Case Study 2 – Our legal costs for a typical purchase

Ellie and Verity are buying a property to live in. They previously owned a flat together that they sold last year. The new purchase is a freehold house in Gravesend close to the station they commute from. They have had an offer accepted by the seller for £320,000. They have seen a financial advisor who has advised them they have a mortgage in principle agreed with Santander for the sum they need to borrow of £280,000. They are putting down the deposit and balance purchase price with legal costs from savings they have accumulated over the last 5 years.

Our legal costs for dealing with purchase	£1000
VAT on this @20%	£225
File opening, set up and on-boarding fee	£150
VAT on this @20%	£30
Our legal costs for dealing with mortgage	£175
VAT on this @20%	£35
Client identification costs (2 clients)	£26
VAT on this @20%	£5.20
File storage fee (storage for 6 years after sale)	£25
VAT on this @20%	£5
Land Registry fees	£150
Bank transfer fees (to send the sale monies on completion)	£35.75
VAT on this @20%	£7.15
Land registry search fee	£7.00
VAT on this at 20%	£1.40
Bankruptcy search fees	£24.00
VAT on this at 20%	£6.00
Searches (local, environmental and drainage)	£330.00
VAT on this at 20%	£66.00
Stamp Duty Land Tax (payable to HMRC on completion)	£6000
Our costs for completing SDLT return	£75.00
VAT on this at 20%	£15.00
Total	**£8397.30**

Notes – when some extra charges might apply

If either Ellie or Verity were receiving a gifted deposit from a family member then additional costs of £100+ vat + ID charges for the donor would apply per gift

If Ellie and Verity were contributing unequal sums to the purchase price and wanted to protect that by have a declaration of trust and additional cost for the Trust work would be £500+ vat.

If their mortgage was with a bridging company rather than Santander then additional legal fees for acting for this lender would be £1200+ vat.

If Ellie or verity already owned a property, and that property was not being sold higher rate Stamp Duty Land Tax would apply (an additional 3% of the purchase price would be levied by HMRC meaning an increase in SDLT from £6000 to £22,000