

A young girl is standing on a light-colored wooden floor. She is wearing a bright pink, short-sleeved dress with a ruffled hem and black lace-up shoes. Her hands are clasped together in front of her. The background shows a dark wooden cabinet and a white wall.

# Guide to conveyancing fees

**There are a number of legal costs associated with buying or selling a home. haart has outlined some of the key ones that you will need to consider**

**haart**

## Mortgage valuation

A basic valuation costs the least of all because it is the most basic. Normally, a mortgage lender will insist you have a valuation done because it gives them basic information about the value of the property. It will advise them about some basic conditions of the property (e.g. what type of construction it is, what type of roads service the property).

## Arrangement fee

Arrangement fees became popular amongst lenders in the 1990s and are now a feature of most mortgage applications. In most cases, the arrangement fee is added to the loan on completion and so is not charged if the mortgage does not proceed. In some cases, the arrangement fee can be requested upfront, and is called a booking fee. This is common with some fixed rate mortgages, where you are paying the lender to secure funds for your application at a certain interest rate. Upfront arrangement fees and booking fees are usually not refundable.

## Higher lending charge

This is the cost of an insurance taken by the mortgage lender, but charged to the borrower, when the amount borrowed is a high percentage of the value of the property. When a mortgage lender agrees to lend against the security of property, the lender's major consideration is to avoid losing money. In order to reduce this risk, mortgage providers take out insurance to cover loans where a high percentage of the purchase price is to be loaned. Typically, if someone borrows less than 90% of the purchase price of a property, the provider does not seek further security, other than the property itself, as the likelihood of loss is low. Above this percentage and the provider is likely to insure against loss.

## Legal fees

Legal fees for the cost of the conveyancing are payable to the solicitor or licensed conveyancer. The fee charged by a solicitor is based on his time and the costs of legal registrations and miscellaneous costs (known as disbursements). Solicitors' fees vary from practice to practice. People selling an existing property have an additional charge to pay for the conveyancing of their existing property to a new buyer.

## Associated legal fees

There are various other legal costs, which are usually itemised by the solicitor on completion. These can include some of the following:

- Land Registry Fees, which are incurred in the transfer of ownership on the register from the old to the new owner.
- Stamp Duty.

Generally, once a solicitor has the basic information, he can often give an estimate of costs.

## Stamp Duty Land Tax

Stamp duty is a 'purchase tax' charged by the Government. It is charged when documents are legally completed in the UK. Stamp duty is charged when you buy a property costing more than £125,000. The cost is worked out as a percentage of the purchase price of the property and the rate is charged on a scale.

up to £125,000	= 0%
£125,001 - £250,000	= 1%
£250,001 - £500,000	= 3%
£500,001 - £1,000,000	= 4%
£1,000,001 and over	= 5%

Your property may be repossessed if you do not keep up repayments on your mortgage.

Our typical fee for arranging a mortgage is £495. The actual amount payable will depend on your circumstances.

To find out more about our conveyancing fees please call 0845 899 9999 **8am-10pm everyday**