



A I · L A W

Pricing Guide

- Property

This guide is intended for internal use only as a reference to assist on quoting for work. It is not an exhaustive list.

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FEES BY MATTER TYPE:

The price list provides a guide for the firm's prices for various particular matters.

Freehold Purchase

Leasehold Purchase

Freehold Sale

Leasehold Sale

Administration Fees

PROPERTY: CONVEYANCING

The following information applies to the purchase of freehold residential property on behalf of members of the public (that is to say, individuals).

Basis of our charges

The main factors which determine our charges are the following:

1. The value of the property (because this affects the amount of risk we assume)
2. The amount of work involved. This will be influenced by the presence of any complicating factors (see below)
3. In some instances, the location (London is to be priced differently to regional property)

- **Sale and purchase**

Where we are instructed to act on a sale as well as a purchase, we will charge a separate fee for the sale on the basis that they are two separate (but usually co-ordinated) transactions. The fees for the sale element are set out elsewhere on this website and will depend on whether the second property is freehold or leasehold.

Fees for “standard” transactions

The fees we quote cover all of the work we do (but not the third party expenses we incur) to complete the purchase, including dealing with registration at the Land Registry and arranging for payment of Stamp Duty Land Tax (if the property is in England) or Land Transaction Tax (if the property is in Wales). In the event that a transaction is complex or becomes protracted we reserve the right to charge more. We must speak with the client if such instance may occur during the transaction.

Please see the section below for likely third party expenses.

Freehold Purchase

For a standard freehold purchase, our fee ranges are as set out below:

Value of property and range of typical fees

- **Up to £250,000**
£750 plus VAT and disbursements, or £900 plus VAT and disbursements for overseas clients (difference due to potential enhanced KYC and AML checks).
- **£250,001 - £500,000**
£800 plus VAT and disbursements, or £950 plus VAT and disbursements for overseas clients (difference due to potential enhanced KYC and AML checks).
- **£500,001 - £1m**
£900 plus VAT and disbursements, or £1,200 plus VAT and disbursements for overseas clients (difference due to potential enhanced KYC and AML checks).

Bespoke quotes are given for properties valued at over £1m.

For a standard freehold purchase of property located in the London area, our fee ranges are as set out below:

- **Up to £1m**
£1,500 plus VAT and disbursements.
- **£1,000,001-£1,500,000**
£1,950-£2,250 plus VAT and disbursements.
- **£1,500,001-£2,000,000**
£2,350-£2,650 plus VAT and disbursements.
- **£2,000,001-£2,500,000**
£3,500 plus VAT and disbursements.
- **£2,500,001-£3,000,000**
£3,800 plus VAT and disbursements.

- **£3,000,001-£3,500,000**
£4,450 - £5,000 plus VAT and disbursements.
- **£3,500,001-£4,000,000**
£5,500 - £6,000 plus VAT and disbursements.

The fee ranges quoted above assume that the transaction is a standard one in the sense that:

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

Non-standard transactions

The fee table above does not apply to non-standard transactions, which are ones which feature one or more of the following complicating factors:

COMPLICATING FACTOR	FEE (£)
being required to liaise with separate solicitors for your mortgage lender	250
the property is unregistered	200
the property is a new build	200
there is a requirement for Islamic finance	500
a shared ownership scheme is involved	500
there is a help to buy scheme element	250
there is an ISA involved	200
the purchase is taking place under the right to buy legislation	200

the property has been repossessed

For
Litigation
Dept.,

the purchase is taking place at an auction

No extra

where our client is based overseas or is a company, as this will usually involve enhanced due diligence

150

Third Party Expenses

Typically, the following expenses will be incurred on the client's behalf. These are in addition to our own fees:

- Search fees – £150-£500 (the precise amount depends on the local authority). You can obtain a quote from our search provider and send the quote.
- HM Land Registry fees – the amount will depend on the purchase price. [Details of these fees can be found here.](#)
- Stamp Duty Land Tax/Land Transaction Tax – This depends on the value of your property. [You can calculate the amount by using HMRC's website \(or, in the case of Land Transaction Tax where the property is in Wales\).](#)
- VAT at 20% is chargeable on all our fees no matter where the client is based.

TYPICAL STAGES OF THE PURCHASE PROCESS

The precise stages involved will vary according to the circumstances. However, they will typically include the following:

- taking your instructions and giving you initial advice
- checking finances are in place to fund the purchase and contacting any lender's solicitors if needed
- receiving and advising on contract documents
- carrying out various searches
- obtaining further planning documentation if required
- making any necessary enquiries of the other party's solicitor
- advising you on all documents and information received
- going through conditions of any mortgage offer with you
- sending final contract to you for signature
- agreeing completion date (date from which you will own the property)
- exchanging contracts and notifying you that this has happened
- arranging for all monies needed to be received from lender and you
- completing purchase
- dealing with payment of Stamp Duty/Land Tax
- dealing with application for registration at Land Registry

Leasehold Purchase

A leasehold purchase will incur those expenses listed on freehold purchase section and the expenses below specific to leasehold purchases:

ACTION	FEE (£)
Lease Supplement Fee	250
Notice of Transfer Fee – This fee is chargeable as set out in the Lease.	
Notice of Charge Fee Disbursement – This fee is chargeable as set out in the Management Pack	

Deed of Covenant Fee - This fee is chargeable as set out in the Lease and/or Management Pack

Certificate of Compliance Fee - This fee is chargeable as set out in the Lease and/or Management Pack

Freehold Sale

The following information applies to the sale of freehold residential property on behalf of members of the public (that is to say, individuals).

Fees for “standard” transactions

The fees we quote cover all of the work we do (but not the third party expenses) to complete the sale, including repaying a mortgage if any out of the proceeds.

Please see the section below for likely third party expenses.

For a standard freehold sale, our fee ranges are as set out below:

Value of property and range of typical fees

- **Up to £100,000**
£650 plus VAT and disbursements.
- **£100,001 - £350,000**
£700 plus VAT and disbursements.
- **£350,001 - £500,000**
£750 plus VAT and disbursements.
- **£500,001 - £750,000**
£800 plus VAT and disbursements.
- **£750,001 - £1,000,000**
£900 plus VAT and disbursements.

For Property located in the greater London area fees shall be:

- **Up to £1,000,000**

£900 plus VAT and disbursements.

Bespoke quotes should be provided for properties valued at over £1m.

The fee ranges quoted above assume 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 or the preparation of additional documents ancillary to the main transaction;
- the transaction is concluded in a timely manner and no unforeseen complications arise;
- all parties to the transaction are co-operative and there is no unreasonable delay from third parties providing documentation;
- no indemnity policies are required. Additional disbursements may apply if indemnity policies are required.

Non-standard transactions

The fee table above does not apply to non-standard transactions, which are ones which feature one or more of the following complicating factors:

COMPLICATING FACTOR	FEE (£)
The property is unregistered	Bespoke
A shared ownership scheme is involved	250
There is a help to buy element	200
The property is being sold at auction (fee to prepare auction pack)	100 plus usual fee

Leasehold Sale

A Leasehold Sale will incur those expenses listed on freehold sale section and the expenses below specific to leasehold purchases.

ACTION	FEE (£)
Lease Supplement Fee	£250
HM Land Registry fees for copies of register, filed plan and any deeds: £3 per copy	
Notice of Charge Fee Disbursement – This fee is chargeable as set out in the Management Pack	
Deed of Covenant Fee - This fee is chargeable as set out in the Lease and/or Management Pack	
Certificate of Compliance Fee - This fee is chargeable as set out in the Lease and/or Management Pack	

TYPICAL STAGES OF THE SALE PROCESS

The precise stages involved will vary according to the circumstances. However, they will typically include the following:

1. Preparing the sale contract and approving and/or negotiating the transfer of the property
2. Collating the supporting documentation
3. Obtaining a mortgage repayment statement if applicable
4. Preparing replies to additional and/or further enquiries raised by the buyer's solicitors
5. Dealing with exchange of Contracts
6. Approving the draft Transfer Deed
7. Preparing Financial Statement to you
8. Attending to any applicable post completion matters, including arranging to redeem any current mortgages over the property on your behalf from the proceeds of sale, settling the estate agents' fees, on your behalf from the proceeds of sale and arranging to transfer the net proceeds of sale to you.

Administration Fees

In addition to the Conveyance fee, the following administration fees shall apply:

ACTION	FEE (£)
Bank Transfer Fee	£40
HMRC SDLT Return Administration Fee	£75
HM Land Registry Registration Administration Fee	£40
HM Land Registry Notice Filing Administration Fee	£20

METHODS OF CHARGING

There are different methods to use when quoting, depending on the type of instruction. You can either:

- 1. Charge by the hour;**
- 2. Quote an estimate based on reference to your hourly rate and likely time to be spent on such instruction;**
- 3. Quote by reference to similar instructions you or the firm have done in the past.**
- 4. Quote a fixed fee.**

You can also consider the value of the underlying transactions as a factor. For example a purchase of property worth 10m should be considerably more than a purchase of property worth 100k.

1. Hourly Rate:

The traditional method for charging by a law firm.

Each fee earner has an hourly rate.

Our hourly rates are currently:

Partner	£295
Senior Solicitors (more than 4 years post qualification experience)	£255
Solicitors and Legal Executives (less than 4 years post qualification experience)	£195
Trainee Solicitors	£140

If charging on an hourly basis, the general engagement letter should be used including our rate table and a sentence to the effect of:

“I aim to give you the best information that I can about the legal costs which will be incurred and I will update this as the matter progresses.”

It is not always appropriate to charge by the hour. But, even where a matter is not charged by the hour, it can act as an indicator of the level of quote based on how long an instruction is likely to take.

An hourly rate is most relevant to litigation matters. It is important in litigation as cost awards in a case are based on time spent.

2. Fixed Estimate:

Clients do not like open-ended and want some idea upfront cost at the outset. Sometimes the amount of work at the outset is not always known, therefore an estimate is the best option. An estimate can be given based on the price for a previous or similar matter, or with reference to likely time spent. You can give an estimate based on what you know an instruction will involve, market rate, discussion with senior fee-earners or reference to this guide.

3. Fixed Fee:

A fixed fee gives transparency and peace of mind to a client. It is suitable for self-contained instructions that can be repeated, such as a conveyance, or drafted a commercial contract. It is important to still include a caveat for charging more in the event that a matter was to become complicated.

GENERAL RULES ON QUOTING:

1. Traditional Hourly rate for litigation;
2. Fixed fee estimate with hourly rate as a guide for non-contentious commercial matters;
3. Fixed fee for conveyancing and other standalone transactions.

and remember:

4. Higher pricing to present premium brand image and attract right clientele.

Formulating a Fee to Quote:

When asked to provide a fee quote, it is helpful to get as much information as possible about the matter before quoting them.

Certain circumstances may mean that a matter that is usually straight-forward is actually more complicated and your fee quote should reflect this.

Factoring such complications into your fee quote from the beginning means that the client will know what to expect from the outset (such as potential additional work or delay).

It is fine to give a quote subject to certain events happening (e.g. *“The price estimate is X but in the event that it is necessary to do [extra] the price will be Y.”*)

VALUE BASED PRICING:

Its important to think about the underlying value of a matter to the client.

For example a client will not be willing to pay £5,000 for a debt recovery matter worth £100, no matter how good the service is. Sometimes you just have to take a view.

If complications do arise, you should inform the client as soon as possible of the likely increase in amount of work. The firm’s engagement letter should always include a sentence to say that *“we reserve the right to charge more in the event that things*

should become protracted or more work than expected becomes necessary”.

You can formulate a quote by reference to previous similar instructions you may have acted on or if it is something new, by breaking down what the instruction consists of and then considering how many hours it will likely take. If an instruction relates to something very valuable, then there is more risk.

USING DISCRETION

There is often a need for discretion in quoting. For instance when quoting a repeat client. The fee brackets given in this fee guide below give an idea of the range to quote within for a certain matter. Click here to see [below](#).

You should look to add a premium charge to instructions that have high value or higher risk (for example acting on the conveyance of a multi-million pound London property compared to an average priced property).

- *We want to ask ourselves the following Q's when quoting:*
 - *How long will it take me (using hourly rate as a guide);*
 - *What is the value this will add to the client. This Q is key – a client is not going to spend 10 hours of work on a debt recovery matter worth £100. In this case a lower level fee earner can be offered, if it is not worth the time.*

WHAT PRICING SAYS ABOUT OUR FIRM:

Price says a lot. A cheap price can be disruptive and let a company take a share of the market, or sometimes it can just make it seem...cheap. Expensive denotes luxury and premium.

For some instructions we cannot justify a price over a certain amount because a client would not be willing to pay it, no matter how good a service we may provide.

On the other hand, we cannot be cheap. It is not worth the time and it paints the wrong brand image.

A client that always wants discount may not be worth the effort.

Remember that an instruction has the same risk (risk of liability in negligence) whether we charge £10 or £10,000. We have to factor in the value of the underlying transactions when formulating a quote.

In general, we want to ensure that:

1. Our prices are high enough that they denote “premium”;
2. Our prices are fair so to give the client value;
3. We never price ourselves out of the market.

OUR ETHOS REGARDING PRICE:

Always keep in mind our ethos when pricing:

We seek to add value to our clients. We always look to agree a fee that both parties are reasonably happy with (it has to work for both the client and for us). We achieve this by using our methods for quoting and referring to the fee guide and brackets below.

BILLING:

Money on Account:

If you do not know a client, you should request funds on account before acting for them. A guide is to request a fee commensurate to 10% of the overall fee, or if there are disbursements to be paid out, ensure that you receive the disbursement costs on account.

Obtaining money on account is always preferred and if money can be requested on account then this should be done. Standard practice or types of matters may not allow for this.

Disbursements:

If there are disbursements to be paid as part of the instruction, you should request funds on account to cover this. Please obtain authority prior to paying disbursements if money is not on account.

This Guide:

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have any questions about this guide or anything related to it, or are unsure as to what to quote on a specific matter, please consult with the relevant senior fee-earner, partner or tme@ai-law.co.uk.