

SRA Transparency Rules

Residential Property

Nasser S. Reed and Mark N. Lyon are experienced solicitors specialising in Real Estate, Residential and Commercial. Both represent building owners, purchasers, and sellers.

Nasser and Mark also specialise in property transactions and handle all aspects of leasehold and freehold properties throughout the London area. Both are experienced in dealing with a range of issues, such as SPA Agreements and handling complex matters, including unwinding offshore structures.

Costs in residential property transactions

We will always liaise on a one-to-one basis with you at the outset of any instruction to agree on costs prior to undertaking any work.

It is important to us that you understand the costs associated with our instruction. Our residential property fees are straightforward based on our experience of dealing with challenging property transactions and the quality of our service.

Our Fees:-

On a purchase, our fees include:

- Taking instructions from you and verifying your identity, address, the source of your wealth and the source of the funds for the purchase
- Confirming our instructions to the seller's solicitor and requesting the contract and title documentation
- Reviewing and agreeing the contract for the purchase
- Examining the seller's title to the property (including the lease, if the property is leasehold)
- Carrying out and reviewing the searches, which include checking the records held by the local authority and water authority in relation to the property and also checks against databases relating to environmental matters and other searches that may be applicable
- Reviewing replies provided by the seller to the standard property information forms
- Reviewing the management information (if the property is leasehold)
- Raising enquiries with the seller in respect of any matters referred to in the above documentation that require clarification
- Complying with your mortgage lender's instructions (if applicable)
- Providing you with a comprehensive report in relation to the documentation received
- Dealing with exchange of contracts
- Preparing a completion statement setting out the sum we require from you in order to complete the purchase
- Undertaking the pre-completion searches
- Obtaining the funds from your mortgage lender (if applicable)
- Preparing the transfer deed and stamp duty land tax return for signature, together with any other applicable documentation
- Advice on joint ownership of the property (if applicable)
- Dealing with completion of the purchase and the transfer of funds to the seller's solicitors
- Submitting the stamp duty land tax return to HM Revenue and Customs

- Registering your ownership of the property (and the mortgage if applicable) at the Land Registry
- Registering your ownership of the property with the landlord (if applicable)

On a sale, our fees include:

- Taking instructions from you and verifying your identity and address
- Drafting and agreeing the contract for the sale
- Obtaining the title documents to the property from the Land Registry (including the lease, if the property is leasehold)
- Requesting the management information from your landlord or managing agents (if the property is leasehold)
- Dealing with enquiries raised by the buyer in respect of any matters referred to in the above documentation
- Advising you on how to deal with any issues that may arise
- Liaising with the estate agents and the landlord/managing agents throughout
- Obtaining a mortgage redemption statement from your lender (if applicable)
- Dealing with exchange of contracts
- Preparing a completion statement setting out the sum due to you on completion of the sale
- Agreeing the transfer deed with the buyer's solicitor
- Dealing with completion of the sale
- Dealing with the redemption of your mortgage (if applicable)
- Transferring the net sale proceeds to you

Please note that the following circumstances may require an increase in our fees:

- The value of the property
- The lease requires the consent of the landlord to the transfer of the property to you
- Your mortgage lender chooses to appoint their own solicitors, rather than instructing us
- The transaction has to be expedited
- A lease extension is required
- An exclusivity agreement is required
- There is a defect in the title
- The transaction involves the grant of a new lease
- There is more than one lease (if the property is leasehold)
- You require a declaration of trust or co-habitation agreement
- You are buying in the name of a company
- The property is not registered at the Land Registry
- The property is subject to a tenancy that will continue after completion
- Completion does not take place on the contractual completion date
- An indemnity insurance policy is required
- You require translation of any documentation
- You require tax advice
- You are buying or selling a shared ownership property
- You are buying or selling at auction
- There is an abnormal delay on the part of one or more of the parties to the transaction

Please note that the following items are not included within our fee:

- Arranging a survey of the property
- Arranging buildings insurance

- Advising you on the tax aspects of the transaction (though we are able to provide you with this advice for an additional fee)

We would be happy to put you in touch with surveyors, banks and insurance brokers who can assist you with these aspects of the transaction if you wish.

Transaction	Fees
Sale or purchase of a freehold property below £1m	£4,950
Sale or purchase of a leasehold property below £1m	£3,325
Sale or purchase of a freehold or leasehold property at £1m or above	Up to 0.33% of the sale price/purchase price. So, for example, in the case of a sale for £1.5m, the fee would be £4,950 plus VAT (20%) at £990.00 and the expenses of the transaction.
Sale and purchase	Where we are instructed simultaneously on both the sale and purchase of your main home, the aggregate of our fees calculated in accordance with the above formulas less a discount of £425.
Re-mortgaging	0.25% of the sum advanced under the re-mortgage. So, for example, in the case of a re-mortgage with an advance of £1.5m, the fee would be £3750 plus VAT (£750) and the expenses of the transaction.

All sums below are exclusive of VAT and expenses known as Disbursements are costs related to your matter that are payable to third parties, such as the Land Registry fees ranges from £20 to £1021 depending on the purchase price of the property. We handle the payment of the disbursements on your behalf to ensure a smoother process. for example, bankruptcy searches charged at £2, Land Registry fees and Stamp Duty Land Tax (SDLT) all of which are payable in addition to our fees.

Typical example of a Conveyancer's fee

based on a Purchase price of up to £1 million

Legal fee £3,325.00 plus 20% VAT at £665.00

Electronic money transfer fee £30 per transfer plus 20% VAT at £6.00

AML fee - £15 plus 20% VAT at £3

Subtotal £3370 plus 20% VAT at £674.00 (based on £3325 fee) total Costs to you is £4044

Disbursements See disbursements above on purchase of freehold Purchase price £1 million

- Search fees approximate £200 —as it depends on property location
- HM Land Registry fee range from £20 to £1021 depending on the purchase price
- VAT -20% at £40 if search fees £200

Refinancing

The foregoing fee structure does not apply to refinancing exercises involving mortgages and re-mortgages of more than one property. Re-mortgage work involving multiple properties will be assessed to take into account the total transaction value, any risk, the complexity of the security arrangements, the secured assets and the estimated hours of work.

Refinancing work may be offered on a fixed fee basis where appropriate or on a time-spent basis with or without a fee cap. Any fee arrangements are to be agreed in advance of commencing work.

Abort fees

Where a transaction aborts, fees will be charged either on a time spent basis (but subject to an overall limit of the fixed fee level) or on a pro rata basis (for example, where work is done on a fixed fee basis of say £4,500 and two thirds of the work is complete before the deal aborts, we would charge £3,000 plus VAT (20%) at £600 and expenses incurred).

Exceptions and qualifications

The above charges do not apply to dwellings whose construction is unfinished, or to apartments where lease extension work is involved or where there are extraordinary factors requiring additional work over and above a standard residential property transaction for example, if you require attendance at the property, inspection prior to exchange and attendance at completion to take handover of the property, such transactions will be charged on the basis having regard to time spent or likely to be spent on them at an average rate between £375 to £425 per hour.

As a norm, we do add on any additional fees where a mortgage is involved, but please note that if the lender/bank instructs its own solicitors, you may have to pay their fees in addition to those of Morgan Reed LLP Solicitors

Time scales

It usually takes between 4 to 6 weeks of a typical straightforward sale/ purchase transaction from the initial agreement of terms to the exchange of contracts (when both parties become legally bound to proceed with the sale and purchase), though it can be done within a day in certain circumstances, or it can take a few months.

Completion commonly takes place between 2 and 6 weeks after the exchange of contracts, but this depends on the date that is agreed between the buyer and seller.

The timeframe of 4 weeks for the exchange of contracts depends on a number of different factors outside our control, and any of the following may delay the exchange of contracts:

- Either party not providing relevant documentation or information promptly

- The local authority not returning the search result promptly, or the search revealing any issues that need to be resolved
- Delay in obtaining a mortgage offer (if applicable)
- If the property is leasehold, the landlord/managing agents failing to provide the required management information promptly
- Any defect in title that needs to be resolved
- Any delay in obtaining a survey or other related inspections
- Any related transactions in a chain

Stamp Duty Land Tax

This is payable on a purchase and the amount will vary depending on the price you pay for the property and whether you (or your spouse) own any other residential property, anywhere in the world .

If the property is in England, you can check the stamp duty land tax payable on the [HMRC website](#).

If the property is in Wales, you can check the land transaction tax payable on the [Welsh Revenue Authority website](#).