

Residential Conveyancing

Would it surprise you if we said that no two transactions are the same? Probably not. Some properties are straightforward to buy or sell – and some just aren't. A detached freehold house has to be looked at differently to a leasehold flat, and a title with lots of restrictions attached to it needs more thought than one without. Some come with a 'chain' of linked transactions that need careful management - and some stand alone. We have listed some common 'issues' later in this note for you – but we imagine you get the point. We have also provided links to the common steps taken in a purchase or sale, which we hope you will find helpful.

Still, you need to know what it will cost for us to do your conveyancing work – and it is ideal that you know this at the outset so that you can plan for that, along with the other costs of moving house. We will be happy to give you an individually-tailored pricing based on the details you give us (and we make no charge for doing that).

To give you an accurate price we need to know more than you might first think. For example, Government has made calculating Stamp Duty a complicated process that depends as much on your individual circumstance as it does on the price of the house. Or the type of property - leaseholds almost always take more time than freeholds to understand and explain – and usually attract more fees payable to others. So, we need to know more detail than just the price in order to give you an accurate figure.

If the transaction becomes more complicated or new elements need to be addressed then we will discuss this with you and come to a revised pricing agreement. We will look at the time that will be involved when suggesting a revised price. The hourly charges upon which we would base that discussion, as currently applicable, are set out at the end of this note.

Examples

What follows is an example of one costing for each of the purchase and sale of a freehold house and a leasehold flat. We have had to assume quite a lot in making this calculation, and the assumptions are shown below each example. If your purchase or sale falls neatly in to the example then that's great! If not, please ask us to give you a tailored pricing.

Residential Freehold Purchase:

What we charge as our costs:		
Our work in the conveyancing	£750.00	
To transfer funds by CHAPS on completion	<u>£17.50</u>	£767.50
What we collect from you & pay to others:		
VAT on our costs (at 20%)	£153.50	
Local Authority search fee	£115.20	
Water & Drainage search fee	£55.92	
Environmental search fee	£37.10	
Coal and mining search fee	£46.00	
Lawyer Checker fee	£12.00	
HM Land Registry priority search fee	£3.00	
Electronic Identity Check fees	14.40	
HM Land Charges search fees	£4.00	
Bank CHAPS fee to send purchase money	£18.00	
HM Land Registry registration fee	£95.00	
HMRC Stamp Duty	<u>£1,000.00</u>	<u>£1,554.12</u>
Total:		<u>£2,321.62</u>

The assumptions that we have made in calculating the above:

- The purchase price is £175,000.00
- The title is freehold without defects or restrictive covenants or similar burdens
- The title is registered at HM Land Registry - and this is a single transfer of a whole title
- The property is adjacent to, and directly accesses, a highway
- The property is connected to all mains services (e.g. not to a septic tank or a private water supply)
- You will occupy the property as your home (i.e. not as a buy-to-let or subject to an existing tenancy)
- You will own without complicated ownership or trust divisions/arrangements
- There are two buyers (individuals, not companies) – and at least one of you has owned a house before
- There is a mortgage from a high street lender, such as a bank or building society, for whom we will also act in the transaction
- You provide us with evidence of your identity & address, and of your funding sources, promptly and fully at the start of the engagement – and then work cooperatively with us
- We receive full and prompt cooperation from the conveyancers for the Seller
- There is limited need to explore or remedy missing certification for the property (FENSA, Part P self-certification, planning or building regulation certificates etc)
- There is no solar panel contract or ‘roof-space lease’ to document/transfer
- The purchase is within Northumberland (search fees vary in different regions of the country)
- We have to send the purchase price to the Seller’s solicitors by electronic CHAPS transfer

Residential Freehold Sale:

What we charge as our costs:		
Our work in the conveyancing	£695.00	
To repay the mortgage by CHAPS	<u>£17.50</u>	£712.50
What we collect from you & pay to others:		
VAT on our costs (at 20%)	£142.50	
Electronic Identity Check fees	14.40	
HM Land Registry office copy fees	£6.00	
Bank CHAPS fee	<u>£18.00</u>	£180.70
Total:		<u>£893.20</u>

The assumptions that we have made in calculating the above:

- The sale price is £175,000.00
- The title is freehold without defects or restrictive covenants or similar burdens
- The title is registered at HM Land Registry - and this is a single transfer of a whole title
- There is one mortgage from a high street lender, such as a bank or building society, and we will redeem this on completion by CHAPS bank transfer
- The property is adjacent to, and directly accesses, a highway
- The property is connected to all mains services (e.g. not to a septic tank or a private water supply)
- You own without complicated ownership or trust divisions/arrangements
- You provide us with evidence of your identity & address promptly and fully at the start of the engagement – and then work cooperatively with us
- We receive full and prompt cooperation from the conveyancers for the Buyer

- There is limited need to explore or remedy missing certification for the property (FENSA, Part P self-certification, planning or building regulation certificates etc)
- There is no solar panel contract or 'roof-space lease' to document/transfer
- We pay the estate agent fees, and yourself, on completion by cheque
- You make closing arrangements for buildings insurance, council tax, water rates and utilities yourself

Residential Leasehold Purchase:

What we charge as our costs:		
Our work in the conveyancing	£895.00	
To transfer funds by CHAPS on completion	<u>£17.50</u>	£912.50
What we collect from you & pay to others:		
VAT on our costs (at 20%)	£182.50	
Local Authority search fee	£115.20	
Water & Drainage search fee	£55.92	
Environmental search fee	£37.10	
Coal and mining search fee	£46.00	
Electronic Identity Check fees	14.40	
Lawyer Checker fee	£12.00	
HM Land Registry priority search fee	£3.00	
HM Land Charges search fees	£4.00	
Bank CHAPS fee to send purchase money	£18.00	
Landlord transfer/mortgage registration fee	£60.00	
HM Land Registry registration fee	£95.00	
HMRC Stamp Duty	<u>£1,000.00</u>	<u>£1,643.12</u>
Total:		<u>£2,556.62</u>

The assumptions that we have made in calculating the above:

- The purchase price is £175,000.00
- The title is leasehold without defects
- The title is registered at HM Land Registry - and this is a single transfer of a whole title
- The property has clear access through the general building or estate to a highway
- The property is connected to all mains services (e.g. not to a septic tank or a private water supply)
- You will occupy the property as your home (i.e. not as a buy-to-let or subject to an existing tenancy)
- You will own without complicated ownership or trust divisions/arrangements
- There are two buyers (individuals, not companies) – and at least one of you has owned a house before
- There is a mortgage from a high street lender, such as a bank or building society, for whom we will also act in the transaction
- You provide us with evidence of your identity & address, and of your funding sources, promptly and fully at the start of the engagement – and then work cooperatively with us
- We receive full and prompt cooperation from the conveyancers for the Seller
- The Seller provides all leasehold information and evidence of payments of ground rent and service charges
- The landlord promptly provides information as to service charges, rentals and other rules and regulations pertaining to the flat
- There is no requirement for an additional form of Direct Covenant Deed with the Landlord or a Management Company (and for any fee for this)

- There is limited need to explore or remedy missing certification for the property (FENSA, Part P self-certification, planning or building regulation certificates etc)
- There is no solar panel contract or 'roof-space lease' to document/transfer
- The purchase is within Northumberland (search fees vary in different regions of the country)
- We have to send the purchase price to the Seller's solicitors by electronic CHAPS transfer

Residential Leasehold Sale:

What we charge as our costs:		
Our work in the conveyancing	£795.00	
To repay the mortgage by CHAPS	<u>£17.50</u>	£812.50
What we collect from you & pay to others:		
VAT on our costs (at 20%)	£162.50	
Electronic Identity Check fees	14.40	
HM Land Registry office copy title fees	£6.00	
HM Land Registry office copy lease fee	3.00	
Bank CHAPS fee	<u>£18.00</u>	£180.90
Total:		<u>£993.40</u>

The assumptions that we have made in calculating the above:

- The sale price is £175,000.00
- The title is leasehold without defects
- The title is registered at HM Land Registry - and this is a single transfer of a whole title
- There is no requirement for an additional form of Direct Covenant Deed between the Buyer and the Landlord or a Management Company
- There is no requirement for a formal Deed of Consent from the Landlord to the sale
- There is no value-based repayment due to the Landlord on completion of the sale (often found in retirement complex developments, for example)
- There is one mortgage from a high street lender, such as a bank or building society, and we will redeem this on completion by CHAPS bank transfer
- You will pay the cost of the Landlord/Management Company for them to provide a leasehold information pack for the Buyer
- The property is connected to all mains services (e.g. not to a septic tank or a private water supply)
- You own without complicated ownership or trust divisions/arrangements
- You provide us with evidence of your identity & address promptly and fully at the start of the engagement – and then work cooperatively with us
- We receive full and prompt cooperation from the conveyancers for the Buyer
- There is limited need to explore or remedy missing certification for the property (FENSA, Part P self-certification, planning or building regulation certificates etc)
- There is no solar panel contract or 'roof-space lease' to document/transfer
- We pay the estate agent fees from the completion funds, and yourself, on completion by cheque
- You make closing arrangements for buildings insurance, council tax, water rates and utilities yourself

Possible Issues

Sometimes things go astray during a residential property transaction. If they arise then they can take us more time to resolve for you - and may increase the cost of the transaction. Sometimes they cause transactions to fail entirely.

Minor issues can often be absorbed into the price that we give at the outset – others not so much. When (or if) this happens then we will talk to you about it.

Some real-life examples that we have come across (in no particular order):

- The house has a septic tank that needs (costly) replacement
- The septic tank is on another's land and there are no formal rights to use it or repair it
- The title does not include a legal right of way to the house from the highway
- There are restrictive covenants stopping use as a holiday let or for student letting – or as a business of any kind
- It is a sale of part of a title – and there are complicated provisions to negotiate and document
- The Seller's title is not registered with HM Land Registry. This is not necessarily an issue of itself - but it will increase the time taken in title investigation and subsequent 1st registration with HM Land Registry. The registration fee is also higher
- The Seller wants to keep the tariff income on the solar panel installation
- The boundaries are not shown correctly on the registered title plan
- The Seller does not have legal title to all of the property that he is selling
- A neighbour has unacceptable rights over the property
- The Management Company/Landlord is a company that has been struck off at Companies House – and the freehold title has become [Bona Vacantia](#) and passed to the Crown. We then need to deal with the bona vacantia division of the Government Legal Department to resolve this
- Restrictive covenants required written freeholder consent to extensions – and there is no consent with the title
- The title prevents parking a camper-van on the drive (a problem if you have a camper-van!)
- Remedy of a title defect by the purchase of title defect indemnity insurance
- The water supply is private, and the rights are not documented – or have not kept pace with changes in circumstances
- There is a lease of the roof-space for solar panels and the lease does not meet the mortgage lender's requirements
- The lease is not in modern form and needs to be varied (often in relation to insurance arrangements) to make it compliant with current practice
- The lease has less time remaining than is acceptable to a lender (making the property unsaleable to a buyer with a mortgage) unless the lease is extended first
- The service charges or management fees are excessive
- The Seller will not answer questions about the property
- The Seller is insolvent, and the sale is being handled by a trustee-in-bankruptcy
- The transaction is actually a gift or at a substantial undervalue – causing issues with the mortgage lender and raising insolvency questions
- A party to the transaction dies between exchange of contracts and completion.

Other Useful Sources of Information

- Our short guide to the steps in a:
 - [Purchase](#)
 - [Sale](#)
- [Law Society Guidance](#)
- [Law Society 'Find a Solicitor' website](#)

Applicable Hourly Rates

Partner/Solicitor with a minimum of 4 years' experience:	£250.00
Conveyancing Paralegal:	£165.00
Solicitor Apprentice:	£ 95.00