

PAYNE HICKS BEACH

SALE OF A LEASEHOLD RESIDENTIAL PROPERTY

Our fees cover all of the work required by us to complete the sale of the relevant leasehold interest. Details of what we will do are below.

Please note that what we charge, and the scope of works, will vary from deal to deal, depending upon a number of different factors. Each deal is bespoke and each client has different needs, requirements and attitude towards risk. These factors will inevitably affect how much time is spent on the relevant matter. The fees for a standard sale, as referred to below, are assessed on the value of the property, as it affects the amount of risk we take on, and the amount of work involved in the transaction. For avoidance of doubt our formal engagement letter will override the standard fees referred to here which are illustrative only.

FEES

Our fees for legal work

Our fees are normally calculated by reference to our hourly rates which are £475-£600 for partners, £475 for consultants, £350-445 for senior associates, £260-£320 for associates, £220-£230 for trainees and £50 for legal assistants, but fixed fees may be agreed in some circumstances. Value Added Tax and disbursements will be payable in addition.

We cannot give a reliable estimate for our costs until we have details of the intended transaction. However, below is an example of our fees for a leasehold sale:

Leasehold Sale: for a standard sale of a leasehold property in central London for a sale price of up to £2 million pounds, with the work done by a senior associate or an associate under the supervision of a partner, our fees would likely to be within the range of £5,250 to £8,500. Our fees, in addition VAT will be charged on our fees at 20% assume that:

1. The transaction 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;
2. The transaction is concluded in a timely manner (exchange of contracts occurring within 6-8 weeks of the initial instruction) and no unforeseen complications arise;
3. All parties to the transaction are co-operative and there is no unreasonable delay from third parties providing documentation or otherwise;
4. The sale is not an “off plan” sale as part of a new residential development;
5. No disputes arise;
6. There are no leasehold enfranchisement issues, being the extension of a lease or collectively purchasing the freehold;
7. The client is not based overseas which requires enhanced due diligence; and
8. There is no requirement for an expedited service.
9. If any of the above assumptions do not apply the transaction would be considered to be a non-standard transaction where we would provide a bespoke fee, in light of the bespoke nature of the work.
10. If landlord consent is required for the transfer of the lease, if a fixed fee was agreed, we will charge an additional fee on top. This will be charged on a time-spent basis.

Exclusions

Please note that our fee does not include any advice on the following:

1. Tax aspects (including Stamp Duty Land Tax);
2. Options for an efficient structure for you to hold the property;
3. Property finance; and/or
4. Compliance and conflict work.

If you require advice on the above elements, we would be happy to provide this advice, but this would be under a separate retainer and additional fees will be charged and agreed.

If the title is unregistered, we reserve the right to charge an additional fee.

Disbursements

Disbursements are costs related to the client's matter that are payable by us to third parties, such as HM Land Registry or search providers. We handle the payment of the disbursements on the client's behalf, but will require the client to send us money on account of these. These fees vary from property to property and can on occasion be significantly more than the figures given below. We can give the client an accurate figure once we have sight of specific documents relating to the client's transaction.

We have listed the common disbursements for this type of transaction below:

1. Land Registry Office Copies - £6-£20 (inclusive of VAT); and
2. Indemnity policies may be required in some circumstances. The cost of such policies will vary according to the issue and the value to be insured.

Scope of works and the steps involved in the process

1. Where required, applying for all appropriate property searches and putting together a comprehensive property pack so as to enable a sale of the property;
2. Drafting the sale contract and all related sale documentation;
3. Negotiating and settling the terms of the sale contract and reporting to the client on its terms;
4. Preparing and supplying replies to standard enquiries and dealing with any further enquiries which may be raised by the buyer's solicitors;
5. If necessary, obtaining landlord consent and agreeing the relevant licence or deed;
6. On the client's instructions, proceeding to exchange of contracts;
7. Settling the terms of the transfer of the property with the buyer's solicitors;
8. Arranging for the transfer to be executed and supplied in good time for completion;
9. Prior to completion, approving all appropriate apportionments, producing a completion statement and replying to the buyer's requisitions on title; and
10. Following completion, ensuring that all financial charges over the property are redeemed, and transferring appropriate redemption monies to the bank, and the balance to the client, as directed.

Likely timescales

The following are a guide only. Timing is very much led by the Bank and how quickly they respond to us:

1. Exchange of Contracts: this is usually within 8-10 weeks, if the assumptions under the section headed 'Fees' above apply; and
2. Completion: this is usually 20 days following exchange, but the parties can choose any completion date on exchange of contracts.

Please note that if landlord consent is required, both of the points above could be delayed.

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