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House Buying Costs including Conveyancing

Many buyers under-estimate the total **house buying costs**, therefore we have put together some information as listed below.

Deposit to purchase the property

For many, especially first time buyers, this is one of the most difficult house buying costs to find. In the past some lenders would consider lending the entire purchase price with a 100% mortgage, whilst others would offer up to 95% of the value of a home. These days with the economic climate which most lenders now face, this is no longer the case. Although lending conditions are easing slightly a deposit of 10% -15% of the purchase price will usually be required. Larger deposits of up to 25% are often required for new build flats and apartments.

Stamp Duty

This is a tax payable on any property costing more than £125,000 and is paid to HM Revenue & Customs by your Solicitor upon completion of the purchase. The cost is a percentage of the value falling within these bands:

- **Up to £125,000 nil**
- **£125,000 – £250,000 1% (£1,250 – £2,500)**
- **£250,000 – £500,000 3% (£7,500 – £15,000)**
- **£500,000 – £1 million 4% (£20,000 – £40,000)**
- **£1 million+ 5% (50,000+)**

Exceptions:

For properties located in 'disadvantaged areas' the starting threshold is £150,000.

Legal Fees

A solicitor or licensed conveyancer will need to act for you in the purchase. They will make all of the necessary legal requirements to transfer ownership of the property to you. Depending on the property price you should budget for fees of £400 – £700 (**often much less when you use Conveyancing Marketing Services**). On top of this you will have to pay '[disbursements](#)' which are paid to other organisations for local, environmental and water searches, and to the Land Registry who record your new ownership of the property. Depending on your local council the range of these costs is £250 – £300.

Survey / Valuation Fees

All mortgaged property whether it be a house or flat needs to be valued by an independent surveyor / valuer. A basic valuation report is needed by the lender, but a more detailed survey is often recommended for the buyer. Fees are usually on a sliding scale based on the valuation, from around £250 up to around £400 for a £300,000 property.

Mortgage Fees

Mortgage fees are often charged by the lender for specific deals, such as fixed and tracker rates. These vary between £250 to £1,000 with more for some buy to let mortgages. Often the fee can be added to the loan and repaid over the life of the mortgage.

Additional security mortgage charge on the house

Where a lender grants a mortgage above a certain amount, often 75% of the valuation of the property, they are required to arrange for their own protection some 'additional security'. This is usually an insurance policy which would make good any losses they suffered in the event of a repossession and sale, where the sale price does not cover the mortgage debt.

Mortgage / Financial Adviser Fees

The process of searching and applying for the most suitable mortgage for the house is now much longer and more difficult than it used to be, and many mortgage advisers now make a charge for their professional services. Many also offer a choice of either a fee plus them keeping any commission received from the lender. Typical fees can be £200 – £700 where commission is receivable, or £1,100 – £1,400 where it is paid to you. The total costs of buying a

house will therefore vary depending on the price / value of the house and the above should only be taken as a rough guide.

[For Additional Services including Mortgages for Buy to Let Clients - Click Here](#)



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