

PURCHASE OF A RESIDENTIAL LEASEHOLD PROPERTY

Costs guidance

Please note: the figures given in this notice in relation to fees are provided as an estimate, for the purpose of our pricing transparency. If a particular matter requires additional and/or complicated work, then the fees shown below may be greater – but in such a case, we would inform the client, at an early stage. Please contact us for an accurate fee proposal based on your particular facts and circumstances.

Conveyancer's Fees & Disbursements

Your bill from us will state our legal fees and third-party disbursements. (Disbursements are costs related to your matter, payable to third parties e.g. Land Registry fees. We handle the payment of the disbursements on your behalf, making it a smooth process).

Basic fees and disbursements will include the following:

- Legal fee £2,000-£2,200 to £2,750-£3,750 (or greater depending on complexity and/or the value of the property and nature of Leasehold, see table below) plus VAT at 20% (£2,400-£2,640 to £3,300-£4,500)
- Redemption of Help to Buy ISA/Help to Buy Loan/Lifetime ISA – additional legal fee £200 plus VAT at 20% (£240)
- New Build properties – additional legal fee £500 plus VAT at 20% (£600)
- Search fees £600 plus VAT at 20% (£720), HM Land Registry registration fee £150 (no VAT payable), Electronic money transfer fee £30 plus VAT at 20% (£36), Bankruptcy search(es) £6 per individual search plus VAT at 20% (£7.20)
- Priority Search at Land Registry £7 plus VAT at 20% (£8.40)
- Standard ID and AML Verification (per person) £25 plus VAT at 20% (£30)

Supplemental/additional fees will be charged for the following:

- Purchase of freehold interest in share of freehold £250 plus VAT at 20% (£300)
- Dealing with a Gifted Deposit £125 - £200 plus VAT at 20% (£150 - £240)
- Dealing with a mainstream lender (if applicable) £295 plus VAT at 20% (£354)
- Help to Buy ISA/LISA £50 plus VAT at 20% (£60)
- Arranging Indemnity Policy if Statutory Declaration/Statement of Truth required £250 plus VAT at 20% (£300)
- Deed of Declaration of Trust £250 plus VAT at 20% (£300)
- Dealing with properties which fall under the Building Safety Act 2022 £500 plus VAT at 20% (£600.00)
- If property is being purchased by a Company £350 plus VAT at 20% (£420)
- If the property is new build or if the title is unregistered £500 plus VAT at 20% (£600)
- Declaration of Trust £250 plus VAT at 20% (£300)
- Dealing with Third Party Lawyers £250 plus VAT at 20% (£300)

Please note that certain other disbursements may be set out in the individual lease relating to the property, please see below anticipated disbursements. We will update you on these after we have received and reviewed the lease from the seller's solicitors.

Anticipated Disbursements

- Notice of Transfer fee: this fee if chargeable is set out in the lease; often, the fee is between £50 plus VAT at 20% and £400 plus VAT at 20%
- Notice of Charge fee (if the property is to be mortgaged): this fee is set out in the lease or confirmed by the management company; frequently, the fee is between £25 plus VAT at 20% and £150 plus VAT at 20%
- Deed of Covenant fee: this fee is confirmed by the management company for the property and can be difficult to estimate; usually, it is between £100 plus VAT at 20% and £250 plus VAT at 20%
- Certificate of Compliance fee: to be confirmed upon receipt of the lease, as can range between £25 plus VAT at 20% and £100 plus VAT at 20%

However, disbursements vary from property to property and can, on occasion, be significantly more than the ranges above stated. We can give you an accurate figure once we have sight of the documents specific to your transaction. We shall contact you if we identify an issue that may give rise to costs being increased and give you an estimate of the likely additional fee based on our experience of similar situations. For your guidance, there follow a list of possible situations that may arise which will require additional time spent on your matter and therefore additional fees incurred. However, please note the list is not exhaustive:-

- Additional charges which affect the land and require attention and discharge;
- Investigation of easements, rights of way or consents in relation to access septic tanks/ drainage; water or services at the Property;
- Dealing with management company, share certificates and service charge issues on leasehold matters;
- Investigating, negotiating and approving defective titles and dealing with title indemnity insurance issues/policies;
- Settling issues which may arise as regards to what fixtures and fittings are included with the property or being purchased at extra cost and amending the contract to reflect this;
- Dealing with estate agents or solicitors who insist on unusually frequent updates;
- Drafting of Declaration of Trust, if necessary.

Please note: 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 we receive this information from the seller's solicitor. Please note that, in addition to fees and disbursements, Stamp Duty (SDLT) or Land Transaction Tax in Wales applies on a purchase. The amount payable will depend on your property's purchase price. We calculate the amount you must pay, however, please see below guidelines for your information.

STAMP DUTY LAND TAX ENGLAND (SDLT)

Thresholds

The threshold is where SDLT starts to apply. If you buy a property for less than the threshold, there's no SDLT to pay.

SDLT starts to apply when you buy property that costs:

- £125,000 for residential properties
- £300,000 for first-time buyers buying a residential property worth £500,000 or less
- £150,000 for non-residential land and properties

Rates from 1 April 2025

Property or lease premium or transfer value	SDLT rate
Up to £125,000	Zero
The next £125,000 (the portion from £125,001 to £250,000)	2%
The next £675,000 (the portion from £250,001 to £925,000)	5%
The next £575,000 (the portion from £925,001 to £1.5 million)	10%
The remaining amount (the portion above £1.5 million)	12%

LAND TRANSACTION TAX WALES (LTT)

You must pay LTT if you buy a property or land over a certain price threshold in Wales. The threshold is where the tax starts to apply.

The current LTT threshold is:

- £225,000 for residential properties (if you do not own other property)
- £225,000 for non-residential land and property

A LTT calculator can be found at the following link: <https://www.gov.wales/land-transaction-tax-introduction>

LEGAL FEES

The following is a table of our legal fees (plus VAT at 20%) with reference to the value of the property that you are purchasing:

As your property is leasehold our fees also cover dealing with the additional Leasehold Information Pack/Leasehold Enquiries, depending on the complexity and whether the property may need to comply with implications and obligations under the Building Safety Act 2022 and

Fire Safety Act 2021. If the property being sold needs to comply with the above acts, the higher of the two fees will be applicable due to the additional documents that will need reviewing.

Leasehold Property Purchase Value	Legal Fees (plus VAT at 20%) Excluding Disbursements
£250,000 (and below) - £300,000	£2,000 plus VAT at 20% (£2,400 total fees) - £2,200 plus VAT at 20% (£2,640 total fees)
£300,001 - £350,000	£2,000 plus VAT at 20% (£2,400 total fees) - £2,200 plus VAT at 20% (£2,640 total fees)
£350,001 - £400,000	£2,000 plus VAT at 20% (£2,400 total fees) - £2,200 plus VAT at 20% (£2,640 total fees)
£400,001 - £450,000	£2,000 plus VAT at 20% (£2,400 total fees) - £2,200 plus VAT at 20% (£2,640 total fees)
£450,001 - £500,000	£2,000 plus VAT at 20% (£2,400 total fees) - £2,200 plus VAT at 20% (£2,640 total fees)
£500,001 - £550,000	£2,000 plus VAT at 20% (£2,400 total fees) - £2,200 plus VAT at 20% (£2,640 total fees)
£550,001 - £600,000	£2,500 plus VAT at 20% (£3,000 total fees) - £2,750 plus VAT at 20% (£3,300 total fees)
£600,001 - £650,000	£2,500 plus VAT at 20% (£3,000 total fees) - £2,750 plus VAT at 20% (£3,300 total fees)
£650,001 - £700,000	£2,500 plus VAT at 20% (£3,000 total fees) - £2,750 plus VAT at 20% (£3,300 total fees)
£700,001 - £750,000	£2,500 plus VAT at 20% (£3,000 total fees) - £2,750 plus VAT at 20% (£3,300 total fees)
£750,001 - £800,000	£3,000 plus VAT at 20% (£3,600 total fees) - £3,250 plus VAT at 20% (£3,900 total fees)
£800,001 - £850,000	£3,000 plus VAT at 20% (£3,600 total fees) - £3,250 plus VAT at 20% (£3,900 total fees)
£850,001 - £900,000	£3,000 plus VAT at 20% (£3,600 total fees) - £3,250 plus VAT at 20% (£3,900 total fees)
£900,001 - £1,000,000	£3,000 plus VAT at 20% (£3,600 total fees) - £3,250 plus VAT at 20% (£3,900 total fees)
£1,000,001 - £1,250,000	£3,500 plus VAT at 20% (£4,200 total fees) - £3,750 plus VAT at 20% (£4,500 total fees)
£1,250,001 - £1,500,000	£4,000 plus VAT at 20% (£4,800 total fees) - £4,250 plus VAT at 20% (£5,100 total fees)
£1,500,001 - £1,750,000	£4,000 plus VAT at 20% (£4,800 total fees) -

	£4,250 plus VAT at 20% (£5,100 total fees)
£1,750,001 - £2,000,000	£4,000 plus VAT at 20% (£4,800 total fees) - £4,250 plus VAT at 20% (£5,100 total fees)
£2,000,001 - £3,000,000	£4,500 plus VAT at 20% (£5,400 total fees) - £5,000 plus VAT at 20% (£6,000 total fees) depending on actual value and complexity
Above £3,000,001	Fees will be charged at 0.2% of the property value. There are many factors and differing scenarios that may affect fee estimates, especially when dealing with higher value properties.

Our fees cover all the work required to complete the purchase of your new home. This will include: (i) dealing with registration at the Land Registry and (ii) 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.

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;
- This is the assignment of an existing lease and is not the grant of a new lease;
- The transaction is concluded in a timely manner and no unforeseen complications arise;
- The lease is acceptable and does not contain any defects or clauses unacceptable to a lender;
- All parties to the transaction are co-operative and there are no unreasonable delays from third parties providing documentation or otherwise;
- No indemnity policies are required; please note that additional disbursements may apply if indemnity policies are required.

Worked Example: Basic Leasehold Purchase for a property with a purchase price of £300,000 being made with a mortgage and assuming that it does not need to comply with obligations under the Building Safety Act 2022 and Fire Safety Act 2021 – Fees, Disbursements, Stamp Duty Land Tax and VAT will include the following:

	FEE	VAT AT 20%	TOTAL FEES
W Davies legal fee	£2,000.00	£400.00	£2,400.00
Search fees	£600.00	£120.00	£720.00

HM Land Registry registration fee	£150.00	-	£150.00
Stamp Duty Land Tax (England) <i>(note pending increase from 01.04.25)</i>	£2,500.00	-	£2,500.00
Electronic money transfer fee	£30.00	£6.00	£36.00
Bankruptcy search x 2	£12.00	£2.40	£14.40
Priority Search at Land Registry	£7.00	£1.40	£8.40
Notice of Transfer fee	Fee is set out in the lease	20%	TBC
Notice of Charge fee	Fee is set out in the lease	20%	TBC
Sub-totals	£5,299.00 plus the Notice of Transfer and Notice of Charge fees	£529.80 plus the Notice of Transfer and Notice of Charge fees	£5,828.80 plus the Notice of Transfer and Notice of Charge fees

Estimate for total of Fees, Disbursements and Stamp Duty (including VAT) ranging from: £5,828.80 plus the Notice of Transfer and Notice of Charge fees.

This estimate should provide you with a clear understanding of the total cost of the transaction, and accordingly the full funds you will need to complete your purchase.

How long will my house purchase take?

How long it takes from acceptance of your offer until you can move into your new house depends on numerous factors – but the average process takes between 8 and 12 weeks.

It can be quicker or slower, depending on the parties in the chain and other factors. For example, if you are a first-time buyer, purchasing a new-build (leasehold) property with a mortgage in principle, it could take longer but this is dependent upon when the property is built and when it is ultimately ready for occupation. However, if the leasehold property you are buying requires an extension of the lease, this can take significantly longer, between 3 and 6 months. In such examples, additional fees and other charges would apply.

Conveyancer's Fees & Disbursements - Lease extensions

We are able to assist in negotiating a lease extension via the informal route only, however, we would not be able to act if we needed to go through the statutory process and serve Section 42 notices.

If the informal route is agreed, then you will need to appoint a surveyor to value the premium to extend the lease and then your surveyor will negotiate with the landlord/freeholder as to what premium they will accept, how many years they will add to the lease and whether or not a ground rent will be charged and if so, at what rate. You will be responsible for your own legal and surveyor's costs and also the Landlord's legal and surveyor's costs. Once all values are settled then a surrender and re-grant would be entered into and the new lease registered at Land Registry.

- Legal fee to be determined on a case to case basis
- Deed of Substituted Security if property is mortgaged additional £250 plus VAT at 20% (£300)
- Copy Title for both leasehold and freehold and Title Plan from Land Registry £28 plus VAT at 20% (£33.60)
- Land Registry registration fee £45 (this is a standard fee for registering lease extensions)

Stages of the process

The precise stages in a residential leasehold property purchase vary according to circumstances.

However, below, we set out some key stages in our conveyancing work:

- Taking your instructions and giving you initial advice
- Complying with Anti Money Laundering requirements
- Checking finances are in place to fund the purchase and the source of finance
- Contacting the lender's solicitors, if needed
- Receiving contract documents and the lease
- Carrying out searches
- Obtaining further planning documentation if required
- Making any necessary enquiries of the seller's solicitor
- Giving you advice on all documents and the information we receive
- Going through the conditions of the mortgage offer with you
- Sending final contract to you for signature
- Drafting the Transfer
- Advising you on joint ownership
- Agreeing on the completion date (i.e. the date from which you own the property)
- Collecting deposit funds (usually 10% of purchase price)
- Exchanging contracts and notifying you that this has happened
- Obtaining pre-completion searches

- Arranging for all monies needing to be received from you and from your lender including any apportionments of service charge and ground rent
- Completing the purchase
- Advising you as to when you can collect the keys from the estate agent
- Dealing with payment of Stamp Duty Land Tax / Land Transaction Tax
- Dealing with the application for registration at the Land Registry
- Confirming to you that the registration process has been concluded

Team Members

The solicitors and support staff in our Residential Property Department along with their qualification can be viewed at the following link: <https://wdavies.com/team/#residential-property>

Regardless of who works on your matter, they will be supervised by Frederick Lawson, Head of the Residential Property Department. All of our more junior solicitors/ legal executives are supported and supervised appropriately by senior members/ practitioners within the Residential Property Department. Our paralegals and trainee solicitors, whilst not qualified, have extensive training and are continually supervised by a qualified solicitor or licensed conveyancer of at least 5 years' experience.

Hourly Rates

	Hourly Rate	Hourly Rate inclusive of VAT
Senior Solicitor	£200.00 plus VAT at 20%	£240.00
Solicitor	£185.00 plus VAT at 20%	£222.00
Licensed Conveyancer	£195.00 plus VAT at 20%	£234.00
Paralegal	£125.00 plus VAT at 20%	£150.00
Consultant	£250.00 plus VAT at 20%	£300.00

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