	<b>VAT</b>	<b>Total</b>
Cheque	£0.65	£7.50	£1.63	£9.78
Faster Payment	£0.32	£7.50	£1.56	£9.38
BACS (3 day)	£0.22	£7.50	£1.54	£9.26
CHAPS (same day)	£12.00	£7.50	£3.90	£23.40
International Transfer	£21.00	£7.50	£5.70	£34.20

### **4. THE KEY STAGES OF YOUR MATTER**

The precise stages involved in the purchase of a residential property vary according to the circumstances. However, below we have highlighted key stages of a transaction: -

- 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.
- Drafting the Transfer.
- Advising you on joint ownership.
- Obtaining pre-completion searches.
- Agreeing completion date (date from which you own the property).
- 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 an individual estimate of costs - 01202 292424