

The cost of buying a house and moving

This guidance is based on advice from the [Money Advice Service](#)

Wondering how much it costs to buy a house or a flat? There are a number of fees to consider when buying a new house, including the cost of moving home, your deposit and legal fees. This guide will help you plan for all of these when you work out your budget.

Make sure you have saved enough to cover all of these upfront costs.

These upfront costs include:

Stamp duty

[Use the Stamp Duty calculator](#) to work out how much you'll pay when buying your property in England or Northern Ireland.

Stamp duty is a government tax paid on homes costing £125,001 or more.

First-time-buyers will pay no Stamp Duty on the first £300,000 for properties worth up to £500,000.

As of April 2016, there is a 3% increase on top of current rates if you're buying an additional residential property above £40,000 such as a second home or buy-to-let property.

In Wales you will need to pay Land Transaction Tax.

In Scotland you will need to pay Land and Buildings Transaction Tax.

Deposit

Generally, the bigger the deposit you can pay, the more likely you are to be given a mortgage (subject to a mortgage affordability assessment), and the lower your interest rate is likely to be.

This is the amount you put towards the cost of the property when you buy your home.

On average, you need at least 5% to 20% of the purchase price (for example: £10,000 to £ 40,000 when buying a £200,000 home).

Valuation fee

The mortgage lender will assess the value of the property to establish how much they are prepared to lend you.

The cost can be £150-£1,500 based on the property's value.

Some lenders might not charge you for this, depending on the type of mortgage product you select.

The lender's valuation is not like a full structural survey so it might not identify all the repairs or maintenance that might be needed.

Surveyor's fee

Before you buy a property, get it checked by a surveyor.

This is vital so you understand if there are any problems before you buy.

Surveys range from a basic home condition survey costing around £250 to a full structural survey from £600 or more.

Paying for a good survey could save you money on repairs in the long run. We at Conveyancing Direct can help recommend a RICS Surveyor to you.

Legal fees

You'll normally need a solicitor or licensed conveyor to carry out all the legal work when buying and selling your home.

Legal fees are typically £850-£1,500 including VAT at 20%.

They will also do searches in the locality, which will cost you in total £250-£400, to check on planning and building regulations relating to the property, any issues recorded by the council against the property, environmental, flooding, drainage and other such important matters.

Once your requirements are known, Conveyancing Direct will give you a written, transparent estimate of legal fees and associated third party costs.

We will also give you a transparent, fixed price menu of optional legal services.

Electronic money transfer fees

Typically this costs £40-£50 each.

It covers the lender's cost of transferring the mortgage money from the lender to the lawyer, or the transfer of the purchase funds to the Buyer's lawyer, or the transfer of the sale proceeds to the Seller.

Land Registry fees

These are based on the value of the property and whether an application for registration of your ownership of your new home can be made electronically or not. These fees vary between £20 and £270.

Sellers need to budget for around £20 of Land Registry fees on their sale, to obtain up to date information on their property from the Land Registry.

Incidental items

It is virtually impossible for any Lawyer to predict every single incidental cost that might occur on your own unique sale or purchase – it is good advice to budget £150 for incidentals – you will only incur the cost if they are needed.

Estate agent's fee

This is only paid by the Seller, not the Buyer, for the estate agent's services.

It is negotiated by the Seller when they put the property on the market.

It is usually 1% to 2% of the sale price plus 20% VAT.

Mortgage costs

These might include:

- A Broker fee for organising and selecting an appropriate mortgage for you – up to £500
- Lender arrangement fee eg: on a limited offer on a fixed interest product - up to £2,000
- A mortgage valuation fee (£150 or more) – see above.

It's best to pay these upfront rather than adding them to your mortgage, otherwise you'll be paying interest on them for the life of the mortgage.

Leaseholders' costs

If you buy a leasehold property, you'll have to pay ground rent (around £50-£100 a year) insurance costs and service charges to the person who owns the land upon which the flat, apartment or housing association property is built. Service charges and admin fees differ between properties.

If the Seller has already paid for these in advance, you will be asked to reimburse the Seller for the relevant proportion from the date you move in.

There is likely to be upfront fees for the Seller to pay, to the landlord or management company, for the provision of up to date information for the benefit of the Buyer.

The Buyer is also likely to have to pay some costs to the Landlord or managing agent, to record the transfer of ownership, in accordance with the terms of the lease.

Because these costs can differ property by property, they are incredibly difficult to estimate upfront.

Summary

At Conveyancing Direct we believe in transparency, and we hope this guide helps you to budget with confidence.