
OUR COMMERCIAL LEASEHOLD CONVEYANCING SERVICES

****ASSIGNMENTS OF LEASES****

****GRANTS OF NEW LEASES****

We mostly carry out leasehold conveyancing work for a fixed fee, which will be provided in a quotation setting out our legal fees and the additional costs we pay on your behalf and any applicable VAT and/or disbursement payments.

FIXED FEE COST CHARGING

Our fixed fee costs for commercial leasehold conveyancing services generally range from £1,000 to £1,500 or more for the legal fees themselves, but this can vary significantly depending on the complexity of the lease and whether you are the tenant or landlord. We will provide a tailored quote and exclude separate costs for disbursements like search fees, Land Registry fees, and Stamp Duty Land Tax (if applicable).

A typical leasehold transaction would include the following costs:

- The fees for our work (which are subject to VAT at the prevailing rate of 20%).
- Costs paid by us to third parties on your behalf.
- Stamp Duty that we pay on your behalf to the HMRC (if applicable).
- Costs (expenses and disbursements). An expense is a service or good purchased from a third party by us so that we are able to carry out legal work for you. Expenses will attract and incur a VAT charge. A disbursement is a cost addressed to you as a client. A disbursement may also attract and incur VAT, and we will let you know if this is applicable.
- A fee for searches of the Local Authority (if requested);
- Fees for bankruptcy searches;
- Fees charged by our bank for electronic money transfers, and
- Fee payable to Landlord such as the Notice of Transfer fee.

We will give you a more accurate quote after our initial consultation meeting with you. Any Agreed Fee or Fixed Fee information will be clearly set out in our Client Care Letter or initial consultation letter. There will be no hidden extra charges added on at the end of the transaction. We will never increase our fees for the scope of the work for which you have been quoted. If unforeseen complications or aspects of the transaction arise as your matter progresses which require additional work not

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included in our costs quotation, we will inform you of the additional fees for that extra work we will be required to undertake on your behalf.

Factors influencing the cost:

- **Lease complexity:** Simpler leases with no negotiation are cheaper. More complex arrangements, title reviews, or those requiring landlord negotiations will increase the cost.
- **Property value:** The total value of the property can influence fees, with higher values often resulting in higher costs.
- **Role:** The fee might differ if we are acting for the tenant or the landlord.
- **Additional services:** Costs can increase if we need to provide extra advice, such as on the Building Safety Act 2022, or handle additional documents.

What is typically included (and excluded) in a fixed fee quote:

- **Inclusions:** The fixed fee covers our professional legal work.
- **Exclusions:** Costs for disbursements such as search fees, Land Registry registration fees, and Stamp Duty Land Tax are typically separate and will be provided in the breakdown of the quote.
- **Negotiation:** We offer a fixed fee for simple leases without negotiation, while a more complex matter may require a best estimate or be charged on a specific property and transaction basis.

HOURLY RATE CHARGING

In some cases, we charge on an hourly rate basis. The hourly rates we charge will depend on the seniority and experience of the lawyer who has conduct of your matter and the expediency of your matter. We will tell you about who will be working on your matter in our Initial Assessment letter and their respective professional hourly rate. Our current hourly rates are within the ranges of:

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Virgo Solicitors Personnel Hourly Rates

Personnel	Hourly Rates	+ VAT @ 20%	Total (inclusive of VAT)
Partners	£300 - £400	£60 - £80	£360 - £480
Senior Associate Solicitor	£200 - £300	£40 - £60	£240 - £360
Associate Solicitors	£150 - £200	£30 - £40	£180 - £240
Assistant Solicitors	£100 - £200	£20 - £40	£120 - £240
Trainee Solicitors	£125 - £175	£25 - £35	£150 - £210
Solicitor Apprentice/Paralegal	£80 - £125	£16 - £25	£96 - £150

On average, most instructions may take between 5 - 20 hours of work to process and complete. Therefore, the average cost for such a matter may be within the range of £1,750 - £7,000 plus VAT @ 20% (Total inclusive = £2100 - £8400), if the work is done solely by a Partner and about £875 - £3,500 (Total inclusive = £1050 - £4200) if the work is undertaken by other personnel other than a Partner or Senior Solicitor.

There are certain factors that may vary our costs quotation for our leasehold conveyancing services. These include:

Factors related to the Case:

- **Case Complexity:** More complex matters require more time for research, evidence review, and legal understanding, increasing costs.
- **Volume and Type of Documents:** A large volume of documents to review or complex documents to draft will significantly increase costs.
- **Need for Expert Advice:** If the case requires specialist reports (e.g., surveyor's report), this will add to the total expense.
- **Unforeseen Complications:** Unregistered property, defects in legal titles, or a lack of planning permission in a conveyancing transaction can lead to additional costs.
- **Urgency and Timelines:** Matters requiring urgent action or facing tight deadlines can increase costs.

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Factors related to Third Parties and Process

- **Disbursements:** These are expenses paid to third parties, such as search fees, or official copies of documents.
- **Cooperation and Delays:** Unreasonable delays or a lack of cooperation from other parties or third-party providers can extend the timeframe and increase costs.

Services included in the fee we charge:

What our Legal Fee Covers:

- **Initial Advice and Instruction:** Taking your instructions, providing initial advice, and handling client identification and due diligence.
- **Contract Management:** Reviewing property information forms, drafting contracts, and exchanging contracts to bind the agreement.
- **Leasehold-Specific Enquiries:** These are crucial for leasehold properties and include:
 - Checking the length of the lease and its terms.
 - Contacting the landlord or management company for details on service charges, ground rent, and management fees.
 - Serving notices on the landlord or management company about the change in ownership.
 - Obtaining a certificate of compliance and transferring membership in the management company, if applicable.
- **Property Information and Searches:** Obtaining deeds and Land Registry documents, conducting searches (e.g., bankruptcy search, Land Registry search), and reviewing the results.
- **Tax:** dealing with the payment of Stamp Duty Land Tax (or Land Transaction Tax in Wales), and other related administrative tasks.
- **Completion:** Transferring funds, completing the purchase, and handling any apportionment of ground rent and service charges.
- **Post-Completion:** Registering you as the new owner with the Land Registry and providing you with the updated title documents.

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Services NOT included in the fee

The legal fee typically doesn't include disbursements, which are payments made to third parties such as:

- **Search fees .**
- **Land Registry fees .**
- **Electronic money transfer fees .**
- **Fees charged by the landlord or management company:** for providing information or documents, such as a certificate of compliance.
- **Indemnity policies:** may also be required, incurring additional costs.

THE WORK THAT WE DO

Assignments of Leases

What is an assignment of a lease?

This is the transfer of an existing lease by the current tenant of the lease to a new and incoming tenant with the Landlord's consent.

The main parties involved in the assignment of a lease are:

- The Assignor who is the person who will be exiting the lease
- The Assignee who is the new person who will be entering into the already existing lease
- The Landlord will remain the same person and his permission is required for the assignment of the lease by the Assignor to Assignee.

Each party in the transaction will usually be represented by their own solicitors and they will each usually be expected to pay their own legal costs unless other agreements have been made. However, it is usual in the assignment of a lease for the Assignee to agree to also pay the Landlord's legal costs. We will discuss these matters when we are instructed to act.

The Process of assigning a lease

The process can take weeks to months, depending on the complexity and responsiveness of the parties.

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Key Stages:

1. Application for Consent:

The current tenant submits a formal written request to the landlord, providing information about the proposed new tenant, including company details, financial accounts, and professional references.

2. Landlord's Decision:

The landlord assesses the financial stability and suitability of the new tenant (assignee) to ensure they can meet the lease obligations.

3. Due Diligence:

Both the new tenant and their solicitor conduct checks, such as property inspections and searches, to understand the condition of the property and any potential issues.

4. Negotiation of Terms:

The assignee may seek assurances from the assignor regarding the lease, while the landlord may impose conditions on granting consent.

5. Preparation of Assignment Documents:

- Legal documents are prepared, which may include a formal Deed of Assignment or Licence to Assign to transfer the lease to the new tenant. All three parties i.e. Assignor, Assignee and Landlord will sign this document.
- **Rent Deposit Deed**: A Landlord will usually require a rent deposit as a precondition to providing consent to an assignment of the lease. The rent deposit is a sum of money which will be provided by the Assignee (who will become the new tenant) to the Landlord as security for payment of the rent and performance of the tenant's covenants in the lease. A rent deposit is usually demanded by landlords as it is an immediately accessible source of money that can be withdrawn as soon as the tenant is in breach of a relevant covenant in the lease.
- **Authorised Guarantee Agreement**: An Authorised Guarantee Agreement is a legal document where the Assignor guarantees the performance, of the Assignee, of the covenants from which the Assignor has been released. In the event that the Assignee is in breach of any of the lease covenants, the Assignor agrees to bear the requisite burden.

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6. Completion:

The assignment is legally completed by the signing of the necessary documentation and the transfer of responsibilities to the new tenant.

Typical Timescales:

- **Landlord's Consent:**

A landlord generally has a reasonable period to decide, around 28 days, though it can vary.

- **Overall Process:**

The entire assignment process can take several weeks to a few months, depending on factors like the complexity of the legal work, the speed of responses from solicitors, and the responsiveness of the landlord.

- **Factors Influencing Timeline:**

Timelines are significantly influenced by the quality of information provided, the thoroughness of the legal checks, and the willingness of all parties to cooperate.

The Process of Granting of a new lease

Granting a commercial lease typically involves stages from finding premises and negotiating key terms (like rent, duration, and break clauses) to legal due diligence, drafting the lease, and final completion and post-completion formalities, a process that can take from a few weeks to several months. When you engage us, we will help to streamline the process and ensure legal compliance and that the final lease accurately reflects the agreed terms.

Key stages:

1. Finding and Agreeing on Terms (Heads of Terms):

- **Identify Premises:** Find a suitable property for your business.
- **Negotiate Key Terms:** Agree on crucial aspects of the lease, such as:
 - **Rent and Rent-Free Periods:** Negotiate the initial rent and any rent-free periods to allow for fit-out.
 - **Lease Term:** Determine the length of the lease.
 - **Break Clauses:** Agree on conditions allowing early termination.
 - **Rent Reviews:** Establish how rent will be reviewed over the lease term.
 - **Service Charges:** Understand what costs are covered by service charges.

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- **Responsibilities:** Define responsibilities for maintenance and repairs.
- **Personal Guarantees:** Understand if a personal guarantee is required.

Timescale: This stage can vary significantly based on the complexity of the transaction.

2. Instructing Legal and Surveying Professionals

- **Instruct Solicitors:** Appoint solicitors to handle the legal aspects of the lease.
- **Instruct Surveyors:** Engage a surveyor to assess the physical condition of the property, often producing a [Schedule of Condition](#).

Timescale: This happens early in the process.

3. Due Diligence and Drafting

- **Landlord's Solicitor Drafts Lease:** The landlord's solicitor drafts the lease document, ensuring it reflects the agreed terms.
- **Tenant's Solicitor Reviews:** If acting for the tenant, we will review the draft, check for legal compliance, and ensure it accurately reflects the Heads of Terms.
- **Due Diligence:** Solicitors conduct various checks on the property and landlord.

Timescale: This stage can involve several rounds of negotiation and amendment.

4. Completion

- **Final Agreement:** All parties agree on the final lease terms and documents.
- **Signing:** The lease is signed by both the landlord and the tenant.

Timescale: This is the final step before the lease becomes active.

5. Post-Completion

- **Land Registry:** The lease needs to be registered with the Land Registry.
- **Stamp Duty Land Tax (SDLT):** Payment of any applicable Stamp Duty is handled.

Timescale: These are final legal formalities that must be completed after signing.

Overall Timescale

The entire process can take anywhere from a few weeks to several months, depending on the complexity of the lease, the parties involved, and how efficiently your solicitors and surveyors can work.

Stamp Duty Land Tax (SDLT)

Depending on the amount of annual rent payable and the length of the lease, the lease may be subject to SDLT, which currently is payable within 14 days of completing your lease. Your solicitor will assist you with preparing the return you need to submit, as well as letting you know the amount you need to pay.

For example – a lease with a term for 10 years at a rent of £30,000 a year will cost just under £1,000 in SDLT under the current SDLT rates.

If you are on a tight budget please ask your solicitor to carry out a rough SDLT calculation at the start of a transaction so you can factor this into the overall transaction budget.

Our Conveyancing Team is led by Dr. Abess Taqi who is a practising Solicitor and Notary Public in England and Wales. Abess is also an experienced Conveyancer with over 20 years' experience in property law. Abess can be contacted at our offices and his contact details are as follows:

Telephone: 0208 885 3999

Email: abess@virgosolicitors.co.uk.

Abess's Legal Assistant, Mrs. Sengul Turgut, who is a qualified Paralegal and experienced Conveyancer, will have access to your file and matter, and she will be able to respond to any query/queries that might arise during the course of your transaction. Shen can be contacted shen@virgosolicitors.co.uk.

We try hard to avoid changing the people who are handling your work but if this cannot be avoided, we will notify you promptly who will be handling your work and why the change is necessary.

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