GOUGH THOMAS & SCOTT SOLICITORS

BUYING A HOUSE

This guide is for the purchase of a normal residential house. The range of costs given below takes into account the fact that some transactions are more basic than others. There are a lot of factors that can influence the amount of time, work and expertise required.

As a general guide, the basic work to purchase a house will involve the following:

- Taking your instructions and providing initial advice
- Dealing with client care matters including ID documents and checks
- Checking finances are in place to fund the purchase and carrying out due diligence on the source of funds where necessary
- Advising you on the Stamp Duty Land Tax / Land Transaction Tax position
- Opening the file, dealing with the Estate Agents and requesting the contract papers from the seller's solicitors
- Receiving the contract documentation, going through it and reporting to you on the paperwork received
- Submitting the necessary searches and advising you on the results
- Raising enquiries on the contract pack and search results (as and when received)
- Dealing with any title matters that are necessary (this will be entirely dependent on the property. Some properties may have no issues and others may have complex issues)
- Looking at, advising on and raising any issues from the 'Section for Legal Advisors' in your survey
- Dealing with replies to enquiries raised with the seller's solicitors and following up any necessary points. This is entirely dependent on the property and the points raised
- Advising you on the information and further documents received
- Agreeing and finalising the paperwork for signature and sorting out dates with the seller's solicitors
- Seeing you to go through the title and searches, and signing the necessary paperwork
- Arranging transfer of funds from you
- Dealing with exchange of contracts
- Dealing with any matters arising between exchange and completion and preparing for completion (including pre-completion searches)
- Completing the purchase and notify all relevant parties
- Filing the Stamp Duty Land Tax / Land Transaction Tax return and paying any tax due
- Receiving and sorting documents received from the seller's solicitors (including discharge of seller's mortgage if applicable)
- Applying for registration of the transfer at the Land Registry
- Dealing with any requisitions raised by the Land Registry and generally progressing the registration

- Checking through the completed registration. Sorting the file and deeds
- Sending all necessary deeds and documents to you
- Sorting and closing the file

<u>Additional work that may be required is:</u>

- Discussing joint ownership options and decisions that need to be made including drafting a Trust Deed if required
- Resolving complex title matters which can involve a significant amount of work (this will be entirely dependent on the title to the property)
- If you are having a mortgage, we will also usually be acting for the mortgage company. This will involve receiving and checking through your mortgage offer; providing you with the advice required by your mortgage company; referring any necessary matters to the mortgage company; complying with any conditions they impose; completing and submitting the required certificate to them; requesting funds and organising their release; checking and sending any necessary documents to the lender post-completion
- If your mortgage company has a separate firm of solicitors acting for them, we will also have to work with them and comply with their requirements. This will normally involve significant additional work
- Dealing with the requirements of and request for funds for the Help to Buy ISA scheme
- Providing advice on more complex Stamp Duty Land Tax / Land Transaction Tax issues such as surcharged rates / non-residential or mixed use issues
- Dealing with requirements arising from gifted deposits or loans from third parties
- Obtaining and advising on any necessary title insurance policies
- Dealing with complex sellers requiring further due diligence, such as attorneys, executors, sellers who have changed name, sellers abroad
- Dealing with titles to properties that are not registered at the Land Registry. We have particular expertise in this type of property, but unregistered titles are often more complex to deal with
- Dealing with properties that straddle the England / Wales border due to the interaction of Stamp Duty Land Tax and Land Transaction Tax

<u>More complex transactions</u>

There are some purchases where more work is involved and as such, the costs are going to be higher. Typically these are:

- new-build properties
- leasehold properties
- freehold properties with a management company
- sale of only part of the land in the seller's ownership
- properties with land
- properties with multiple titles

Timescales

These will vary depending on the transaction. The speed of the seller and their advisors is obviously key, and how quickly your mortgage company process and issue the offer also affects timescale.

As a general rule, a purchase involving a chain will take longer than one without any related transactions. As a rough guide, most transactions take around 6 – 8 weeks from receipt of the contract pack to exchange. However, there are lots of things that can influence this.

Costs

Our fees are estimated on a tailored and individual basis. There are many things that can influence the costs involved. We make an estimate based on the amount of time we anticipate spending on a transaction. Therefore, whilst the figures below are a general guide, it is important you rely on the estimate given to you for your individual transaction.

Please note that we never pay referral fees to Agents, Brokers or websites for passing your details to us. We do not currently charge separately for bank transfers.

Purchase of a Freehold Property that does not involve additional work (as described above):

Purchase price up to £200,000	£1,250 plus VAT
Purchase price £200,001 - £300,000	£1,350 plus VAT
Purchase price £300,001 - £400,000	£1,450 plus VAT
Purchase price £400,001 - £600,000	£1,550 plus VAT
Purchase price £600,001 - £800,000	£1,750 plus VAT
Purchase price £800,001 - £1m	£1,950 plus VAT
Purchase price £1m - £2m	£2,000 - £3,000 plus VAT
Purchase price over £2m	£3,000 plus VAT plus, but please contact us

Expenses incurred

Searches
These will entirely depend on the property you are buying. We use official searches carried out with the relevant organisations, rather than personal searches provided by a company, which some firms rely on. If they do not already have VAT on them, we are required by HMRC to add VAT to them. For a residential property without land we would recommend budgeting between £280 - £400 for searches.

HM Land Registry
The Land Registry charge a fee for registration of the property in your name(s). This is based on the price paid for it and whether we can register the property via their online portal. The smallest Land Registry fee is £20 and the highest is £1,105. We will advise you of the fee applicable to your transaction.

Stamp Duty Land Tax or Land Transaction Tax
This can be complex to work out. We will advise you on the necessary tax as part of the transaction. Online calculators are also available:
https://www.tax.service.gov.uk/calculate-stamp-duty-land-tax/#/intro for properties in England
https://beta.gov.wales/land-transaction-tax-calculator for properties in Wales

Other costs:

- Additional legal fees may apply if the transaction is more complex, or additional work is involved, as detailed above.
- Legal costs for leasehold and new-build properties will also be higher, and will usually mean additional legal costs of £300 - £600 per property
- There may also be costs incurred for expenses such as indemnity insurance policies, which will all be specific to the transaction and cannot be anticipated in advance
- Leasehold properties will tend to involve fees to Freeholders and/or Managing Agents for registering your details as the new owners, which vary depending on the individuals / companies involved
- New-build properties tend to require you to pay a contribution to the builder's costs of the documentation. This tends to be between £100 - £200 including VAT