

### **Residential Leasehold Property Purchase**

We set out below our typical charges for a leasehold residential property purchase for any given purchase price. The charges will cover all the work required to progress a typical purchase transaction, including the following, which are also the key stages of the process:-

- Taking your initial instructions and giving you initial advice.
- Advising other related parties of our involvement and requesting paperwork from the seller's solicitor.
- Reviewing all of the documentation supplied by the seller's solicitors on receipt and advising you on the content of the documentation and whether or not there are any unusual issues or matters that might need to be addressed.
- Carefully reviewing the wording of the lease to ensure that all of the requirements that need to be dealt with when the property is purchased and sold have been or can be addressed.
- Discussing with you which searches to carry out and taking a payment to cover these and then submitting the searches.
- Making enquiries of the seller's solicitors on any issues arising from the documentation and the results of the searches as and when they are received.
- Ensuring that we are supplied by the freeholder or the freeholder's agents with replies to a set of enquiries relating to the management of the block which the flat forms part of and copies of all of the documentation relating to service charge, ground rent payment etc and advising you on the content.

- Receiving your Mortgage Offer, going through this and advising on any issues arising and any conditions which we might have to satisfy before the mortgage funds can be drawn down.
- Complying with your mortgage provider's requirements.
- When all search results are to hand and enquiries have been satisfactorily answered, arranging to discuss with you all of the documentation and to obtain your signature to the Contract documentation.
- Agreeing a completion date with the other parties in the chain and then, with your authority, proceeding to a legally binding exchange of Contracts committing you to the transaction.
- Making arrangements to receive from you any additional money and funds from your mortgage lender in time for the completion date;
- Completing your purchase.
- On completion, dealing with the Stamp Duty Land Transaction Return documentation and paying the Stamp Duty Land Tax.
- Dealing with all of the post-completion formalities at the Land Registry and sending any relevant documentation to your mortgage company and to yourselves.
- Giving relevant notice to the freeholder and dealing with any other post-completion formalities stipulated in the lease.

Please bear in mind that no two property transactions are alike and there are many variables which can affect the overall charges payable. A list of some matters that can affect the charges are set out below together with the relevant additional cost but, this list is not exhaustive and for that reason we would always try as soon as possible to take some further details from you and let you have an estimate of our charges and the likely payments to others tailored to your particular transaction and

circumstances. You should also note that some issues may come to light during the course of the transaction which were not immediately clear at the outset which might result in an increase in charges and as soon as any such matter is identified, we would let you know.

Please note that in addition to our charges, a number of payments (disbursements) will typically need to be paid to others. These are explained in greater detail together with the relevant charges below:-

### Latimer Hinks Charges for a Leasehold Property Purchase

Value of property	Our fees	VAT
Up to £125,000.00	£895.00	£179.00
£125,001.00 - £175,000.00	£895.00 - £1,050.00	£179.00 - £210.00
£175,001.00 - £250,000.00	£1,050.00 - £1,125.00	£210.00 - £225.00
£250,001.00 - £500,000.00	£1,125.00 - £1,400.00	£225.00 - £280.00
£500,001.00 - £800,000.00	£1,400.00 - £2,000.00	£280.00 - £400.00
£800,001.00 plus	0.30% plus VAT of the sale price	

The above charges are on a fixed fee basis. In some circumstances, an hourly rate basis may be more appropriate, depending upon the complexity or urgency of the matter. If this is the case and hourly rates apply instead, these would be discussed and agreed with you prior to commencing work. Below are the current hourly charging rates for members of the residential property team:-

Martin Williamson	£290.00 plus VAT
Robert Steer	£260.00 plus VAT
Jane Mafham-Jackson	£230.00 plus VAT
Lisa Stronach	£180.00 plus VAT

Where VAT applies to any of our costs or disbursements, this is at the current rate of 20%.

### What is not included in our charges

There are certain types of residential property transactions that require additional time and work in order for the process to move as smoothly as possible. Below are our additional charges for these transactions in order we can carry out the extra work involved. VAT is payable on our charges at 20%.

Issue	Additional charge
Purchase of property with unregistered title	£150.00 plus VAT
Dealing with a purchase involving more than one mortgage	£200.00 plus VAT
Help to Buy ISA/Lifetime ISA	£50.00 plus VAT (per ISA)
Purchase of new build property	£250.00 plus VAT
Declaration of Trust	£150.00 – £250.00 plus VAT
Mortgagees who have separate representation	£500.00 plus VAT
Preparing or agreeing legal documents to rectify issues with existing title	By quotation
Dealing with the simultaneous transfer of the freehold or share in the freehold title	£500.00 plus VAT

As mentioned above, this list is not exhaustive and if anything comes to light during the course of the transaction which is likely to affect our charges, we would let you know as soon as possible.

If for any reason your property purchase cannot or does not proceed, we would need to make a charge for the amount of work carried out up to the point at which progress stopped. This would be a proportion of the initial estimate given dictated by how far the transaction had progressed and the work that had been undertaken, and would be advised to you.

### Additional charges and disbursements

In addition to our charges and the VAT payable on them, your purchase will involve a number of additional charges and payments to third parties which we make on your behalf (which are known as 'disbursements'). When selling a property these are generally much lower than those associated with a property purchase. Once again, these can vary depending on the nature of the property being sold but are set out in the table below. Further information about these charges are detailed below:-

Charges payable to Landlord/Freeholder	Varies – see our notes below
Client Verification Fees (£10.00 plus VAT per name)	£12.00
Bank Transfer Charges (£25.00 plus VAT per transfer)	£30.00
Lawyer Checker Fee (£18.00 plus VAT)	£21.60
Local Authority Search fees (examples of some local councils) <ul style="list-style-type: none"> <li>• Darlington Borough Council (£158.50 plus VAT)</li> <li>• Newcastle City Council (£230.10 plus VAT)</li> <li>• Durham County Council (£213.20 plus VAT)</li> </ul>	£190.20 – £276.12
Drainage and Water Search (£94 plus VAT)	£112.80
Land Registry Priority Search (£3.00 plus VAT)	£3.60
Bankruptcy Search (£2.00 plus VAT per name)	£2.40

### Charges Payable to Freeholder/Landlord

In nearly all cases following completion of the purchase of a leasehold property a formal written notice of transfer will need to be given to the freeholder/landlord for registration. Landlords, or their agents, always make a charge in this regard. Unless the lease specifies what this charge should be, the figure is whatever the freeholder/managing agent charges. We are unable to confirm this in advance but typically the figure may be between £50.00 and £250.00 plus VAT.

The terms of some leases require a buyer of the property to enter into a separate deed with the freeholder to abide by the terms of the lease and

again, the freeholder/landlord is free to levy their own charge in this regard. Once again, it is impossible to confirm what this may be in advance of having the relevant details but it can typically be between £50.00 and £250.00 plus VAT.

The terms of some leases require that in addition the landlord provide a certificate for Land Registry purposes to confirm that all of the formalities on change of ownership have been observed. Again, a charge can be levied from the landlords to cover provision of this document.

### **Client Verification**

We would be required to carry out an online identity check against the names of the registered owners.

### **Bank Transfer Charges**

If there is a mortgage on your property, the mortgage will be repaid by us on the day of completion by means of a bank transfer.

### **Searches**

Nearly all purchases will involve paying search fees. Searches are checks with public or other bodies holding information relating to properties which you would want to know about such as the local authority or the water company. In a typical purchase transaction we would always undertake a Local Authority search and a Drainage and Water search. The cost of a Local Authority search is set by the local authority and differs between them.

The current costs of a Drainage and Water search is set out above.

There are also a number of additional searches such as environmental searches, planning searches, etc. which could be regarded as optional extras, the cost of which we would discuss with you.

### **Land Registry Priority Search and Bankruptcy Search**

A priority search is carried out shortly before completion. The purpose of the search is to ensure that there have been no alterations or additions to

the title register since we received a copy of the same from the seller's solicitor at the beginning of the transaction. A priority search also protects you as a purchaser by affording us a priority period within which we must submit our application to register your interest as the new owner and during which no third party can apply to make any changes to the title register.

A bankruptcy search is usually required by a mortgage lender. A search is carried out against the names of all purchasers for the lender's benefit shortly before completion to ensure that there is no evidence that any of the purchasers are insolvent or at immediate risk of becoming insolvent.

PLEASE NOTE: all search fees attract VAT at 20%. We can offer some packages for searches which slightly reduce the overall sum payable.

### **Lawyer Checker**

Before sending a bank transfer for the purchase monies to the solicitors acting for the seller, as part of the overall effort to minimise exposure to fraudulent activity, we will conduct an online database check known as a "Lawyer Checker" against the bank account details of the legal representatives of the seller. This sum will be payable by you and will be itemised on our completion statement at the end of the matter.

### **Stamp Duty Land Tax**

In most cases your property purchase will involve the payment of Stamp Duty Land Tax (SDLT). Identifying the precise amount of SDLT payable depends greatly on your circumstances and the property. It is not possible here to give any meaningful figures though there are a number of websites which include a calculator for working out what SDLT might be payable, particularly HMRC's own calculator which can be reached on the following link:

<https://www.tax.service.gov.uk/calculate-stamp-duty-land-tax/#/intro>

### Land Registry fees

These costs are set by H M Land Registry and depend upon the purchase price of the property and whether or not it is a pre-existing property being bought and sold and whether or not the property is a new property.

The Land Registry's current Leasehold property purchase scale can be found by following the link below.

[HM Land Registry: Registration Services fees – GOV.UK \(www.gov.uk\)](http://www.gov.uk)

### Unforeseen Disbursements

In some transactions it may prove to be sensible or desirable to obtain information relating to neighbouring properties and this could involve additional charges such as the cost of obtaining Land Registry details but again this would be discussed with you if it were thought to be necessary.

**As a guide, the overall charge therefore for the purchase of a residential property with a mortgage, in Darlington, at a price of £250,000.00, with no additional elements or complications would be as follows:-**

To Latimer Hinks' charge	£1,125.00
VAT on Latimer Hinks' charge	£225.00
Client Verification Fee (£10 plus VAT per person)	£12.00
Lawyer Checker Fee (£15 plus VAT)	£21.60
Bank Transfer Fee (£25 plus VAT)	£30.00
Search fees – (£201.70 plus VAT) (Search Pack incorporating Local Search and Drainage & Water Search)	£242.04
Land Registry Priority Search (£3 plus VAT)	£3.60
Bankruptcy Search (£2 plus VAT per person)	£2.40
<b>Total</b>	<b>£1,661.64*</b>

**\*SDLT may also be payable in this scenario depending on individual circumstances and additional charges to the Landlord/Freeholder (see above).**



**PLEASE NOTE:** the figure given for our charges in connection with your purchase does not include charges associated with giving any specific tax advice. We may be able to assist you further in this connection but that would involve additional charges which we would discuss with you.

### **How long will my purchase take?**

The time taken from accepting a buyer's offer to completion of your purchase depends very much on the circumstances of your buyer and the speed at which they proceed. Unfortunately, a seller cannot control this, and you should bear in mind that there may be issues relating to the buyer's ability to proceed which are not always made clear at the time the buyer's offer is accepted. Having said this, if there is no chain involved and the buyer is either a cash buyer or has no difficulty in securing mortgage finance quickly then the purchase could typically take approximately six to ten weeks.

For details of members of the team who may work on your matter, together with their experience and qualifications, please visit <https://www.latimerhinks.co.uk/who-we-are/our-people> and click on the profiles below:-

Martin Williamson  
Robert Steer  
Jane Mafham-Jackson  
Lisa Stronach