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Tel: 020 8646 4885
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Dear Buyer,

We would like to help you get on the property ladder... without big legal bills.

We are offering reduced legal fees of **£450** + VAT (*usually £650*), to all shared ownership buyers. We want to make the process clear and straightforward from the start so we have set out a complete breakdown of costs - which is attached.

As a valued client of ours, you will also benefit from:

- 0 Free Online Case Tracking, so you can view your file online
- 0 Regular Email & Telephone updates
- 0 Friendly & Experienced Solicitors and Support Staff
- 0 A personal contact

We hope that you will choose us to look after your purchase. Please find attached our initial instructions form as well as costs information. If there is any further information you require please do not hesitate to contact us.

Yours sincerely,

Kelly Cirillo
Preuveneers LLP
Kelly@p-llp.net

Your Shared Ownership Purchase

Our Professional Charges	£450 + VAT
Stamp Duty	Dependant on Sale See attached notes
Land Registry Fee	£130-200
Drainage search	£52.17
Environmental search	£39.20
Bankruptcy Search per person named on the mortgage offer	£2.00
Land Registry Search	£8.00
Leasehold supplement	£75 + VAT
Acting for lender	£85 + VAT
Telegraphic Transfer Fee	£40 + VAT
Archiving Fee	£25 + VAT
Landlord's Registration Fee	£100 approx
Completion of SDLT1	£60 + VAT
Contribution towards Indemnity Insurance	£30 + VAT
Engrossment Fee	£100 + VAT
Approval of Mortgage Offer	£40 + VAT
Head Landlord's Notice Fee	TBC
Certificate of Compliance Fee	TBC

If you are happy to proceed, kindly complete and return the Initial Instruction Form to the above address. Or contact us by phone or email on 020 8646 4885 or legal@p-llp.net.

Stamp Duty Land Tax and your shared ownership purchase

As you may be aware there are several ways in which you can pay Stamp Duty Land Tax on your purchase, this letter provides you with information on your options so that you can make an informed decision on how to pay:

- **Option 1 - you can make a market value election whereby you choose to pay the full stamp duty land tax on the total value of the property now.**

The reason you may want to do this is you may have plans to staircase in the future whereby the election could save you money. Therefore the benefit of electing to pay stamp duty land tax on the initial market value is, if the market value increases you would benefit from paying stamp duty land tax on the lower market value. Please see example 1 below.

- **Option 2 - You can choose not to make a market value election whereby you only pay stamp duty land tax on the percentage you have purchased.**

The benefit of this is your initial percentage may be valued at less than £125,000 whereby there would be no stamp duty land tax payable on the initial purchase as the price falls under the stamp duty land tax threshold. Alternatively you may have no desire to staircase in the future whereby you would not be liable to any further stamp duty land tax. There are pitfalls to not making a market value election which can be seen in example 2 below.

If the total market value of your property is £125,000 or less you should make a market value election. What this basically means is that you elect to pay stamp duty land tax on the total value of the property rather than the percentage you are buying. The reason we suggest you make this election is stamp duty land tax is currently exempt for properties valued at £125,000 or below. Therefore if you make the election on the market value now we would submit a full return to H M Revenue & Customs on your behalf and you would not need to pay any stamp duty land tax now or at any time in the future should you wish to stair-case.

- ***Example 1***

Assuming the initial market value of your property is £220,000 of which you are buying 50% (for £110,000). If you made a market election on the market value of the property you would pay £2,200 in stamp duty land tax, being 1% of the market value. Should you then purchase the remaining 50% for £150,000 there would be no further stamp duty land tax payable. Had you not made the market election stamp duty land tax would be paid on the aggregate value of the purchase £260,000 and stamp duty land tax would be payable at 3% being £7,800.

- ***Example 2***

The initial market value of the property is £220,000 of which you purchase 50%. You do not make a market value election as such no stamp duty land tax is payable. At a future date you decide to purchase a further 25% for £90,000. As this is under the 80% qualifying band again no stamp duty land tax is payable. You subsequently decide to purchase the remaining 25% for

£120,000. Stamp duty land tax is now payable on the initial purchase price and the final purchase price (the middle stair-casing is exempt from stamp duty land tax).

The percentage of stamp duty is calculated on the aggregate purchase price £320,000 (£110,000 + £90,000 + £120,000). As such stamp duty land tax is calculated at 3%. You would therefore pay £6,900 in stamp duty land tax being 3% of the initial purchase price £110,000 and the final purchase price £120,000. Had you made a market value election you would have paid stamp duty land tax of £2,200 saving you £4,700 in stamp duty land tax.

Changes made by the budget on 24 March 2010

Following the budget on the 24th March 2010 the stamp duty land tax threshold for first time buyers has been increased to £250,000.00. This threshold only applies if you are electing to pay stamp duty on the full market value of the property. If you are a first time buyer and the full market value is less than £250,000.00 then we would advise you to make a market election to pay stamp duty as no stamp duty will be payable. If the market value is more than £250,000.00 should you choose to pay stamp duty on the full market value this will be calculated at a rate of 3%.

If the premium being paid for your share of your property is more than £125,000.00 then stamp duty land tax will still be payable on this premium at the value of 1%. Therefore if you were purchasing 50% of a property for £130,000.00 you would be liable to pay stamp duty of £1,300.00.

To take advantage of this change should you elect to pay stamp duty land tax on the full market value of less than £250,000.00 you must be able to confirm the following points:-

1. That your purchase is for an interest in land which is wholly residential.
2. That you intend to occupy the property as your only or main residence.
3. That you have not purchased any interest in land previously anywhere in the world. If you are purchasing in joint names neither of you can have owned an interest in land previously.

Preuveneers Initial instructions form

Name(s)	
Correspondence address	
E-mail	
Telephone	Home: Work: Mobile:
Details of property to be purchased	
Address	
Price	
Percentage (shared ownership)	
Financing of purchase	Deposit: Mortgage:

I/we confirm that I/we would like to instruct Preuveneers LLP in respect of my/our purchase of the above property.

Signed Dated.

Signed Dated.

**Please return the completed form to Preuveneers LLP, 103-105
London Road, Mitcham, Surrey, CR4 2JA legal@p-llp.net
Tel: 020 8646 4885 Fax: 020 8646 0191**