

Leasehold purchase: Process and Fees

Key Stages

The precise stages involved in the purchase of a residential leasehold property vary according to the circumstances. However, below we have suggested some key stages that you may wish to include:

- Take your instructions and give you initial advice
- Check finances are in place to fund purchase and contact lender's solicitors if needed
- Receive and advise on contract documents
- Carry out searches
- Obtain further planning documentation if required
- Make any necessary enquiries of seller's solicitor
- Give you advice on all documents and information received by way of a Title Report
- Go through conditions of mortgage offer
- Send final contract to you for signature
- Draft Transfer
- Advise you on joint ownership
- Obtain pre-completion searches
- Agree completion date (date from which you own the property)
- Exchange contracts and notify you that this has happened
- Arrange for all monies needed to be received from lender and you
- Complete purchase
- Deal with payment of Stamp Duty/Land Tax
- Deal with application for registration at Land Registry

Fees

Please see the residential conveyancing section of our website to see who will likely be handling your matter.

Our fees cover all the work required to complete the purchase of your new home, including dealing with 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 is in Wales.

- Legal fee – this depends on the purchase price of the property, please see fee scale
- Fee for acting on behalf of the mortgage lender - £85.00 + VAT
- Declaration of Trust if required - £75.00 + VAT
- Mortgage Report - £85.00 + VAT
- Buy to Let Mortgage Report - £125.00 + VAT
- Completion of SDLT forms - £35.00 + VAT

Although we provide a fixed fee scale of general rates, if the matter is deemed to be more complicated than first envisaged, we will discuss this with you and revise accordingly. Electronic ID (if necessary) will incur a charge of £5.00 plus VAT per person.

Disbursements

Disbursements are costs related to your matter that are payable to third parties, such as search fees. We handle the payment of the disbursements on your behalf to ensure a smoother process. There are certain disbursements which will be set out in the individual lease relating to the Property. The disbursements which we anticipate will apply are set out separately below. This list is not exhaustive and other disbursements may apply depending on the terms of the lease. We will update you on the specific fees upon receipt and review of the lease from the seller's solicitors.

- Search fees – this will be provided once we know where the property is located
- Land Charges search (unregistered title) - £2.00 per name
- Land Registry search - £3.00 per title
- Bankruptcy search (required where there is a mortgage) - £2.00 per name

- HM Land Registry fee – this is based on the value of the property
- Electronic money transfer fee (CHAPS fee) - £25.00 + VAT

Further Anticipated Disbursements

- Notice of Transfer fee – This fee (if chargeable) is set out in the Leasehold Information Pack received from the Managing Agents / Landlord. Often the fee is between £50.00-£100.00 plus VAT.
- Notice of Charge fee (if the property is to be mortgaged) – This fee is set out in the Leasehold Information Pack received from the Managing Agents/Landlord. Often the fee is between £50.00-£100.00 plus VAT.
- Deed of Covenant fee (if required) – This fee is provided in the Leasehold Information Pack received from the Managing Agents / Landlord. Often the fee is between £75.00-£200.00 plus VAT.
- Certificate of Compliance fee – This fee (if chargeable) is set out in the Leasehold Information Pack received from the Managing Agents/ Landlord. Often the fee is between £50.00-£100.00 plus VAT.
- Contingency fee (if payable) – this is a percentage of the sale price

These fees vary from property to property and can on occasion be significantly more than the ranges given above. We can give you an accurate figure once we have sight of your specific documents.

You should also be aware that ground rent and service charge are likely to apply throughout your ownership of the property. We will confirm the ground rent and the anticipated service charge as soon as this we receive this information, and we know who the management company is.

Stamp Duty Land Tax

This depends on the purchase price of your property. You can calculate the amount you will need to pay by using HMRC's website or if the property is located in Wales by using the Welsh Revenue Authority's website

How long will my matter take?

How long it will take from your offer being accepted until you can move in to your house will depend on 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 a new build property with a mortgage in principle, it could take up to 12 weeks if the property is fully constructed at the point of exchange of contracts. However, if you are buying a leasehold property that requires an extension of the lease, this can take significantly longer, between 2-4 months. In such a situation additional charges would apply.

Our fee assumes that:

- a. 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
- b. this is the assignment of an existing lease and is not the grant of a new lease
- c. the transaction is concluded in a timely manner and no unforeseen complication arise
- d. all parties to the transaction are co-operative and there is no unreasonable delay from third parties providing documentation
- e. no indemnity policies are required. Additional disbursements may apply if indemnity policies are required.