

# Mackenzie Jones Solicitors Price Transparency Guidance

## Introduction

As your trusted advisers you can be assured that your matter will be dealt with efficiently and effectively. At Mackenzie Jones Solicitors we work with our clients to provide cost effective solutions to whatever legal challenge is facing them.

Our excellent client feedback tells us that our pricing structure is both reasonable and flexible in meeting our client's needs.

No two cases are however the same. What we can assure you is that at the outset of your case and throughout there will be no surprises.

## The new Transparency Rules

The Solicitors Regulatory Authority's aim with the launch of their new Transparency Rules is to make sure consumers have the information they need to make an informed choice of legal services provider, including understanding what the costs may be. Whilst at Mackenzie Jones we fully support this aim we consider that there is far more a client wishes to know other than price. At Mackenzie Jones we pride ourselves on our relationships with clients. Our aim is to work with you as a team to achieve your goals. We have provided legal services to the people and businesses of North Wales for over 20 years. Our success is due to our professionalism and our ability to get the job done. Our track record speaks for itself.

We encourage all of our clients and prospective clients to contact us to discuss their matter. The SRA price transparency rules only go so far and we are confident that we can achieve the right result for you at a price you will be happy with.

## Price Transparency by Practice Area

### **Purchase of Residential Freehold property**

Unlike many budget providers, our fees cover all of the work required to complete the purchase of your new home, including dealing with registration at the Land Registry and dealing with the payment of Stamp Duty Land Tax (Stamp Duty) if the property is in England, or Land Transaction Tax (Land Tax) if the property you wish to buy is in Wales.

We band our fees based upon the value of the property you intend to purchase. The fee range is shown below. Please contact our friendly team who will be happy to discuss your case with you. As a word of warning, please be careful not to be confused by other providers promise of low fixed fees.

### **Purchase - Conveyancer's fees and disbursements**

Depending upon the value of the property legal fees range from £500-£1,000 plus VAT for property purchases up to the value of £600,000. Average fees for properties over £600,000 can range from £1,000 to £1,550 plus VAT.

#### **Conveyancer Fees**

Lender Admin Fee £150.00 plus VAT £30

If Help to Buy Wales additional Lender Admin Fee £150.00 plus VAT £30

Stamp Duty/Land Transaction Tax form completion fee £150.00 plus VAT £30

Electronic money transfer fee £37.50 plus VAT £7.50

## **Disbursements**

Search fees approx. £204 to £400.

HM Land Registry fees range from £40 to £590 depending upon property value

LMS Panel Fee £10.00 this is payable if your chosen mortgage company is part of the LMS panel

Lawyer Checker search if applicable £22.00 in the event of unknown Solicitor involvement. We use Law Society Search – free

Disbursements are costs related to your matter that are payable to third parties, such as Land Registry fees. We handle the payment of the disbursements on your behalf to ensure a smoother process.

Stamp Duty or Land Tax (on purchase)

This depends on the purchase price of your property. You can calculate the amount you will need to pay by using HMRC's website or if the property is located in Wales by using the Welsh Revenue Authority's website <https://beta.gov.wales/welsh-revenue-authority>

Should the above fees /disbursements be any different you will be advised accordingly.

## **How long will my house purchase take?**

How long it will take from your offer being accepted until you can move in to your house will depend on a number of factors. The average process takes between 8 to 15 weeks.

It can be quicker or slower, depending on the parties in the chain. If there is no chain and you are not purchasing with a mortgage the process can be quicker. If you are purchasing a new build property with a mortgage in principle, it could take 7-10 months depending upon the build process which is beyond our control. However, if you are buying a leasehold property that requires an extension of the lease, this can take significantly longer. In such a situation additional charges would apply.

## **Stages of the process**

The precise stages involved in the purchase of a residential property vary according to the circumstances. However, below are some key stages included:-

- Take your instructions and give you initial advice
- Check finances are in place to fund purchase and contact lender's solicitors if needed
- Receive and advise on contract documents
- Carry out searches
- Obtain further planning documentation if required
- Make any necessary enquiries of seller's solicitor
- Give you advice on all documents and information received
- Go through conditions of mortgage offer with you
- Send final contract to you for signature
- Agree completion date (date from which you own the property)
- Arrange for all monies needed to be received from lender and you
- Exchange contracts and notify you that this has happened
- Complete purchase
- Deal with payment of Stamp Duty/Land Tax
- Deal with application for registration at Land Registry

Our fee assumes that:

This 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, the transaction is concluded in a timely manner and no unforeseen complications arise. That all parties to the transaction are co-operative and there is no unreasonable delay from third parties providing documentation. That no indemnity policies are required. Additional disbursements may apply if indemnity policies are required.

In the event that the property is **leasehold** then separate charges will apply.

### **Purchase of a leasehold residential property Conveyancer's fees and disbursements**

These are as outlined above for a residential purchase with an additional cost of £200 to £400 plus VAT depending upon the value of the property for purchases up to the value of £600,000.

### **Disbursements leasehold residential property**

Disbursements are costs related to your matter that are payable to third parties, such as search fees. We handle the payment of the disbursements on your behalf to ensure a smoother process. There are certain disbursements which will be set out in the individual lease relating to the Property. The disbursements which we anticipate will apply are set out as above and also separately listed below. This list is not exhaustive and other disbursements may apply depending on the term of the lease. We will update you on the specific fees upon receipt and review of the lease from the seller's solicitors.

### **Additional leasehold Anticipated Disbursements\***

Notice of Transfer fee – This fee if chargeable is set out in the lease. Often the fee is between £100 to £300.

Notice of Charge fee (if the property is to be mortgaged) – This fee is set out in the lease. Often the fee is between £100 and £300.

Deed of Covenant fee – This fee is provided by the management company for the property and can be difficult to estimate. Often it is between £150 and £500.

Management company fees

Certificate of Compliance fee - To be confirmed upon receipt of the lease, as can range between £100 to £400.

\*These fees vary from property to property and can on occasion be significantly more than the ranges given above. We can give you an accurate figure once we have sight of your specific documents.

You should also be aware that ground rent and service charges are likely to apply throughout your ownership of the property. We will confirm the ground rent and the anticipated service charge as soon as we receive this information.

### **Sale residential property - Conveyancer's fees and disbursements**

Depending upon the value of the property legal fees range from £500 to £950 plus VAT for property sales up to the value of £600,000.

**Conveyancer's fees** as outlined above.

### **Disbursements**

Office Copies £8-£45

Additionally, if the property is **leasehold** you may need to pay for a management pack from the Management Company or freeholders, the cost of which varies.

### **Probate**

## Obtaining a Grant of Probate or Letters of Administration ('Grant of Representation') Only

If you want to carry out the majority of the administration of the estate, this might be the option for you. We call this our 'Grant only option'.

As part of this service we will:

- meet with you to take your instructions including identifying the legally appointed executors or persons entitled to take out the Grant of Representation based on information you give us;
- complete the Grant of Representation application paperwork and meet with you again to sign the documents;
- make the application to the Probate Registry; and
- obtain the Grant of Representation and send this to you (or arrange for you to collect it)

This process takes on average 3 to 4 months. It could take longer if there are delays at the Probate Registry. This work will be carried out by or under the supervision of an experienced solicitor.

Our costs for this service will depend on the circumstances. In respect of a simple grant only application our fee would be £900 plus VAT (£1,080). This simple grant only would be on the following conditions:

- i. You provide identification documents for you and any other executor or administrator;
- ii. You let us have an original death certificate;
- iii. We hold the original Will or you provide the original Will and there are no issues relating to its validity, condition or appointments as to executor;
- iv. You provide a schedule of assets and liabilities which sets out the values as at the date of death and how they are owned. This must be supplied at the first meeting or shortly afterwards;
- v. You provide details of all gifts made 7 years preceding death, including the date and the person who received the gift. This should be provided in a schedule at the first meeting or shortly afterwards;
- vi. The gross value of the estate including gifts made in the preceding 7 years do not exceed £325,000 (or £650,000 if the deceased is a surviving spouse or civil partner);
- vii. The value of lifetime gifts do not exceed £150,000;
- viii. There are no assets held in Trust or ceasing to be held in Trust within 7 years preceding death;
- ix. The deceased was domiciled in Wales or England;
- x. There are no foreign aspects;
- xi. There are no disputes.

In more complex cases, where all of the above apply except (vi) and no Inheritance Tax is payable but additional Inheritance Tax accounts are required (such as to claim a residence nil rate band, transferable residence nil rate band, agricultural property relief or business property relief) then our charges increase from £900 plus VAT to between £1,250-£1,500 plus VAT (£1,500-£1,800) depending on the work required.

In cases which do not meet the requirements in (i)-(xi) and in particular where it is necessary to complete Inheritance Tax Account IHT400 and arrange to pay the Inheritance Tax due from a single account, our charges would be between £2,000-£4,000 plus VAT (£2,400 - £4,800) depending on the work required.

If you request us to carry out additional work, we will agree additional charges with you. These are normally calculated based on the time spent working on your instructions at the hourly rate of the person(s) acting on your behalf. We would provide you with an estimate before undertaking such work.

The disbursements that we would incur on your behalf regardless of the type of application, are a Probate Registry Fee of £300.00 and £1.50 per copy of the Grant of Probate. You might incur valuation costs in obtaining information required to complete the tax account such as property or share valuations.

## Administration of an Estate

If you would like a more comprehensive service where we assist in all aspects of the estate administration, we would agree a fee on an individual basis once the extent and the nature of the assets of the estate have been identified and you have confirmed instructions of the level of work you wish us to carry out on your behalf.

There are two elements to the fee that we may charge. The first is calculated by reference to time spent working on the estate and the second part by reference to the value of the estate (which may or may not be included).

Because of the vast difference in estates and the amount of involvement you want to have the fee may vary greatly. We therefore offer an initial appointment to discuss your requirements.

Our fees normally range between 2% - 4% of the value estate but are often based on time spent only and are necessarily charged by reference to a percentage. In some circumstances a percentage may be charged in addition to fees but this would be agreed with you first. Where an estate is very straightforward, the fees may be less and in some cases, we will charge a fixed fee. However, please understand that this is only a general indication and where an estate is complex, or has many assets for example, the fees may be higher. Each estate is as unique as the person whose estate it is.

Our charges will be calculated mainly by reference to the time actually spent by the solicitors and other staff in respect of any work which they do on your behalf.

The current hourly rates are set out below. We will add VAT to these at the rate that applies when the work is done. At present, VAT is 20%.

Solicitors with over 15 years post qualification experience	£500.00
Solicitors with over 8 years post qualification experience	£350.00
Solicitors with over 4 years post qualification experience	£250.00
Other Solicitors/Legal Executives	£200.00
Trainee Solicitors/Legal Executives	£150.00

These hourly rates have to be reviewed periodically to reflect increases in overhead costs and inflation. Normally the rates are reviewed with effect from 1 April each year. If a review is carried out before this matter is concluded, we will inform you of any variation in the rate before it takes effect.

The percentage rates are:

**0.5% of the gross value of the deceased's residence**  
**1% of the gross value of the remainder of the estate.**

The percentage rates where Mackenzie Jones have been appointed as Executors are, as follows:

**0.75% of the of the gross value of the deceased's residence**  
**1.5% of the gross value of the remainder of the estate.**

We do not always charge the value element. In making a decision, we will consider the circumstances of each case and make an assessment of risk.

We usually assess a matter on a complexity basis, and below details our potential range of fees (please note a full quotation is provided once full estate instructions are received):

A low complexity case will cost between **£2,500 to £6,000 plus VAT** (£3,000 to £7,200) **and disbursements**.

A medium complexity case will cost between **£6,000 to £15,000 plus VAT** (£7,200 to £18,000) **and disbursements**.

A high complexity case will cost between **£15,000 to £100,000 + plus VAT** (£18,000 to £120,000) **and disbursements**.

As part of our fees we will:

- meet with you to take your instructions including identifying the legally appointed executors or persons entitled to take out the Grant of Representation based on your family information (in some cases we will instruct a genealogist to assist in this process); and.
- consider papers supplied by you in relation to the actual or potential assets and liabilities of the estate;
- contact institutions with whom an asset or liability may be held or owed and obtain their confirmation and details of papers required to be completed to encash or transfer;
- prepare the Grant of Representation application paperwork and any Inheritance Tax accounts required by HMRC. Claim any Inheritance Tax allowances available and calculate the amount of Inheritance Tax due (if any). Complete the paperwork and provide an update regarding the administration of the estate (this can be done in person or via an alternative method of communication);
- arrange the payment of Inheritance Tax due from estate assets; obtain Grant of Representation;
- collect all of the estate assets and settle liabilities;
- distribute pecuniary and specific legacies;
- apply for HMRC clearance certificate (if required);
- prepare Estate Accounts for executors / administrators and supply copies or obtain residuary beneficiary approval; and
- distribute residuary estate.

On average dealing with the administration of an estate can take between 9-12 months dependent upon the circumstances for example, if property needs to be sold it can take longer. This work will be carried out by or under the supervision of an experienced solicitor.

In addition to our fees there are the following expenses which are incurred in estates:

- Probate Registry fees of £300.00 to obtain the Grant plus £1.50 for each sealed copy of the Grant you require.
- Inheritance Tax which in general terms is charged at the rate of 40% (36% in certain circumstances) upon the net estate for Inheritance Tax purposes after deduction of available tax allowances.
- Land Registry fees for obtaining official copies of the register - £3 per title/plan.

If a member of the firm is appointed as an executor, then we would incur the following additional expenses:

- Certainty Will register search – £120 plus VAT approximately.
- Lost assets search – £200 - £300 plus VAT approximately.
- Statutory advertisements for creditors – £200 plus VAT approximately.

These expenses are optional if a member of the firm is not an executor, but it may be in your best interests if you are an executor to incur these expenses to show that you have properly administered the estate.

Sometimes additional expenses may be incurred such as fees to sell assets such as property, personal possessions or shares. There may also be Income Tax, Capital Gains Tax and accountant expenses. If there are international aspect their may be currency and banking charges.