

## Sherrards Pricing & Services: Residential Real Estate

August 2022

Our team has nearly 50 years of experience in delivering high quality work in all matters relating to Residential Property. We have various members of the team who may work on your matter and please see the "Our People" section for the profiles of our Residential Property department. Regardless of who works on your matter, they will be supervised by Asha Ngai, Partner [London office] and Caroline Vernon, Partner [St Albans office].

The work we undertake is usually complex and time sensitive. Our clients are diverse and from multiple jurisdictions. We appreciate the privilege of sitting alongside our clients as a trusted advisor, building strong personal connections to them and their businesses.

Because the services we offer are bespoke, the following fees should be referenced as a guide only.

Average fees, based on the sale or purchase of a freehold or leasehold property for a price of £1m, with exchange and completion within 4 weeks and completion 4 weeks thereafter are as follows:

### Purchase costs

	Freehold	Leasehold
Legal Fees	£2,650 plus VAT	£2,800 plus VAT
Telegraphic Transfer Fee (deposit, completion monies and SDLT)	£40 plus VAT	£40 plus VAT
Land Registry fee	£295	£295
Bankruptcy Search (per person)	£2	£2
Land Registry pre-completion search	£3	£3
Search Pack (Local/ drainage/ environmental/ chancel)*	£500	£500
Notice Fees*	Variable	Variable
Total inclusive of VAT	£4,028	£4,208

NOTE:

VAT is chargeable at 20% and, where it is required to be paid, has been noted in the figures above. Stamp Duty Land Tax is payable on a purchase. The amount will depend on the value of the property and your circumstances. You can obtain an indication of the likely amount on the government's website [here](#).

The sums marked with an asterisk are fees payable to third parties. These fees vary from property to property. There is no fixed amount and on occasion they can be significantly more than estimated above. We will be able to provide accurate figures once we have contacted the parties involved in your transaction

Sales costs	Freehold	Leasehold
Legal Fees	£2,350 plus VAT	£2,600 plus VAT
Telegraphic Transfer Fee (deposit, completion monies and SDLT)	£40 plus VAT	£40 plus VAT
Land Registry Title Fee	£3	£3
Managing Agents Information Pack *	£500 if freehold management co	£500 plus VAT
Landlord's Licence to Assign/Deed of Covenant *	£1,500 plus VAT	£1,500 plus VAT
Total inclusive of VAT	£5,171	£5,471

NOTE:

The sums marked with an asterisk are fees payable to third parties. These fees vary from property to property. There is no accepted amount and on occasion they can be significantly more than estimated above. We will be able to provide accurate figures once we have contacted the parties involved in your transaction.

Mortgage/ Remortgage Costs	Freehold	Leasehold
Legal Fees	£1,900 plus VAT	£2,200 plus VAT
Telegraphic Transfer Fee (deposit, completion monies and SDLT)	£40 plus VAT	£40 plus VAT
Land Registry Bankruptcy Search	£2	£2
Land Registry Fee	£295	£295
Land Registry pre-completion search	£3	£3
Search Pack (Local/ drainage/ environmental/ chancel)*	£500	£500
Notice Fees*	Variable	Variable
Total inclusive of VAT	£3,128	£3,488

**NOTE:**

The sums marked with an asterisk are fees payable to third parties. These fees vary from property to property. There is no fixed amount and on occasion they can be significantly more than estimated above. We will be able to provide accurate figures once we have contacted the parties involved in your transaction.

## Assumptions:

- This is a standard transaction and 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.
- The mortgage is with a high street lender and we are not required to negotiate or advise on finance terms.
- If the property is leasehold, 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.
- All parties to the transaction are co-operative and there is no unreasonable delay from third parties providing documents.
- No indemnity policies are required. Additional disbursements may apply if indemnity policies are required.

## Matters likely to affect the cost

- Value of the property.
- Urgency of instruction.
- Requirement for a lock out or exclusivity agreement.
- Off plan, newly built.
- Listed buildings requiring planning review and advice.
- Refurbished properties that may require planning and construction review and advice.
- Company involvement (additional searches at Companies House / company resolutions).

## Key Stages:

The precise stages involved in the sale or purchase of any residential property will vary according to the circumstances, however, the key stages are set out below:

## Purchase

- Take your instructions and complete our identification and money laundering checks including verifying source of wealth and funds (the onboarding process).
- Check finances are in place to fund purchase and contact lender's solicitors if needed
- Receive and advise on contract documents
- Carry out searches
- Receive a copy of your surveyor's report on the physical aspects of the property and liaise further as necessary
- Obtain further planning documentation if required
- Make any necessary enquiries of seller's solicitor
- Give you advice on all documents and information received in a comprehensive report on title
- Go through conditions of mortgage offer and advise on the same
- Advise you on joint ownership
- Draft Transfer
- Agree completion date (date from which you own the property)
- Send final contract to you for signature with request for the deposit
- Exchange contracts and notify you that this has happened
- Obtain pre-completion searches
- Prepare completion statement
- Arrange for all monies needed to be received from lender and you
- Complete purchase
- Deal with payment of Stamp Duty/Land Tax
- Serve any post completion notices (eg notice of assignment / charge)
- Deal with application for registration at Land Registry and sending of title deeds

## Sale

- Take your instructions and complete our identification and money laundering checks
- Provide you with standard property questionnaires to complete
- Check sale proceeds will be sufficient to discharge any existing mortgages on the Property
- Draft contract documents and prepare sales pack including obtaining a leasehold property pack from the management company
- With your help, respond to any enquiries by the buyer's solicitor
- Agree the contract and transfer with the buyer's solicitor
- Agree completion date (date on which the property is transferred to the buyer)
- Send final contract to you for signature
- Exchange contracts and notify you that this has happened
- Send transfer to you for signature
- Prepare completion statement
- Complete sale
- Send monies to lender to obtain discharge of any mortgage
- Pay selling agent from sale proceeds (if agreed)
- Return remaining funds to you.

## Timescales

If all information is available and all parties act without delay, you should allow a period of approximately 3 weeks on average to exchange. This will give us time to review the documents, produce a report for you and allow you time to digest it.

Completion can take place at any time after exchange on a date agreed by the parties at exchange. Banks will usually require up to 5 working days' notice to draw down mortgage funds and sellers will often request between 2-4 weeks to vacate a property after exchange.

The actual speed of the transaction will depend on several factors some of which are set out below.

- Your speed in providing us with suitable and sufficient ID and proof of address documents, sufficient proof of source of wealth and funds to complete our onboarding process
- Existence of buyer's mortgage offer and instructions to act from buyer's lender
- Whether sale / purchase dependent on simultaneous purchase / sale of any other property
- Availability of full pre-contract package from seller with all relevant title documents and planning documents
- Both parties' speed in providing replies / instructions to their conveyancers
- Speed of obtaining search results from local authorities
- Existence of title defects
- Existence of physical defects / breaches of planning permission/listed building or building control
- If leasehold, speed of landlord / managing agent in providing full management pack and responding to any queries / requests for consent
- If the Lender instructs their own solicitors

## **Included in the cost:**

### **Sale:**

- Liaising with the Selling Agent to assist with the preparation of the sales particulars
- With your help, preparing a full sales pack for the purchaser including replies to standard enquiries, title details, all relevant copy documents, such as planning permissions, guarantees and certificates and, if it's a leasehold, management information from the managing agents
- Preparing a draft contract on your terms and negotiating that with the purchaser's solicitor
- Liaising with your bank to arrange for the redemption of any mortgage on the Property
- If the property is leasehold, obtaining any necessary consents from your landlord

### **Purchase:**

- Full investigation of legal title to the property and rights required for its proper enjoyment, together with a full set of standard searches for your property purchase
- Comprehensive report on our investigations and copies of all documents referred to including advice as to matters affecting ownership in the future, such as alterations / lettings etc. This report will also help your solicitor prepare for a quick sale in the future
- Completion and submission of SDLT forms and payment of SDLT
- Registration of the property in your name at the Land Registry (subject to paying the Land Registry fees) and, if relevant, securing the bank's charge on the property

### **Remortgage:**

- Investigation of title according to instructions from your new bank including obtaining all new searches and replies to enquiries if required
- If leasehold, obtaining any necessary information and consents from the landlord
- Liaising with your existing lender to remove their mortgage from your title
- Applying to the Land Registry to register the mortgage of the new lender against your title

## **Not included in the cost:**

- Tax advice.
- Face to face meetings (other than to verify identity)
- Interpretation of planning documents other than on a superficial level
- Advice regarding neighbouring and adjoining properties
- Preparation of lock out / exclusivity agreements if required
- Drafting of co-habitation agreements / trust deeds
- Preparation of supplemental documents eg licences / tenancies / deeds of variation
- Negotiating finance terms
- Cost of liaising with a lender's solicitors

## Would you like to find out more?



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