Hay & Kilner

Costs for Purchase of a Freehold or Leasehold Residential Property

Our residential property team specialises in the sale, purchase, and financing of residential properties. We provide a bespoke service tailored to the individual needs of our clients and their particular transaction.

Our fees cover the work required to complete the purchase of a residential freehold or leasehold property on your behalf including:

- acting jointly for your lender if you are purchasing with a mortgage;
- dealing with the registration at the Land Registry; and
- dealing with the payment of Stamp Duty Land Tax (SDLT), assuming that the property is located in England.

Our fees are based on hourly rates, which range from £150 per hour (plus VAT at 20%) to £250 per hour (plus VAT at 20%) depending on the experience of the fee earner involved.

Depending upon the complexity of the transaction we expect a residential property purchase transaction of the type that we typically deal with will take between 10-25 hours.

The exact costs will depend on the individual circumstances of the matter and the factors as set out in 'Our assumptions' below.

If, for example, the transaction involves a straightforward cash purchase of a single registered title freehold property in an urban area, with no title defects, the costs will be at the lower end of the range.

A detailed fee quote based on your particular transaction can be provided on request and will be provided at the outset of any transaction on which we are acting.

In addition to our fees, you will be required to pay disbursements. Disbursements are costs related to your matter that are payable to third parties, such as search fees. We will deal with the payment of the disbursements on your behalf.

Fees and Disbursements on the purchase of a residential freehold or leasehold property are as follows:

Our fees	£750.00 to £4,000.00 (plus VAT at 20%)
Search fees (Local Authority, Drainage etc.)	Up to £450.00 (plus VAT at 20%) This varies from property to property depending upon which precise searches are needed and the size of the area to be searched.
Land Registry Search	£7.00 (plus VAT at 20%) per title
Bankruptcy Search	£6.00 (plus VAT at 20%) per name
Property report fee (AI tool)	£57.60 (plus VAT at 20%) - Leasehold property £28.80 (plus VAT at 20%) - Freehold property
HM Land Registry fee	£20 (for property purchase price £0 – £80,000). £40 (for property purchase price £80,001 – £100,000). £100 (for property purchase price £100,001 – £200,000). £150 (for property purchase price £200,001 – £500,000). £295 (for property purchase price £500,001 --£1,000,000). £500 (in respect of properties worth in excess of £1,000,000).

Telegraphic transfer fee	£38.00 (plus VAT at 20%) being the bank's charge of £16.00 (plus VAT at 20%) plus this firm's administration fee of £22.00 plus VAT at 20%.
Stamp Duty Land Tax (SDLT)	This will depend on the purchase price of the property and will also be dependent upon the individual circumstances of the buyer. Please see below.

SDLT in England depends on the purchase price of your property. You can calculate the amount you will need to pay by using HMRC's website. However, the level of SDLT also depends upon whether you are a first-time buyer, or whether the purchase is the replacement of your existing home, or purchasing a single private residence, whether you own a share in another property or other factors. On straightforward transactions we can prepare an SDLT return form and arrange submission to HMRC; however, in certain circumstances we will advise you to seek advice from an accountant or an SDLT specialist as we will be unable to advise you.

How long will the process take?

How long the legal process will take will depend on a number of factors. On average, the process takes between 8 – 12 weeks. It can be quicker or slower, depending on the speed of other parties in the chain, the type of property and the availability of property searches.

Stages of the process

The stages involved in the purchase of a residential property can vary according to the circumstances. Below are some of the key stages which a transaction would usually include:

- Taking your instructions and giving you initial advice and scoping of the transaction.
- Advising you on joint ownership (if applicable).
- Advising on, negotiating (if appliable) and agreeing to the contract.
- Reviewing and reporting to you on the title to the property. We will advise you of any defects in the title and advise on how such matters can be remedied. If the property is leasehold, we will advise you on the lease terms.
- Carrying out searches and reviewing the results.
- Raising any necessary enquiries of the seller's solicitor. If the property is leasehold we will request and review any management information.
- If applicable, reviewing and explaining to you the conditions of your mortgage offer and the nature and effect of you signing and entering into the mortgage documents.
- Drafting the Transfer which is the document which transfers ownership of the property to you.
- Sending the final documents to you for signature.
- Obtaining deposit funds from you. This is usually 10% of the purchase price of the property
- Exchanging contracts and notifying you that this has happened.
- Carrying out pre-completion searches.

Preparing a completion statement and requesting completion monies from the lender (if applicable) and you.

- Completing the purchase.
- Dealing with the payment of SDLT.
- Dealing with the application for registration at the Land Registry.
- If the property is leasehold, we will deal with the service of notice of transfer and charge on the freeholder which will be required under the terms of the lease.

Our Assumptions

Our fee estimate assumes that:

- This is a standard transaction and that no unforeseen matters arise, for example a defect in title which requires remedying prior to completion, or the preparation of additional documents (which would include such matters as advising upon or drafting a Deed of Easement or Overage Provisions).
- The property is sold with vacant possession.
- Your lender is not separately represented.
- The transaction is concluded in a timely manner without any specific need for urgency or delay.
- The contract is not a conditional contract.
- All parties to the contract are co-operative and there is no unreasonable delay.
- No indemnity policies are required. Additional fees and disbursements may apply if indemnity policies need to be obtained.
- The property is not a new build property.
- The property is for residential use only.
- There is no sale of part of a registered title nor is the title to the property unregistered.
- There are no lack of building regulation, planning or listed building consents for works carried out to the property or breach of such consents.
- The purchase does not involve an auction.
- The transaction does not involve the first registration of title.
- The property has not been repossessed.
- The purchase does not involve a shared ownership scheme or involving a help to buy scheme, equity loan or ISA or purchase under right to buy.
- We will not be advising on planning.
- We will not be advising on tax.
- The property is not being purchased through a company or Trust.

- If the property is being purchased by Attorneys there is a registered valid Power of Attorney in place.
- This is an arm's length transaction between unconnected parties.

Additional fees and disbursements are likely to apply to the purchase of a residential leasehold property, some of which will be set out in the individual lease relating to the property. This list is not exhaustive and other disbursements may apply depending on the terms of the lease and its requirements in connection with any sale of the property. We will update you on the specific fees following receipt and review of the lease and information from the seller's solicitors.

Notice of transfer fee	This fee is chargeable if set out in the Lease. Usually the fee is between £50 – £175 (plus VAT at 20%).
Notice of charge fee (if the property is to be mortgaged)	This fee is set out in the Lease. Usually the fee is between £50 – £175 (plus VAT at 20%).
Deed of covenant fee	This is the fee provided by the management company/freeholder for the property. The exact amount is difficult to estimate as it will vary from property to property. Usually, it is between £250-£750 (plus VAT at 20%).
Certificate of compliance fee	To be confirmed upon receipt of the lease. Usually the fee is between £50 – £150 (plus VAT at 20%).
Transfer of a share in a freehold or residents management company	To be confirmed upon receipt of the information from the managing agents. Usually the fee is between £50 – £150 (plus VAT at 20%)

If your lender uploads your mortgage offer to the Lender Management System (LMS) portal your lender charges you a fee of £25 plus VAT at 20% which is payable to your lender on completion.

Who will work on your case?

Typically, a solicitor, licensed conveyancer, associate, or a Partner will work on your case, and they may be assisted by a paralegal, a trainee solicitor, or a solicitor apprentice.

Supervision of the work will be undertaken by a Partner in the Residential Property team. If a Partner works on your case, they may be supervised by a licensed conveyancer, solicitor, associate, or another Partner.

For further details of the experience and qualifications of the individuals who may work on your case, please click here.