

## COSTS

### Conveyances

The price you pay for your property will usually be split into two categories.

The first is known as "Realty" and the second is "Personalty" (both are not pronounced as you might think!).

The Realty is the bricks and mortar, the structure of the building and the land that goes with it.

The Personalty is the contents, the light fittings, carpets etc.

It is usual for the Personalty to be 5% of the total price that you have offered for the property, so working out the fees is easy.

For example you have agreed to buy a property for £300,000.00, 5% (or £15,000.00) is the value of the Personalty. Your legal fees will therefore be based on **£285,000.00** (95%). So they will be as follows:-

(States of Guernsey) - Document Duty at the rate of 3% -	£8,550.00
Advocates fees at .75% plus £110.00 -	£2,247.50
(States of Guernsey) - Jurats and Court fees -	£130.00
(States of Guernsey) - Registrations Fees -	£70.00
Grand Total	<u>£10,997.50</u>

All of the costs and percentages above are fixed with the exception of the Document Duty which will vary as follows:-

Up to £150,000.00 - 2%
£150,001.00 up to and including £250,000.00 - 2.5%
£250,001.00 and above - 3%

A quicker way to calculate the fees for any offer on a property with a Realty figure of £250,001.00 and above is to multiply it by 3.75% and then add £310.00.

If you are buying a plot of land with a house in the course of construction which is builder tied, the Advocates Fees will be based on the total build price, not just the plot price, and the Document Duty will be based on the scale above. If, however, you are buying an area of land for £10,000, the Document Duty will be 3% (because the reduced rates only apply if there is a dwelling on the plot) all States of Guernsey Fees remain the same but the Advocates fees maybe charged at an hourly rate, so get an idea of the likely costs first.



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All fees and costs have to be paid on the day you go to Court or before as your Advocate may require.

### **Bonds**

If you are borrowing, you will have to sign a contract between your Bank or other lender which is called an "Offer Letter", also known as a "Facility Letter".

When you go to Court to consent to the Conveyance, you will also need to consent to a Bond. A Bond is the Banks' security document which is registered at the Greffe in the same way as your Conveyance. It means that the Bank can take the property if you don't repay the loan.

Similar to the Conveyancing fees above, there is a long calculation version, however the short one will be sufficient enough for your budget purposes.

The quick way to calculate the fees payable for a loan of say £300,000.00 is to multiply it by .7% add £260.50 and then add £35 for each borrower.

### **Other costs**

You will need to factor in to your budget the cost of a surveyor and any Banks' arrangement Fees. Please see our section on **SURVEYS**.

