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## **SOLICITORS CHARGES FOR COMMERCIAL CONVEYANCING**

**THE SOLICITORS (NON-CONTENTIOUS BUSINESS) REMUNERATION ORDER 1994 provides that costs shall be such sum as may be fair and reasonable to both solicitor and client having regard to all the circumstances** and in particular to:

- (a) the complexity of the matter or the difficulty or novelty of the questions raised
- (b) the skill, labour, specialised knowledge and responsibility involved
- (c) the time spent on business
- (d) the number and importance of the documents prepared or perused, without regard to length
- (e) the place where and the circumstances in which the business or any part thereof is transacted
- (f) the amount or value of any money or property involved
- (g) whether any land involved is registered land
- (h) the importance of the matter to the client and
- (i) the approval (express or implied) of the client to:
  - i. the solicitor undertaking all or any part of the work giving rise to the costs, or
  - ii. the amount of the costs.

If properly applied the Order produces a correct charge for the particular job - because no two cases are identical - in contrast to the "swings and roundabouts" method of a commission or scale.

In applying the relevant factors we make two calculations: We record all time spent on the matter in minimum units of one-tenth of an hour per item of work and cost that time at the rate of £215 per hour for a Director, £175 for a Solicitor, £125 for a Trainee Legal Executive and £95.00 for a clerk. The hourly rates are reviewed annually. If the matter proceeds to completion we add a value factor at 0.5% of the price up to £400,000, 0.375% on the next £600,000 and 0.25% of the next £1.5m. In the case of leasehold property the value factor referable to rent is calculated by taking one half of the yearly rent and multiplying it by the term of years, limited to 20 years for longer terms.

Having made the calculations we then have to consider if the resultant figure gives rise to a fair and reasonable charge. In most cases it will, but the charge may vary if any of the other factors mentioned in the order is of particular relevance. VAT at the standard rate has to be added to our fee. Unlike many other solicitors we do not add anything for travelling expenses, photocopying or the like, and any bank to bank transfer of funds by us is free of any charge by our bank.

**On a purchase** we have to make a search and enquiries of the District Council. The fees charged by councils vary. We may also be required to carry out other searches and fees charged vary between authorities and providers.

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On completing your purchase you have to pay Stamp Duty calculated on the entire price at 1% of the price if over £120,000 but no more than £250,000, 3% if more than that but no more than £500,000 and 4% if more than £500,000. Additional Duty may be payable on a new lease by reference to the rent payable.

We must register your purchase and any mortgage at H. M. Land Registry which charges scale fees of (for example) £60 for a purchase up to £70,000 and £800 for purchases in excess of £1 million. An additional fee is payable by reference to rent on the granting of a new lease.

**If you are raising a mortgage** most lenders will instruct us to act for them - but of course at your expense!

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