

**Real Estate Conveyancing in 5 European Union Member States:
A Comparative Study**

CONDENSED REPORT

August 31, 2007

Peter L. Murray*

TABLE OF CONTENTS

Executive Summary	2
Methodology of Study.....	7
Comparative Analysis of Real Estate Conveyancing Systems.....	9
Table A-1 - Broker's Commissions on Hypothetical Sales of Real Estate.....	13
Table A-2 - Real Estate Transfer Taxes on Hypothetical Sales of Real Estate.....	13
Table B-1 - Total Professional Conveyancing Costs.....	14
Table B-2 - Professional Conveyancing Costs as Percentage of Transfer Costs ..	16
Country-by-Country Comparative Analysis	17
Estonia	17
France.....	19
Germany	20
Sweden	22
United Kingdom.....	24
United States.....	25
The Relationship of Regulation of Conveyancing Professionals to Real Estate	
Conveyancing Costs.	27
Conclusions.....	30
TABLE C – COSTS FOR REAL ESTATE TRANSFERS IN 5 EUROPEAN MEMBER STATES AND 2 STATES OF THE UNITED STATES.....	34

* Braucher Visiting Professor of Law from Practice, Harvard Law School, Cambridge, MA, USA.

The European Commission, Directorate General for Competition, has raised the question of whether the role of public notaries in real estate conveyancing leads to the imposition of costs that are not reasonably justified by the work required or by other legitimate public policies of the respective Member States.¹ This comparative study of real estate conveyancing law, practices and costs in 5 Member States of the European Union is submitted to assist the European Commission in its consideration of this issue.² The Member States included in the study are Estonia, France, Germany, Sweden and the United Kingdom.³ Two states of the United States are included as a control and perspective external to the EU.

Executive Summary

Modern real estate conveyancing involves a number of complex and interrelated activities to meet the needs and requirements of diverse economic and regulatory interests involved in the ownership, transfer and financing of residential real estate. In all of the European jurisdictions studied the function of effecting transfer of legal title has become relatively straightforward and routine thanks to efficient systems of title registration. Complexity is lent to real estate transactions by the many legal, financial and regulatory considerations that surround and attend the transfer and the financing of the purchase. Most of the work of conveyancers deals with these considerations rather than the now relatively simple task of passing title to the property from seller to buyer.

¹ Public notaries as legal officers and practitioners in most civil law systems are sometimes referred to as "latin notaries" or "civil law notaries" in order to contrast them from Anglo-American "notaries public". The latter are not necessarily legally trained and have very limited functions, generally the taking of oaths and acknowledgments and other minor civil tasks. Anglo-American notaries public do not play any significant role in the transfer of real estate. In this report the terms "notary" or "public notary" refer exclusively to the civil law or "latin" public notary.

² This study has been supported by the Conseil des Notariats de l'Union Européenne (CNUE), Brussels, Belgium.

³ For purposes of land law and conveyancing practices, the United Kingdom is divided into three sub-jurisdictions, England and Wales, Scotland and Northern Ireland. This study was restricted to law, practices and costs in England and Wales, in which occur the great bulk of land transactions in the United Kingdom. Later references in this report to United Kingdom or Great Britain should be understood to refer to England and Wales.

The variety of these considerations external to the pure conveyance among the jurisdictions under study makes it very difficult to compare the cost and efficiency of conveyancing institutions or professionals. Consumer protective legislation, incidence of taxation, public and communal rights and interests all impose complexity on real estate transactions and are all different among the countries under study. Varying provisions of national substantive law (other than regulations of the conveyancing function) also affect the nature and degree of performance required of conveyancers. Finally, and likely of greatest significance, requirements of financing banks, and the market for real estate financing itself, seem to vary among the countries under study, thus imposing different burdens on conveyancing professionals and their clients. It is thus very difficult to compare conveyancing efficiency or cost on an "apples to apples" basis.

It is also very difficult to find appropriate proxies to make economic comparisons of conveyancing systems or institutions on an international basis. Attempts to gauge relative efficiency or quality of conveyancing services or systems based, for instance, on the comparative number or amount of post-transaction disputes, or the professional liability insurance premiums paid or claims sustained by conveyancing professionals are of very dubious validity. There are simply too many other variables, such as local substantive and procedural law, other professional exposures, and claims-friendliness of local legal cultures that affect these purported proxies to permit any reasonable correlation with quality or efficiency of conveyancing services.

It is also evident that conveyancing costs represent a relatively insignificant element of costs attendant on the transfer of real estate. In all of the jurisdictions under study real estate brokers' commissions dwarf conveyancing professionals' fees. In most jurisdictions real estate transfer taxes contribute more to overall transaction cost than do fees of lawyers or notaries.

Within the range of transactions studied, fees of conveyancing professionals to advise transaction participants, to create necessary documentation, and to effect change in registration of ownership range from 0.30% to 1.65% of the value of the

transaction, depending on the amount of the transaction, whether a purchase money mortgage is involved, and the jurisdiction in question. In Sweden, conveyancing costs are lumped with brokerage costs and are compensated by a broker's commission. This does not mean that these services are free or are rendered at low cost. In fact, it appears that the role of brokers in conveyancing enables Swedish brokers to collect full sales commissions in a large number of transactions in which brokerage services are not needed. In the United States the absence of registered title systems and the burgeoning of a secondary market for mortgages have led to the development of the title insurance industry, which has tended to impose higher costs on conveyancing participants.

There is no reasonable correlation between the kind or degree of regulation of conveyancing professionals and conveyancing costs among the jurisdictions under study. There are far too many other variables among jurisdictions to make a meaningful comparison based on any particular feature or degree of professional regulation.

Transaction costs based on the value of the transaction tend to favor the many average low value transactions at the expense of relatively few high value ones. This approach tends to promote access to justice and make high quality conveyancing services available to lower-income consumers at reasonable cost. The structure of brokerage commissions, taxes, and professional fees in some jurisdictions have this effect. However there is no indication in any case that any such incidental cross subsidy unreasonably burdens or distorts the market in either high or low value property.

No comparison of costs can be complete without considering the quality of the services rendered. For most purchasers and many sellers of residential real estate, the purchase of a home is one of the most important legal transactions of their lives. While many aspects of residential real estate purchases and sales are routine, the variety of individual circumstances, the complexity of government and financial institution requirements, and the importance of the transaction to the individual strongly suggest the importance of good legal advice to the key transaction participants, above all, the

buyer, and strict regularity in implementation of the transfer. The notarial systems of Estonia, France and Germany provide independent legal advice to all transaction participants by highly qualified professionals who are subject to stringent standards of oversight, financial responsibility, and specialized expertise. These systems also promise a high degree of regularity in real estate transactions in general.

In England each transaction participant can obtain independent legal advice from his or her own lawyer. Sometimes buyers' lawyers also represent financing banks, which may affect their independence as far as buyer-bank issues are concerned. Recently, licensed conveyancers are also authorized to effectuate transfers. The quality of legal advice from such sources is hard to gauge.

In Sweden it appears that buyers do not have practical access to independent legal advice unless they take the unusual step of consulting a lawyer outside the transaction. The conflicting obligations of real estate brokers and their structural allegiance to sellers do not make them good sources of independent legal advice to buyers. The quality of transaction documentation performed by brokers has also been subject to criticism. Although the Swedish system appears to work in the context of Swedish culture, one can question whether it can be extended abroad.

In the United States buyers in Maine do not generally obtain their own legal advice, but are served by title companies or lawyers whose loyalty is to the financing institutions which instruct them. In New York participation by buyers' lawyers is more frequent, but at additional cost. Significant monies are channeled to lawyers for financing entities through required title insurance on which they receive generous commissions.

Analysis of the costs of real estate transfer in the various systems under study produces a mixed picture. No one country is the lowest or highest cost for all of the various hypothetical transactions posited. Estonia and Germany clearly offer consumers at the lower end of the value spectrum high quality conveyancing services at the lowest absolute cost of the various countries studied. Conveyancers in the United States and England tended to be more economical for higher-value transactions and

impose a somewhat greater cost on the lower value purchases and sales.

All of the countries under study offered consumers a degree of choice in conveyancing professional to handle their transaction. A purchaser of property in Estonia, France and Germany is free to select a notary of his choice to document the transaction. In Sweden, the seller's broker usually prepares the agreements and documents the purchase. In England, each party is free to choose his own solicitor, although if the transaction is financed, the buyer's solicitor may also have to be acceptable to the financing bank. In the U.S. the parties are theoretically free to choose their own counsel, but in practice contract drafting is often performed by brokers and closings are managed by title companies or lawyers representing financing banks.

All of the EU Member States under study are in the process of converting their land registry systems to electronic data base format in order to permit electronic inquiry, electronic transmittal of land transfer documents and ultimately, direct access to the database to effectuate land transfers and re-registrations. Currently Germany, France and Estonia have made good progress toward an all-electronic land register system, with the prospect of electronic effectuations of land transfers within sight in the future. The systems in England and Sweden permit electronic inquiries, but further progress toward electronic transfers and re-registrations depends on finding an effective way to make sure that the system will not be degraded by errors and inconsistencies on the part of the various conveyancers who would like to have access to the system. The patchwork of state systems and local recording facilities within the United States has retarded the development of both land registration and electronic conveyancing to date. Future development in the direction of all-electronic conveyancing with direct electronic access to land registry data-bases seems more promising in the notarial jurisdictions, where compact highly trained cadres of conveyancing practitioners are likely to be able to maintain the quality control function now performed by public officials.

There is no evidence that conveyancing costs are affecting the market for real estate in any of the Member States under study. Each Member State's conveyancing system reasonably reflects its national public policies and priorities and appears to

respond reasonably to the requirements of transaction participants and financing entities. There is no evidence that the diversity of such systems impedes cross-border investment in European real estate. Rather this diversity may be permitting intra-EU experimentation that will foster ongoing developments and reforms to the benefit of all EU Member States.

Methodology of Study

The study is based on more or less traditional comparative law methodology. An effort has been made to identify the political, social and economic function of the legal institutions under study and the public and private interests and values involved. National reports describing the real estate conveyancing system of each of the countries in the study have been prepared by professional organizations in the case of Estonia, France and Germany and by research assistants in the case of the other jurisdictions studied. Each of the national reports is based on common outline designed to elicit the information keyed to the functions, interests and values identified. This information has been supplemented by the Reporter's own investigations, which have included visits and interviews in the various jurisdictions and actual experience with and witnessing of real estate transactions.⁴

Eight more or less typical real estate transactions have been hypothesized for comparison purposes. The hypothetical transactions are purchases and sales of residential real estate of moderate value. High value residential and commercial real estate transactions have not been compared. This is because lower and average value transactions are by far the most common transactions and also are likely to raise issues of consumer protection and access to legal services. The national reports include estimates of as many categories of transaction cost as could be conveniently identified and isolated.

Identified costs have then been plotted, compared and analyzed using Quantrix

⁴ For a more complete listing of the sources of information for the various jurisdictions under study and acknowledgments of contributions by many individuals to this study, see the complete Report of this Study.

modeling software. The descriptive and quantitative data is then analyzed and discussed on a country-by-country and comparative basis. This condensed report ends with a series of conclusions that have been derived by the study. Tables of the direct costs associated with the hypothetical transactions in the jurisdictions studied are appended.⁵

Making a comparative study of the cost of professional assistance in the effectuation of real estate transfers among several legal systems is seriously complicated by several factors. A sovereign may, as a matter of public policy, require specific measures accompanying the transfer of real estate to protect consumer parties or to implement other public policies. Compliance with these requirements can significantly affect the work required of the conveyancing professionals who attend to the transaction.

The same is true of the requirements of third-party financing entities. To the extent that these entities require special assurances of the primacy of their secured position or special documentation as a result of conditions in the marketplace for such financial services, a real cost is imposed on the transfer to accommodate their interests.

The cost of effectuating real estate transfers is directly impacted by the kind of system for registration of title or recordation of title instruments offered by the respective public authorities. Primitive systems tend to impose costs on the users. More sophisticated systems may provide quicker and more certain effectuation of title transfers, but may require a higher level of expertise on the part of the conveyancing professional.

Finally, the transfer of real estate and the activities of professionals involved with the transfer frequently include the provision of professional services in addition to the mere effectuation of the transfer of title to the real estate. The most important of these is the provision of legal advice to one or more of the participants in the transaction.

⁵ This is a condensed version of the final Report of this study, which also contains discussion of the conveyancing process in theory, analysis of the difficulties in comparing conveyancing systems and practices, detailed descriptions of the conveyancing process in each of the jurisdictions included, detailed analysis of the cost information, and national reports for each country. Reference is made to the complete Report for detailed information supporting the conclusions herein set forth.

Other such services include the handling of escrow funds and matching payment to performance. Frequently the professionals handling the transfer of title are also required to collect and remit transfer taxes in behalf of the state. In some cases the professionals handling real estate transfers are expected to maintain records of the transaction over extended periods of time and have such records accessible in the event some future question about the transaction arises.

The nature and extent of these additional services varies from jurisdiction to jurisdiction. It is hard to dismiss any of them as unnecessary or trivial. For instance, systems which provide one or both parties to real estate transfers with independent legal advice about potential issues that may arise may well enjoy a higher level of confidence and satisfaction on the part of those parties which receive the advice, if not a lower rate of future litigation and dispute. Making any kind of economic assessment of the value of these services on an objective basis is impossible.

Comparative Analysis of Real Estate Conveyancing Systems

Careful study of the various land transfer regimens currently obtaining in the EU Member States under study and in the United States reveals that the transfer of real estate involves the same core functional steps in every jurisdiction. At the same time, there are many different elements arising from the legitimate requirements of diverse national policies or of third parties such as lenders. Thus, any form of fine-tuned comparison of costs of a particular function or functionary is very difficult and likely to be fraught with error. There is a high likelihood that one will be "comparing apples with pears."

Some have attempted to find proxies to permit comparisons of the economic efficiency of conveyancing professionals or the relative economic cost of various conveyancing systems. It has been suggested that comparison of the premiums paid for professional liability coverage by conveyancing professional in the various jurisdictions under study, or comparison of the frequency of post-transaction legal disputes among those jurisdictions can provide a measure of relative quality of

conveyancing services. Although such proxies can sometimes provide meaningful results when other significant causative factors can be ruled out, it is rarely possible to rule out these other factors when making comparisons among legal systems and cultures. For instance, the relative incidence of claims for professional liability by conveyancing professionals is likely to be affected as much or more by their respective substantive liability law frameworks, by the frequency in their respective legal cultures of claims in general, and by other professional exposures to which they are subject as by the relative quality of their conveyancing services.

It is also of doubtful validity to attempt to assign numerical values to various attributes of a legal function or institution and then seek to make a quantitative comparison among various nations. Although the use of numbers makes the process seem more objective, selection of the attributes to bear value, the assignment of value to the identified attributes, and finally determining whether the attribute exists in whole or in part in any legal culture are highly subjective activities. It has been suggested more than once that this kind of analysis can be employed to support any conclusion merely by varying identified attributes, the associated values, or the determination of whether the attributes exist in various systems.

Ultimately much comparative law analysis defies quantitative techniques. Variations among substantive legal doctrine, legal cultures, public policies, the roles of other institutions, public-private resource allocations, make it basically impossible to make valid comparisons using economic models. The best that can be achieved is to identify features that could be associated with quality or efficiency as well as other factors which may impact performance and leave the relative weighting of these features and factors to sound judgment, a sense of public priorities, and experience.

When one focuses on the fees and charges of real estate conveyancing professionals, it is also evident that those charges represent a relatively small element in the overall cost of real estate transfers. In all systems, the fees of real estate conveyancing professionals are dwarfed by the fees of brokers and by taxes imposed on real estate conveyances. One is tempted to ask whether comparison of a relatively

tiny element of real estate transfer costs will result in any findings of overall significance in real estate transfer economies.

Finally, comparative analysis of the real estate transfer function discloses how little of the real costs are within the control of the professionals who effectuate the transfers or the systems of regulation under which they work. Most of what conveyancing professionals do in order to document and complete real estate transactions is comply with requirements of local law and regulations, the requirements of a land registry systems, and the requirements of financing entities. There is very little room for conveyancers to exercise creativity in order to increase or decrease the amount of work involved in completing real estate transfers.

Subject to the foregoing observations on cost comparisons in general, an effort has been made in this study to compare costs incurred in the transfer of real estate in the jurisdictions under study by posing a number of hypothetical transaction scenarios and then obtaining estimates of the costs associated with various aspects of the transactions. The estimated costs have been modeled using *Quantrix* modeling software to enable comparative analysis.

Modeled in this preliminary report are purchases of residential real estate for 100,000 € (unimproved lot or small dwelling), 250,000 € (condominium or house); 500,000 € (house and lot) and 1,000,000 € (large house and lot). In light of the high percentage of real estate transfers that require mortgage financing, it seems important to look at costs associated with financed as well as cash transactions. Versions of each purchase transaction financed at a level of 75-80% of the purchase price have also been included and the professional fees and certain other costs associated with the financing have been estimated.

For each of the 7 jurisdictions under study various costs incident to the purchase and sale of real estate have been estimated for each of the hypothetical scenarios posited above. For those countries with notarial systems, cost estimates for notarial services as well as state taxes and recording fees have been derived from the official tables of costs in force in the respective jurisdictions. For countries in which

conveyancing is done by lawyers, estimates of lawyers' fees for representation of buyer, seller and mortgagee, as the case may be, have been provided by the authors of the national reports or have been derived from published sources for the respective jurisdictions.

In the case of Sweden there is no separate conveyancing fee. Brokers who handle conveyances are compensated through brokers' commissions. An effort has been made to estimate the collective cost for this service to the class of conveyancing parties as a whole and then to spread the cost to the hypothetical transactions.

Table C attached as Appendix A is a presentation of the cost information captured with respect to the 8 hypothetical transactions analyzed in this Report.

It can first be observed that the largest element of cost associated with real estate transfers in all of the countries under study is real estate brokerage. The following Table A-1 shows the estimated broker's commissions payable in each jurisdiction for each hypothetical transaction:

Table A-1 - Broker's Commissions on Hypothetical Sales of Real Estate

	<i>Sale of Land for 100,000</i>	<i>Sale of Land for 100,000 with new mortgage for 75,000</i>	<i>Sale of House for 250,000</i>	<i>Sale of House for 250,000 with new mortgage for 150,000</i>	<i>Sale of House for 500,000</i>	<i>Sale of House for 500,000 with new mortgage for 400,000</i>	<i>Sale of House for 1,000,000</i>	<i>Sale of house for 1,000,000 with new mortgage for 750,000</i>
<i>Estonia</i>	4,000€	4,000€	10,000€	10,000€	20,000€	20,000€	40,000€	40,000€
<i>France</i>	6,000€	6,000€	15,000€	15,000€	30,000€	30,000€	60,000€	60,000€
<i>Germany</i>	4,000€	4,000€	10,000€	10,000€	20,000€	20,000€	40,000€	40,000€
<i>Sweden</i>	3,000€	3,000€	7,500€	7,500€	15,000€	15,000€	30,000€	30,000€
<i>United Kingdom</i>	2,000€	2,000€	5,000€	5,000€	10,000€	10,000€	20,000€	20,000€
<i>U. S. - Maine</i>	6,000€	6,000€	15,000€	15,000€	30,000€	30,000€	60,000€	60,000€
<i>U. S. - New York</i>	6,000€	6,000€	15,000€	15,000€	30,000€	30,000€	60,000€	60,000€

As can be seen in Table A-1, broker's commissions range from a low of 2% of sales price in the United Kingdom to a high of 6% of sales price in France and the U.S. In all cases brokerage fees are calculated as a straight percentage of the sales price without any rate discount for more expensive properties.

The second highest category of costs in most jurisdictions are the various forms of real estate transfer taxes. In Estonia there is no real estate transfer tax as such, but capital gains tax on the sale of the real estate becomes due at the time of sale. This tax is not reflected in this study. Table A-2 summarizes real estate transfer taxes payable in each of the hypothetical transaction scenarios:

Table A-2 - Real Estate Transfer Taxes on Hypothetical Sales of Real Estate

	<i>Sale of Land for 100,000</i>	<i>Sale of Land for 100,000 with new mortgage for 75,000</i>	<i>Sale of House for 250,000</i>	<i>Sale of House for 250,000 with new mortgage for 150,000</i>	<i>Sale of House for 500,000</i>	<i>Sale of House for 500,000 with new mortgage for 400,000</i>	<i>Sale of House for 1,000,000</i>	<i>Sale of house for 1,000,000 with new mortgage for 750,000</i>
<i>Estonia</i>	-€	-€	-€	-€	-€	-€	-€	-€
<i>France</i>	5,090€	5,090€	12,725€	12,725€	25,450€	25,450€	50,900€	50,900€
<i>Germany</i>	3,500€	3,500€	8,750€	8,750€	17,500€	17,500€	35,000€	35,000€
<i>Sweden</i>	1,500€	1,500€	3,750€	3,750€	7,500€	7,500€	15,000€	15,000€
<i>United Kingdom</i>	-€	-€	2,499€	2,499€	15,000€	15,000€	39,999€	39,999€
<i>U. S. - Maine</i>	335€	335€	837€	837€	1,674€	1,674€	3,348€	3,348€
<i>U. S. - New York</i>	304€	304€	761€	761€	1,522€	1,522€	3,044€	3,044€

As can readily be seen from Table A-2, transfer taxes are substantial in all jurisdictions except for Estonia. In most cases this tax is a simple percentage of the

consideration paid for the property, and hence burdens large transactions much more heavily than small ones.

The primary focus of this study is that portion of the costs associated with transfers of real estate that are paid to conveyancing professionals to effectuate the transfer from contract formation through completion of registration or recording. Included are costs for conveyancing professionals to document and perfect the interest of a mortgagee to secure purchase money financing for the buyer.

Table B-1 shows the total costs associated with professional conveyancing for each transaction scenario and for each of the jurisdictions under study. It should be noted that the estimates for Sweden were derived by proxy according to the methodology described in the next section below. The estimates for the United States include the cost of title insurance on the theory that this is provided by conveyancing professionals to secure title and that the conveyancing professionals receive the lion's share of the premium. Conveyancing costs for the United Kingdom include "searches fees" paid to registries and professional search services in order to determine the state of title, public restrictions, adverse interests, etc., on the grounds that such fees are paid directly or indirectly to real estate conveyancing professionals, that this examination is part and parcel of the conveyancing function and that title searches are included in the professional functions of conveyancers in other countries.

All estimates are subject to the assumptions and conventions described in the immediately following section of this report.

Table B-1 - Total Professional Conveyancing Costs

	<i>Sale of Land for 100,000</i>	<i>Sale of Land for 100,000 with new mortgage for 75,000</i>	<i>Sale of House for 250,000</i>	<i>Sale of House for 250,000 with new mortgage for 150,000</i>	<i>Sale of House for 500,000</i>	<i>Sale of House for 500,000 with new mortgage for 400,000</i>	<i>Sale of House for 1,000,000</i>	<i>Sale of house for 1,000,000 with new mortgage for 750,000</i>
<i>Estonia</i>	379€	446€	922€	967€	1,827€	2,143€	3,620€	4,170€
<i>France</i>	1,354€	1,670€	2,691€	3,213€	4,754€	5,964€	8,879€	11,051€
<i>Germany</i>	559€	746€	1,109€	1,401€	1,987€	2,654€	3,742€	4,934€
<i>Sweden</i>	900€	900€	2,250€	2,250€	4,500€	4,500€	9,000€	9,000€
<i>United Kingdom</i>	1,484€	1,584€	1,614€	1,864€	1,888€	2,387€	2,603€	3,602€
<i>U. S. - Maine</i>	860€	936€	1,259€	1,336€	1,887€	1,963€	3,143€	3,219€
<i>U. S. - New York</i>	1,228€	1,647€	1,614€	2,094€	2,257€	2,926€	3,410€	3,410€

Taking the purchase of a lot or small dwelling for 100,000€ in cash, the conveyancing costs range from Estonia (379€), Germany (559€), United States (Maine) (860€) at the low end, and France (1,354€), United States, NY (1,228€) and United Kingdom, (1,484€) at the upper end of the range.⁶ On the other extreme, on the purchase of a house for 1,000,000€ to be financed with a mortgage of 750,000€ the order of costs is scrambled and becomes, lowest to highest, United States, Maine

⁶ Sweden poses a difficult case for this comparative study because the conveyancing function is performed by real estate brokers who are compensated for this function by their real estate commissions, currently generally 3% of the purchase price of the property. Although it has been said that brokers will attend to the documentation of real estate transactions for flat fees, the rarity of this occurrence is confirmed by the total absence of data on the frequency and amount of such fees.

Without some data to establish the price which a broker would charge to document at transaction in which he did not also receive a sales commission, an arbitrary allocation of either a fixed amount or a percentage of the sales commission to the documentation function lacks any scientific or logical basis.

An indirect clue to the amount charged by brokers for documentation of transactions in which there are no traditional brokerage services needed may be derived by examining the difference between the percentage of transactions in which brokers are involved in Sweden and the percentage of transactions involving brokers in the other lands under study in which transactions are documented without the participation of brokers. This difference in utilization may give an inkling of the extra brokerage cost that is carried by all transactions by virtue of the role of brokers in the documentation and effectuation of real estate transfers.

In Sweden it appears that up to 95% of all real estate transactions are handled by brokers. It also appears that banks exert some influence on customers to utilize the services of brokers in effectuating purchases of real estate, and that there may be some generalized societal expectation that transactions in real estate will be accomplished with the aid of brokers.

The use of brokers in the other EU countries under study ranged from a low of 50% in Germany and 52% in France to a high of perhaps 70% in England. Assuming an average of not more than 60% use of brokers in the other EU member states versus, say 90% (to be conservative) in Sweden, this means that brokerage charges are being paid in Sweden in 30% of transactions in which brokers fees are not being paid in other EU lands. There is nothing to indicate that Swedish brokers are much more efficient at selling real estate than brokers in other EU member states or that they offer their customers non-brokerage services other than conveyancing services which are not made available to brokerage customers elsewhere. These circumstances tempt one to infer that the additional use of brokerage in Sweden and the additional cost paid for brokerage by Swedish real estate buyers and sellers may be a reasonable proxy for the cost imposed on the market generally for the conveyancing function provided by the brokers.

Assuming that the average brokerage commission of Swedish brokers is 3% of the sales price, one can get an idea of the system-wide cost of broker-provided conveyancing by multiplying the 3% brokerage commission by the percentage difference in brokerage utilization between Sweden and the other Member States under study, say 30%. The result, say .9% of the purchase price of each parcel could be used as a crude approximation of the amount charged by the Swedish brokerage industry for the conveyance services rendered.

It can be argued that a straight .9% of the value of each transaction tends to understate the cost of services for the smaller transactions and overstate the cost for larger on the theory that the effort required to document and complete a large value transaction is not that much greater than for a small one. This may be true. However the fact is that Swedish brokers do compute their commissions as a strict percentage of the sales price, so that this kind of disproportion or cross-subsidy is built in.

(3,219€), United States, New York (3,410€), United Kingdom (3,700€), Estonia (4,170€), Germany (4,934€), Sweden (9,000€) and France (10,751€).

On the other hand, if one considers the relationship of professional conveyancing compensation to other costs of a real estate transfer, one finds a different lineup. One also realizes what a small part of the cost of transfer of real estate is composed of compensation to conveyancing professionals in all systems.

Table B-2 relates conveyancing costs to overall transfer costs for each country and each transaction.

Table B-2 - Professional Conveyancing Costs as Percentage of Transfer Costs

	<i>Sale of Land for 100,000</i>	<i>Sale of Land for 100,000 with new mortgage for 75,000</i>	<i>Sale of House for 250,000</i>	<i>Sale of House for 250,000 with new mortgage for 150,000</i>	<i>Sale of House for 500,000</i>	<i>Sale of House for 500,000 with new mortgage for 400,000</i>	<i>Sale of House for 1,000,000</i>	<i>Sale of house for 1,000,000 with new mortgage for 750,000</i>
<i>Estonia</i>	8.43%	9.74%	8.22%	8.58%	8.09%	9.30%	8.01%	9.04%
<i>France</i>	10.79%	12.94%	8.78%	10.27%	7.83%	9.60%	7.35%	8.96%
<i>Germany</i>	6.68%	8.54%	5.41%	6.65%	4.88%	6.32%	4.62%	5.91%
<i>Sweden</i>	15.03%	11.95%	15.97%	13.13%	16.31%	12.63%	16.49%	12.93%
<i>United Kingdom</i>	36.98%	38.51%	16.39%	18.46%	6.76%	8.40%	4.05%	5.51%
<i>U. S. - Maine</i>	11.93%	12.08%	7.36%	7.57%	5.62%	5.75%	4.73%	4.80%
<i>U. S. - New York</i>	15.85%	20.00%	9.15%	11.52%	6.63%	8.42%	5.11%	5.10%

As can readily be seen, conveyancing fees are in most cases a very small percentage of the total transfer costs experienced on a real estate purchase and sale transaction. The incidence of taxes and the level of broker compensation influence this relationship directly. For instance, the 39.98% ratio of conveyancing costs to overall transfer costs for a lot purchase for 100,000€ in the United Kingdom reflects the fact that there is no real estate transfer tax on a transaction of that size. On the other hand, the fact that the percentage drops in the US and in the United Kingdom as the size of the transaction increases, reflects a structure in which other transfer costs such as real estate brokerage commissions and taxes increase as a percentage of the value of the property, while conveyancing costs remain more or less level. The moderate percentage decrease with increasing transaction size in France and Germany

corresponds to the structure of fees in those jurisdictions, which increase with transaction size, but not on a linear basis. In Sweden, where conveyancing costs are related to brokerage commissions, the percentage of costs remains the same, while in Estonia, otherwise a low-cost jurisdiction, the percentage of costs increases, reflecting the fact that other costs, such as the state fee for registration, do not increase with increasing transaction value as fast as the notary fee does.

Ultimately there is no significant difference in professional conveyancing costs between the notarial jurisdictions and the jurisdictions in which conveyancing is handled by lawyers, brokers or title companies. Nor is there any apparent correspondence between the kind or degree of professional regulation of conveyancers and costs for real estate transfers. In fact, for lower and average value residential real estate transactions, costs in jurisdictions with less regulation of conveyancers seemed to be somewhat higher than costs in those jurisdictions which more rigorous regulation of conveyancers and their practices. However no comparison of costs can be complete without a look at the quality of the respective services rendered.

Country-by-Country Comparative Analysis

Considering the salient policy criteria identified above, one can venture some comparative evaluation of the real estate conveyancing systems and the roles of real estate conveyancing professionals of the EU Member States and the states of the United States under study.

Estonia

Estonia's new system appears to provide a high degree of quality and security in real estate transfers at reasonable cost. The implementation of a nationwide electronic land registration system has facilitated access to land ownership information and promoted certainty of land ownership. The function of the Estonian notary appears to be similar to that of the notary in both France and Germany, as a neutral quasi-official

legal resource to document and effectuate transfers of real estate as well as other specified juridic acts.

Although brokers play a role in slightly more than half of sales and purchases of residential real estate in Estonia, it is of significance that neither buyer nor seller can be bound to buy or sell real estate by any document other than a notarial contract. This guarantees that the parties will both have access to and receive impartial legal advice concerning the risks and responsibilities of the transaction they are planning to enter into before they are legally committed.

Notaries in Estonia have also made good use of data processing technology to make their operations more efficient and to speed the completion of transactions. Further improvements are to be anticipated. There is currently a lag between submission and re-registration during which a fraudulent seller could enter into a second sales contract, but there is no indication that problems have arisen as of the time of this report. Estonian notaries anticipate no difficulty in transitioning to a completely electronic system under which notaries will have direct access to an electronic land register in order to effectuate instantaneous changes in title and registration of encumbrances.

Real estate transfer costs for the 8 hypothetical transactions in Estonia are set forth in Table C-1.

Table C-1- Real Estate Transfer Costs in Estonia

	<i>Sale of Land for 100,000</i>	<i>Sale of Land for 100,000 with new mortgage for 75,000</i>	<i>Sale of House for 250,000</i>	<i>Sale of House for 250,000 with new mortgage for 150,000</i>	<i>Sale of House for 500,000</i>	<i>Sale of House for 500,000 with new mortgage for 400,000</i>	<i>Sale of House for 1,000,000</i>	<i>Sale of house for 1,000,000 with new mortgage for 750,000</i>
<i>Costs</i>								
<i>Broker's Commission</i>	4,000€	4,000€	10,000€	10,000€	20,000€	20,000€	40,000€	40,000€
<i>Purchase Price</i>	100,000€	100,000€	250,000€	250,000€	500,000€	500,000€	1,000,000€	1,000,000€
<i>Mortgage Amount</i>	-€	74,996€	-€	187,511€	-€	400,000€	-€	750,000€
<i>Notary Fee - Contract</i>	379€	-€	922€	-€	1,827€	-€	3,620€	-€
<i>Notary Fee Combined Contract & Mortgage</i>	-€	446€	-€	967€	-€	2,143€	-€	4,170€
<i>Recording/Registration Fee</i>	110€	136€	294€	304€	754€	909€	1,600€	1,977€
<i>Total Transfer Costs</i>	4,488€	4,582€	11,215€	11,271€	22,581€	23,052€	45,220€	46,147€
<i>Total Conveyancing Fees</i>	379€	446€	922€	967€	1,827€	2,143€	3,620€	4,170€
<i>Convenancing Fees as percent of Total Costs</i>	8.43%	9.74%	8.22%	8.58%	8.09%	9.30%	8.01%	9.04%

<i>Conveyancing Fees as percent of Purchase Price</i>	0.38%	0.45%	0.37%	0.39%	0.37%	0.43%	0.36%	0.42%
<i>Broker's Commission as percent of Total Cost</i>	89.12%	87.29%	89.16%	88.72%	88.57%	86.76%	88.46%	86.68%

Costs of the Estonian notarial system appear to be very moderate. For smaller transactions the Estonian system produces the lowest costs of any system under study. This is significant, because of the large number of lower-cost transactions and the importance of insuring that citizens of less means have access to high-quality legal services in effectuating transactions of great importance to them and the national economy. For larger transactions the Estonian system is less costly than France and Germany, but slightly more expensive than Sweden, the United Kingdom and the US.

France

In France the level of service provided by notaries using France’s nationwide and partly electronic land registration system is very high. Such services as effectuating more or less instantaneous notation of mortgage interests and disbursing funds to pay all interested parties at the time of final contract signing tend to facilitate real estate transfers and reduce costs and delays as experienced by the parties.

The French notarial system also provides the parties with independent legal advice from a neutral legal officer at the time they are actually bound to make the transfer. Although some preliminary contracts are prepared by brokers, such contracts are limited, as a practical matter, to affecting the earnest money deposited with the broker, not the ultimate ownership of the property.

The French notarial system also permits the participation of more than one notary if either party or even a financing bank so desires. Participation of more than one notary is more common in transactions of larger value than the ordinary sale of a small house or apartment. This option enhances the freedom of choice that the parties enjoy in the selection of neutral officers to document their transactions and permits a party to secure the participation of a notary in which it has particular trust and confidence based on past experience. Under the current schedule of fees, participation

of additional notaries does not increase the total costs paid by seller and buyer.

Table C-2 sets forth real estate transfer costs for 8 hypothetical transactions in France.

Table C-2 - Real Estate Transfer Costs in France

	<i>Sale of Land for 100,000</i>	<i>Sale of Land for 100,000 with new mortgage for 75,000</i>	<i>Sale of House for 250,000</i>	<i>Sale of House for 250,000 with new mortgage for 150,000</i>	<i>Sale of House for 500,000</i>	<i>Sale of House for 500,000 with new mortgage for 400,000</i>	<i>Sale of House for 1,000,000</i>	<i>Sale of house for 1,000,000 with new mortgage for 750,000</i>	
<i>Costs</i>	<i>Broker's Commission</i>	6,000€	6,000€	15,000€	15,000€	30,000€	30,000€	60,000€	60,000€
	<i>Purchase Price</i>	100,000€	100,000€	250,000€	250,000€	500,000€	500,000€	1,000,000€	1,000,000€
	<i>Notary Fee - Contract</i>	1,154€	1,154€	2,391€	2,391€	4,454€	4,454€	8,579€	8,579€
	<i>Notary Fee - Mortgage</i>	-€	316€	-€	522€	-€	1,210€	-€	2,172€
	<i>Notary's Overheads Charge</i>	200€	200€	300€	300€	300€	300€	300€	300€
	<i>Real Estate Transfer Tax</i>	5,090€	5,090€	12,725€	12,725€	25,450€	25,450€	50,900€	50,900€
	<i>Recording/Registration Fee</i>	100€	100€	250€	250€	500€	500€	1,000€	1,000€
	<i>Mortgage Registration Fee</i>	-€	45€	-€	90€	-€	240€	-€	450€
<i>Total Transfer Costs</i>	12,544€	12,905€	30,666€	31,278€	60,704€	62,154€	120,779€	123,401€	
<i>Total Conveyancing Fees</i>	1,354€	1,670€	2,691€	3,213€	4,754€	5,964€	8,879€	11,051€	
<i>Conveyancing Fees as percent of Total Costs</i>	10.79%	12.94%	8.78%	10.27%	7.83%	9.60%	7.35%	8.96%	
<i>Conveyancing Fees as percent of Purchase Price</i>	1.35%	1.67%	1.08%	1.29%	0.95%	1.19%	0.89%	1.11%	
<i>Broker's Commission as percent of Total Cost</i>	47.83%	46.49%	48.91%	47.96%	49.42%	48.27%	49.68%	48.62%	

Costs for notarial conveyancing services in France seem to be comparable to costs in New York and England for smaller transactions and somewhat higher than costs for larger transactions than is the case in the other jurisdictions under study. The relationship of French notarial fees to all costs attending real estate transfers in France appears to be moderate at 7-13% of total transfer costs for all transactions.

Germany

German conveyancing practices provide a high level of security and certainty through use of the preliminary notation on the title registry which provides positive protects against intervening interests pending completion of the transaction and actual change in registered ownership. German parties also have access to high quality independent advice concerning real estate transactions and their consequences, and

professional implementation of all stages of the transaction.

Table C-3 sets forth transfer costs for the 8 hypothetical transactions included in the study.

Table C-3 - Real Estate Transfer Costs in Germany

	<i>Sale of Land for 100,000</i>	<i>Sale of Land for 100,000 with new mortgage for 75,000</i>	<i>Sale of House for 250,000</i>	<i>Sale of House for 250,000 with new mortgage for 150,000</i>	<i>Sale of House for 500,000</i>	<i>Sale of House for 500,000 with new mortgage for 400,000</i>	<i>Sale of House for 1,000,000</i>	<i>Sale of house for 1,000,000 with new mortgage for 750,000</i>	
<i>Costs</i>	<i>Broker's Commission</i>	4,000€	4,000€	10,000€	10,000€	20,000€	20,000€	40,000€	40,000€
	<i>Purchase Price</i>	100,000€	100,000€	250,000€	250,000€	500,000€	500,000€	1,000,000€	1,000,000€
	<i>Notary Fee - Contract</i>	454€	454€	904€	904€	1,654€	1,654€	3,154€	3,154€
	<i>Notary Fee Contract Effectuation</i>	105€	105€	205€	205€	333€	333€	588€	588€
	<i>Notary Fee - Mortgage</i>	-€	187€	-€	292€	-€	667€	-€	1,192€
	<i>Real Estate Transfer Tax</i>	3,500€	3,500€	8,750€	8,750€	17,500€	17,500€	35,000€	35,000€
	<i>Recording/Registration Fee</i>	311€	311€	648€	648€	1,211€	1,211€	2,336€	2,336€
	<i>Mortgage Registration Fee</i>	-€	177€	-€	282€	-€	657€	-€	1,182€
<i>Total Transfer Costs</i>	8,370€	8,734€	20,507€	21,081€	40,698€	42,022€	81,078€	83,452€	
<i>Total Conveyancing Fees</i>	559€	746€	1,109€	1,401€	1,987€	2,654€	3,742€	4,934€	
<i>Conveyancing Fees as percent of Total Costs</i>	6.68%	8.54%	5.41%	6.65%	4.88%	6.32%	4.62%	5.91%	
<i>Conveyancing Fees as percent of Purchase Price</i>	0.56%	0.75%	0.44%	0.56%	0.40%	0.53%	0.37%	0.49%	
<i>Broker's Commission as percent of Total Cost</i>	47.79%	45.80%	48.76%	47.44%	49.14%	47.59%	49.34%	47.93%	

Overall costs and professional conveyancing costs for transferring real estate, with or without financing, appear to be moderate. For smaller transactions, German professional conveyancing costs are lower than all other countries under study except for Estonia. This is significant because the number of purchases and sales of lower and average value homes and condominiums is much larger than the number of higher value transactions and the German fee structure gives purchasers and sellers of the lower and average value properties access to legal services of the same high quality as are available to the buyers and sellers of property of greater value. For larger transactions, conveyancing costs in England and the United States appear to be slightly lower, and costs in Germany and Estonia are almost identical.

Sweden

The almost total absence of participation by jurists in land conveyancing in Sweden leads to apparent economies in conveyancing costs. Documentation and effectuation of real estate conveyances in Sweden are performed by the brokers who offer the property for sale and are compensated by a single commission for both services. The lack of comprehensive legal training of brokers may lead to deficiencies in documentation and unwinding of a relatively large number of sales contracts each year. Efficiency in real estate transactions is fostered by a modern nation-wide title registration system with electronic access for authorized persons, including real estate brokers.

Table C-4 summarizes real estate transfer costs, converted to Euro equivalents, for the eight hypothetical transactions in Sweden.

Table C-4 - Real Estate Transfer Costs in Sweden

	<i>Sale of Land for 100,000</i>	<i>Sale of Land for 100,000 with new mortgage for 75,000</i>	<i>Sale of House for 250,000</i>	<i>Sale of House for 250,000 with new mortgage for 150,000</i>	<i>Sale of House for 500,000</i>	<i>Sale of House for 500,000 with new mortgage for 400,000</i>	<i>Sale of House for 1,000,000</i>	<i>Sale of house for 1,000,000 with new mortgage for 750,000</i>	
<i>Costs</i>	<i>Broker's Commission</i>	3,000€	3,000€	7,500€	7,500€	15,000€	15,000€	30,000€	30,000€
	<i>Purchase Price</i>	100,000€	100,000€	250,000€	250,000€	500,000€	500,000€	1,000,000€	1,000,000€
	<i>Mortgage Amount</i>	-€	75,000€	-€	150,000€	-€	400,000€	-€	750,000€
	<i>Inspection/Engineer Fee</i>	500€	500€	500€	500€	500€	500€	500€	500€
	<i>Real Estate Transfer Tax</i>	1,500€	1,500€	3,750€	3,750€	7,500€	7,500€	15,000€	15,000€
	<i>Mortgage Tax</i>	-€	1,500€	-€	3,000€	-€	8,000€	-€	15,000€
	<i>Recording/Registration Fee</i>	89€	89€	89€	89€	89€	89€	89€	89€
	<i>Mortgage Registration Fee</i>	-€	41€	-€	41€	-€	41€	-€	41€
	<i>Broker Contract and Implementation Charge</i>	900€	900€	2,250€	2,250€	4,500€	4,500€	9,000€	9,000€
<i>Total Transfer Costs</i>	5,989€	7,530€	14,089€	17,130€	27,589€	35,630€	54,589€	69,630€	
<i>Total Conveyancing Fees</i>	900€	900€	2,250€	2,250€	4,500€	4,500€	9,000€	9,000€	
<i>Conveyancing Fees as percent of Total Costs</i>	15.03%	11.95%	15.97%	13.13%	16.31%	12.63%	16.49%	12.93%	
<i>Conveyancing Fees as percent of Purchase Price</i>	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	
<i>Broker's Commission as percent of Total Cost</i>	50.09%	39.84%	53.23%	43.78%	54.37%	42.10%	54.96%	43.09%	

Does this mean that conveyancing services are “free” in Sweden? Definitely not. There is no “free lunch”. The work of conveyancing must be done by someone. The brokerage industry appears to be willing to perform the conveyancing function at a

cost of subjecting transactions that do not require brokerage services to the payment of brokerage commissions.

While it is difficult to break out the portion of the Swedish broker's commission that represents compensation for conveyancing services, one notes that Swedish parties employ brokers for virtually all real estate transactions. It seems scarcely conceivable that virtually all Swedish buyers and sellers need brokers to get them together on a sale and purchase. The experience of the EU Member States and the American States under study suggests that under ordinary economic conditions, parties will make use of brokers in about 50-70% of transactions. Multiplying the percentage of Swedish transactions that are brokered in excess of this base percentage by the standard brokers commission in Sweden indicates that Swedish buyers and sellers collectively are paying something approaching 1% of total transaction value to brokers real estate transaction services other than traditional brokerage.

The quality of advice available to buyers and sellers in Sweden is somewhat unclear. Annual reports of the Broker Supervisory Board continue to identify a wide variety of flaws in the work performed by Swedish brokers. Although recent years have seen efforts to increase professionalism and public accountability of the real estate brokerage profession, the role of a real estate broker is somewhat difficult to reconcile with that of a provider of independent legal advice to transaction participants. Brokers are oriented to making a sale. Their legal training continues to fall far short of the level of education required for fully trained jurists. Their compensation is totally dependent on the sale happening. They are selected and retained by sellers, and have a special responsibility to insure that their sellers get the best price for their properties. If a buyer wishes independent advice from a legal professional in a real estate transaction, he must consult and pay a lawyer, which is apparently not customary in Sweden. There are also continuing complaints about problems with brokers in conveyancing and the quality of documents submitted to the land registry.

The Swedish system appears to perform under the particular economic and social conditions of Sweden. Whether it should be considered a model for other

modern political economies might be subject to question.

United Kingdom

It appears clear that the United Kingdom has made progress toward simplifying real estate conveyancing and reducing costs by the final implementation of the universal land registration system. Title examination costs of the kind that are still prevalent in the United States have disappeared in England and Wales. Ease of reference to the registry system helps English conveyancers to accommodate chains of conveyances each conditioned upon the other. Further improvements are hoped for with impending developments in electronic access and implementation of applications for re-registration or mortgage notation.

Table C-5 sets forth transaction costs with respect to the 8 hypothetical transactions in England and Wales.

Table C-5 - Real Estate Transaction Costs in England and Wales

	<i>Sale of Land for 100,000</i>	<i>Sale of Land for 100,000 with new mortgage for 75,000</i>	<i>Sale of House for 250,000</i>	<i>Sale of House for 250,000 with new mortgage for 150,000</i>	<i>Sale of House for 500,000</i>	<i>Sale of House for 500,000 with new mortgage for 400,000</i>	<i>Sale of House for 1,000,000</i>	<i>Sale of house for 1,000,000 with new mortgage for 750,000</i>	
<i>Costs</i>	<i>Broker's Commission</i>	2,000€	2,000€	5,000€	5,000€	10,000€	10,000€	20,000€	20,000€
	<i>Purchase Price</i>	100,000€	100,000€	250,000€	250,000€	500,000€	500,000€	1,000,000€	1,000,000€
	<i>Searches Fees</i>	304€	304€	304€	304€	304€	304€	304€	304€
	<i>Buyer's Lawyer's Fee</i>	608€	608€	676€	676€	815€	815€	1,183€	1,183€
	<i>Seller's Lawyer's Fee</i>	571€	571€	635€	635€	768€	768€	1,116€	1,116€
	<i>Bank Lawyer's Fee</i>	-€	100€	-€	250€	-€	499€	-€	999€
	<i>Inspection/Engineer Fee</i>	441€	441€	514€	514€	705€	705€	1,102€	1,102€
	<i>Real Estate Transfer Tax</i>	-€	-€	2,499€	2,499€	15,000€	15,000€	39,999€	39,999€
	<i>Recording/Registration Fee</i>	88€	88€	220€	220€	323€	323€	617€	617€
<i>Total Transfer Costs</i>	4,013€	4,112€	9,848€	10,097€	27,916€	28,415€	64,321€	65,320€	
<i>Total Conveyancing Fees</i>	1,484€	1,584€	1,614€	1,864€	1,888€	2,387€	2,603€	3,602€	
<i>Conveyancing Fees as percent of Total Costs</i>	36.98%	38.51%	16.39%	18.46%	6.76%	8.40%	4.05%	5.51%	
<i>Conveyancing Fees as percent of Purchase Price</i>	1.48%	1.58%	0.65%	0.75%	0.38%	0.48%	0.26%	0.36%	
<i>Broker's Commission as percent of Total Cost</i>	49.84%	48.63%	50.77%	49.52%	35.82%	35.19%	31.09%	30.62%	

Parties in the United Kingdom generally have the benefit of independent legal

advice through their own solicitors. This results in relatively high costs for the lower and average value transactions. In fact, for the purchase of a lot or small dwelling for 100,000€ the total conveyancing fees in the UK were the highest of the 6 jurisdictions studied. On the other hand, the apparent high percentage of conveyancing fees to overall transfer costs with respect to the smallest transactions is due to the absence of a transfer tax for transactions of less than £100,000.

By the same token, conveyancing fees are relatively flat as transaction size increases. For the largest transactions, UK conveyancing fees are among the lowest among the jurisdictions considered.

United States

Costs for real estate conveyancing in the United States appear to be unnecessarily increased by the absence of a modern title registration system and the widespread use of title insurance as a substitute. Although parties to real estate transactions have the ability to obtain legal advice from their own lawyers, most real estate transactions take place without participation of lawyers for the buyer or seller. What legal advice is available comes from title companies and lawyers acting for financing banks or mortgage intermediaries.

Table C-5 sets forth transfer costs for each of the 8 hypothetical transactions in both Maine and New York (upstate).

Table C-5 - Real Estate Transfer Costs in Maine and New York, USA

Maine		<i>Sale of Land for 100,000</i>	<i>Sale of Land for 100,000 with new mortgage for 75,000</i>	<i>Sale of House for 250,000</i>	<i>Sale of House for 250,000 with new mortgage for 150,000</i>	<i>Sale of House for 500,000</i>	<i>Sale of House for 500,000 with new mortgage for 400,000</i>	<i>Sale of House for 1,000,000</i>	<i>Sale of house for 1,000,000 with new mortgage for 750,000</i>
<i>Costs</i>	<i>Broker's Commission</i>	6,000€	6,000€	15,000€	15,000€	30,000€	30,000€	60,000€	60,000€
	<i>Purchase Price</i>	100,000€	100,000€	250,000€	250,000€	500,000€	500,000€	1,000,000€	1,000,000€
	<i>Title Examination Fee</i>	228€	228€	228€	228€	228€	228€	228€	228€
	<i>Buyer's Lawyer's Fee</i>	148€	-€	148€	-€	148€	-€	148€	-€
	<i>Seller's Lawyer's Fee</i>	103€	103€	103€	103€	103€	103€	103€	103€
	<i>Bank Lawyer's Fee</i>	-€	148€	-€	148€	-€	148€	-€	148€
	<i>Appraisal Fee</i>	-€	266€	-€	266€	-€	266€	-€	266€
	<i>Inspection/Engineer Fee</i>	-€	152€	-€	152€	-€	171€	-€	171€
	<i>Real Estate Transfer Tax</i>	335€	335€	837€	837€	1,674€	1,674€	3,348€	3,348€
	<i>Owners Title Insurance</i>	228€	304€	628€	704€	1,256€	1,332€	2,511€	2,587€

	<i>Title Company Fee</i>	152€	152€	152€	152€	152€	152€	152€	152€
	<i>Recording/Registration Fee</i>	14€	14€	15€	15€	15€	15€	15€	15€
	<i>Mortgage Registration Fee</i>	-€	44€	-€	44€	-€	44€	-€	44€
	<i>Total Transfer Costs</i>	7,208€	7,747€	17,112€	17,651€	33,577€	34,135€	66,507€	67,064€
	<i>Total Conveyancing Fees</i>	860€	936€	1,259€	1,336€	1,887€	1,963€	3,143€	3,219€
	<i>Convenancing Fees as percent of Total Costs</i>	11.93%	12.08%	7.36%	7.57%	5.62%	5.75%	4.73%	4.80%
	<i>Conveyancing Fees as percent of Purchase Price</i>	0.86%	0.94%	0.50%	0.53%	0.38%	0.39%	0.31%	0.32%
	<i>Broker's Commission as percent of Total Cost</i>	83.24%	77.45%	87.66%	84.98%	89.35%	87.89%	90.22%	89.47%

		New York (upstate)							
		<i>Sale of Land for 100,000</i>	<i>Sale of Land for 100,000 with new mortgage for 75,000</i>	<i>Sale of House for 250,000</i>	<i>Sale of House for 250,000 with new mortgage for 150,000</i>	<i>Sale of House for 500,000</i>	<i>Sale of House for 500,000 with new mortgage for 400,000</i>	<i>Sale of House for 1,000,000</i>	<i>Sale of house for 1,000,000 with new mortgage for 750,000</i>
<i>Costs</i>	<i>Broker's Commission</i>	6,000€	6,000€	15,000€	15,000€	30,000€	30,000€	60,000€	60,000€
	<i>Purchase Price</i>	100,000€	100,000€	250,000€	250,000€	500,000€	500,000€	1,000,000€	1,000,000€
	<i>Buyer's Lawyer's Fee</i>	342€	342€	342€	342€	342€	342€	342€	342€
	<i>Seller's Lawyer's Fee</i>	419€	419€	419€	419€	419€	419€	419€	419€
	<i>Bank Lawyer's Fee</i>	-€	304€	-€	304€	-€	304€	-€	-€
	<i>Appraisal Fee</i>	190€	190€	228€	228€	228€	228€	266€	266€
	<i>Real Estate Transfer Tax</i>	304€	304€	761€	761€	1,522€	1,522€	3,044€	3,044€
	<i>Owners Title Insurance</i>	467€	467€	853€	853€	1,496€	1,496€	2,649€	2,649€
	<i>Mortgagee Title Insurance</i>	-€	114€	-€	176€	-€	365€	-€	-€
	<i>Recording/Registration Fee</i>	27€	27€	27€	27€	27€	27€	27€	27€
	<i>Mortgage Registration Fee</i>	-€	64€	-€	64€	-€	64€	-€	64€
	<i>Total Transfer Costs</i>	7,750€	8,233€	17,631€	18,175€	34,035€	34,768€	66,748€	66,812€
	<i>Total Conveyancing Fees</i>	1,228€	1,647€	1,614€	2,094€	2,257€	2,926€	3,410€	3,410€
	<i>Convenancing Fees as percent of Total Costs</i>	15.85%	20.00%	9.15%	11.52%	6.63%	8.42%	5.11%	5.10%
	<i>Conveyancing Fees as percent of Purchase Price</i>	1.23%	1.65%	0.65%	0.84%	0.45%	0.59%	0.34%	0.34%
	<i>Broker's Commission as percent of Total Cost</i>	77.42%	72.88%	85.08%	82.53%	88.15%	86.29%	89.89%	89.80%

Considering the lack of high quality legal advice for the participants, conveyancing costs seem relatively high. For a purchase of a lot of land for 100,000 € conveyancing costs (including title insurance) in New York are second only to the UK and France. Maine seems somewhat more reasonable with costs somewhere in the middle between the UK, New York and France on the one hand, and Germany, Estonia and Sweden on the other. As is the case with the United Kingdom, conveyancing costs are relatively flat in comparison with jurisdictions where costs are computed as a percentage of transaction value.

A serious limitation of the American model is the proportion of conveyancing costs which go to the lawyer for the bank or mortgage company, either directly or in the provision of mortgagee and owner title insurance. Of the transaction parties, the bank or mortgage company is the least likely to require transaction specific advice. That the bank lawyer gets the largest of the professional conveyancing costs appears to reflect conditions in the mortgage market rather than a considered allocation of legal advice and costs therefore.

In terms of quality of advice all of the European jurisdictions under comparison, with the possible exception of Sweden, provide better institutional access to advice for transaction participants than appears to be the case in New York or Maine. Moreover, the title registration systems in all of the EU Member States under study spare their purchasers of real estate the cost of title insurance, which burdens purchasers in the United States, which have not seen fit to upgrade their own real estate title systems.

The Relationship of Regulation of Conveyancing Professionals to Real Estate Conveyancing Costs.

Based on the information collected from the five European Union Member States included in this study the most reasonable conclusion is that there is no correlation between conveyancing costs and the degree or type of regulation of conveyancing professionals in any of the EU countries under study. The conveyancing of real estate is highly regulated in every one of the jurisdictions studied. In all jurisdictions under consideration the qualifications and practices of professional conveyancers is regulated by governmental authorities. In all jurisdictions (except for Sweden and in the case of licensed conveyancers in the UK) conveyancers are required to have the complete legal education of a jurist. Most jurisdictions require that they undergo qualification examinations, maintain competence through ongoing education, and maintain liability insurance against claims for malpractice.

Costs do not appear to behave in any way that can be correlated with kind or degree of regulation of conveyancer. In many instances, notarial jurisdictions, which

have the most stringent level of conveyancer regulation, turn out to have the lowest costs. In the only jurisdiction (Sweden) which permits real estate brokers to handle conveyances, it appears that brokers have used their conveyancing function to garner brokerage commission income in virtually all sales transactions, a proportion that is much higher than the share brokers are able to capture in the other jurisdictions under study. In the US the absence of strong rate regulation permits lawyers to maintain title companies to receive title insurance commissions on the order of 80% of the premiums paid by the buyers and mortgagors who are required by the secondary mortgage marketplace to purchase the insurance.

It has been suggested that the regulation of rates of notaries in Estonia, France, and Germany has permitted a degree of cross-subsidization of transactions of small value by transactions of large value. Whether this should be considered an economic inefficiency or sound social policy is very much open to question. By basing notarial fees on transaction value, Estonia, France and Germany make it possible for the many consumers with small and average value transactions to have access to the same high quality of legal services as do those with larger amounts at stake at a more affordable price. It can also be observed that the market practices of brokers, who charge the same percentage of sales price for all brokerage transactions, the premium structures of title insurance companies, which charge a flat percentage of the value of the property insured, and the mandates of taxing authorities, which levy transfer taxes on the same basis, all have the same effect.

On the other hand, it does appear that the degree of regulation maintained in Estonia, France and Germany provides a stronger guarantee that transaction participants will actually partake of meaningful advice and independent professional guidance in completing transactions which might be the most important legal matter of their lives and that such transactions will be completed in a responsible and orderly manner.

Buyers and sellers in those lands where regulation is less stringent appear to get less access to independent advice in comparison to banks and financial institutions,

which use their economic clout to influence how the transaction is closed. Thus, in the less regulated climate of Maine and New York banks receive good advice and representation by their lawyers and title companies at the expense of buyers and sellers, who frequently go without independent advice or representation. In Sweden the quality and independence of advice that buyers can expect from their sellers' real estate brokers is seriously open to question. Real estate brokers do not have complete legal educations. They are oriented to and motivated to making a sale and earning a commission, not to giving independent legal advice to anyone, least of all to buyers whom they are trying to convince to purchase.

Even in England, buyers have to share counsel with their banks. Moreover, the large percentage of real estate purchase and sale transactions which "fall through" between initial agreement and exchange of contracts suggests that the interval before the parties are both bound by exchange of contracts remains unacceptably long and subjects the parties to hazard.

Reduced regulation of conveyancing professionals in Sweden and England appears to be accompanied by a relatively high rate of errors in effectuating real estate re-registrations. Although no statistical comparison has been made, reports of significant numbers of errors in registry filings in both Sweden and England can be contrasted with an almost total absence of reported errors in Germany, France and Estonia.

Effective regulation of conveyancing professionals may gain in importance as efforts are made to transition to a totally electronic land registration system permitting transfers and re-registrations to be made directly by conveyancing professionals accessing the registry data base. Such a system would inevitably dispense with individualized review of transfer documents by land registry personnel. Developments to date with direct electronic registering and releasing mortgage liens by notaries in France suggest that a highly trained, cohesive cadre of conveyancing professionals can make such a system work. Whether a larger group of lawyers from general practice or real estate brokers can be entrusted with unmediated access to the public land registry

data bank is a question with which land registry officials in both England and Sweden are currently struggling.

Conclusions

Based on the information obtained and reviewed, the following conclusions are submitted:

- 1) Comparison of the costs or efficiency of conveyancing professionals in effectuating the conveyance of residential real estate is complicated by differing requirements of national and local law, taxation and real estate regulation, local real estate market conditions, national and local real estate title registration systems, national substantive real property law and the requirements of local banks, all of which impact the conveyancing function and the work to be performed by conveyancing professionals. These factors affect not only the gross amount of work to be done and associated costs, but also the allocation of work and costs among transaction participants and between public and private agencies in a way to make direct costs comparison extremely difficult. Comparison of costs and efficiency are also of little meaning unless the quality of the services rendered and the degree to which public policies are implemented can be taken into account.
- 2) Subject to the foregoing limitations, Table C attached represents a detailed current estimate of potential costs for conveyancing services along with certain other transaction costs for hypothetical purchases and sales of residential real estate with or without mortgage.
- 3) In all the countries studied, fees and costs of conveyancing professionals represent a tiny portion of the value of most real estate transactions, generally of the order of less than 1%, and are generally dwarfed by real estate brokerage costs and in some cases by taxes. There is nothing to indicate that conveyancing costs are a significant burden on lively real estate markets in any of the countries studied.
- 4) The average value of real estate transactions in the EU jurisdictions studied has been reported to range between 130,000 € in Germany up to 297,000 € in England. These are the most numerous transactions, and the ones in which conveyancing costs mean the most to the participants. From an economic point of view these transactions have the greatest impact on the conveyancing market. Hence transactions of average value should play a primary role in a comparative study of conveyancing systems. Higher value residential real estate

transactions (500,000 -1,000,000 €) are small in number compared with transactions of low and average value.

- 5) Conveyancing costs in notarial jurisdictions appear to be relatively low for residential real estate transactions of average value. Conveyancing costs in common-law jurisdictions (United Kingdom and the U.S.) are higher for low and average value transactions, but somewhat lower for the transactions of higher value.
- 6) Conveyancing costs in Sweden are hard to isolate because conveyancing is done by brokers, who are paid a commission that covers both brokerage and conveyancing. The fact that almost all transactions are brokered suggests that the brokers' roles as conveyancers enable them to charge brokerage commissions in transactions in which brokerage services are not needed. Allocation of the broker's commissions in the estimated percentage of cases where ordinarily one would not expect that brokerage would be needed (30%) results in an estimate of the cost of conveyancing services of approximately .9% of the purchase price of the property. It appears thus fair to conclude that in Sweden conveyancing costs for low and average value transactions are not lower than in the other jurisdictions under study..
- 7) Residential real estate transactions participants, particularly buyers, need independent legal advice for successful completion of real estate purchases and sales. In Estonia, France and Germany parties are assured of high quality independent legal advice and accomplishment of their transactions by public notaries. Sellers and buyers in the United Kingdom have access to advice from their own solicitors, who in some cases also represent financing banks. Sellers and buyers in the United States may hire their own lawyers, but frequently rely on lawyers or title companies representing financing banks. Parties to Swedish transactions are generally not advised by lawyers, but by the sellers' real estate brokers. Economic conflicts of interest and limited professional expertise appear to compromise the quality of broker-provided advice.
- 8) Real estate conveyancing in Estonia, France and Germany is facilitated by modern land registry systems which are in the process of converting to all electronic access and transaction effectuation. Procedures are being developed to give notaries access to these systems not only to view records, but also to enable them to effectuate real estate transfer, mortgage creation, and mortgage discharge instantaneously by direct electronic access to the registry databases. England is also modernizing its land registry systems, but is struggling with a high rate of errors in registry submittals and is concerned about the wisdom of allowing the variety of persons currently authorized to provide conveyancing services access to the electronic database. Sweden is in a similar situation. The

states of the United States lag badly in implementing modern title registry systems, which leads to excess costs for title insurance.

- 9) European title registration systems currently depend on title registry officials to screen conveyancing documents for errors and deficiencies. As land registration systems approach the “gold standard” of contemporaneous contract signing and passage of title by giving conveyancing professionals access to registry data bases to make conveyances and input information on mortgages, this level of control will likely decrease. It will be all the more important that conveyancers exercise a high degree of quality control in document preparation and submittal in order to maintain the integrity of the register. Estonia, France and Germany which use compact groups of highly competent, impartial and publicly accountable notaries for conveyancing, appear to be in a good position to maintain this level of quality control in the all-electronic age.
- 10) This study has found no evidence that deregulation of conveyancing services leads to lower cost or higher efficiency among the countries under consideration. The contrary appears to be true. In the most highly regulated jurisdictions such as Estonia and Germany, average costs are low (particularly for the numerous market-relevant transactions of low and average value), the registry systems function effectively and consumer satisfaction appears to be high. On the other hand in England, with somewhat less regulation, one sees high costs for the many smaller transactions, a high rate of failure of transactions (30%) and a low level of reported consumer satisfaction. In Sweden the real estate brokers have gained control of the conveyancing process and are apparently able to garner sales commissions in many transactions where brokerage is not needed. Questions about the impartiality and quality of legal advice to participants can also be raised in Sweden. In the U. S. partial deregulation of conveyancing has permitted banks to distort the system to benefit them and their lawyers at the expense of consumers.
- 11) It appears clear that the market for real estate conveyancing services is far from a perfect market and that deregulation does not lead to improved services at lowest cost. It appears that groups such as banks, lawyers and brokers are able to influence costs and practices based on their strategic positions in the marketplace. Costs and practices are also affected by public title registry systems and the provisions of local substantive real property law. Enlightened regulation appears to be doing a better job at cost minimization and consumer protection than the “free” market.
- 12) There appears to be little reason to foster standardization of real estate conveyancing regulation, practices or costs within the EU. Real estate is inherently a local matter. Differences in costs and practices within the EU are not so significant that there is any risk of impeding real estate development or

commerce among the Member States. A degree of diversity in real estate practices within the EU can lead to improvement of standards generally, as different Member States can observe and learn from each other.

- 13) If one were to start “from a clean slate” and design a system for effectuating real estate transactions, the model of a single neutral professional to attend to legal aspects of the transaction and accomplish the transfer of title by direct access to a public registry appears to offer strong advantages in terms of cost efficiency and systemic integrity over models of collaborating party-retained conveyancers or fully deregulated models. All models require some regulation. The effectiveness of the model will depend in large part on the quality of the regulation.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Peter L. Murray". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Peter L. Murray
Braucher Visiting Professor of Law from Practice
Harvard Law School
Cambridge, Massachusetts, USA

August 31, 2007

TABLE C – COSTS FOR REAL ESTATE TRANSFERS IN 5 EUROPEAN MEMBER STATES AND 2 STATES OF THE UNITED STATES

		<i>Sale of Land for 100,000</i>	<i>Sale of Land for 100,000 with new mortgage for 75,000</i>	<i>Sale of House for 250,000</i>	<i>Sale of House for 250,000 with new mortgage for 150,000</i>	<i>Sale of House for 500,000</i>	<i>Sale of House for 500,000 with new mortgage for 400,000</i>	<i>Sale of House for 1,000,000</i>	<i>Sale of house for 1,000,000 with new mortgage for 750,000</i>	
<i>Estonia</i>	<i>Costs</i>	<i>Broker's Commission</i>	4,000€	4,000€	10,000€	10,000€	20,000€	20,000€	40,000€	40,000€
		<i>Purchase Price</i>	100,000€	100,000€	250,000€	250,000€	500,000€	500,000€	1,000,000€	1,000,000€
		<i>Mortgage Amount</i>	-€	74,996€	-€	187,511€	-€	400,000€	-€	750,000€
		<i>Notary Fee - Contract</i>	379€	-€	922€	-€	1,827€	-€	3,620€	-€
		<i>Notary Fee Combined Contract & Mortgage</i>	-€	446€	-€	967€	-€	2,143€	-€	4,170€
		<i>Recording/Registration Fee</i>	110€	136€	294€	304€	754€	909€	1,600€	1,977€
	<i>Total Transfer Costs</i>	4,488€	4,582€	11,215€	11,271€	22,581€	23,052€	45,220€	46,147€	
	<i>Total Conveyancing Fees</i>	379€	446€	922€	967€	1,827€	2,143€	3,620€	4,170€	
	<i>Convenancing Fees as percent of Total Costs</i>	8.43%	9.74%	8.22%	8.58%	8.09%	9.30%	8.01%	9.04%	
	<i>Conveyancing Fees as percent of Purchase Price</i>	0.38%	0.45%	0.37%	0.39%	0.37%	0.43%	0.36%	0.42%	
	<i>Broker's Commission as percent of Total Cost</i>	89.12%	87.29%	89.16%	88.72%	88.57%	86.76%	88.46%	86.68%	
<i>France</i>	<i>Costs</i>	<i>Broker's Commission</i>	6,000€	6,000€	15,000€	15,000€	30,000€	30,000€	60,000€	60,000€
		<i>Purchase Price</i>	100,000€	100,000€	250,000€	250,000€	500,000€	500,000€	1,000,000€	1,000,000€
		<i>Notary Fee - Contract</i>	1,154€	1,154€	2,391€	2,391€	4,454€	4,454€	8,579€	8,579€
		<i>Notary Fee - Mortgage</i>	-€	316€	-€	522€	-€	1,210€	-€	2,172€
		<i>Notary's Overheads Charge</i>	200€	200€	300€	300€	300€	300€	300€	300€
		<i>Real Estate Transfer Tax</i>	5,090€	5,090€	12,725€	12,725€	25,450€	25,450€	50,900€	50,900€
		<i>Recording/Registration Fee</i>	100€	100€	250€	250€	500€	500€	1,000€	1,000€
	<i>Mortgage Registration Fee</i>	-€	45€	-€	90€	-€	240€	-€	450€	
	<i>Total Transfer Costs</i>	12,544€	12,905€	30,666€	31,278€	60,704€	62,154€	120,779€	123,401€	
	<i>Total Conveyancing Fees</i>	1,354€	1,670€	2,691€	3,213€	4,754€	5,964€	8,879€	11,051€	
	<i>Convenancing Fees as percent of Total Costs</i>	10.79%	12.94%	8.78%	10.27%	7.83%	9.60%	7.35%	8.96%	
<i>Conveyancing Fees as percent of Purchase Price</i>	1.35%	1.67%	1.08%	1.29%	0.95%	1.19%	0.89%	1.11%		
<i>Broker's Commission as percent of Total Cost</i>	47.83%	46.49%	48.91%	47.96%	49.42%	48.27%	49.68%	48.62%		
<i>Germany</i>	<i>Costs</i>	<i>Broker's Commission</i>	4,000€	4,000€	10,000€	10,000€	20,000€	20,000€	40,000€	40,000€
		<i>Purchase Price</i>	100,000€	100,000€	250,000€	250,000€	500,000€	500,000€	1,000,000€	1,000,000€
		<i>Notary Fee - Contract</i>	454€	454€	904€	904€	1,654€	1,654€	3,154€	3,154€
		<i>Notary Fee Contract Effectuation</i>	105€	105€	205€	205€	333€	333€	588€	588€
		<i>Notary Fee - Mortgage</i>	-€	187€	-€	292€	-€	667€	-€	1,192€

		Real Estate Transfer Tax	3,500€	3,500€	8,750€	8,750€	17,500€	17,500€	35,000€	35,000€
		Recording/Registration Fee	311€	311€	648€	648€	1,211€	1,211€	2,336€	2,336€
		Mortgage Registration Fee	-€	177€	-€	282€	-€	657€	-€	1,182€
		Total Transfer Costs	8,370€	8,734€	20,507€	21,081€	40,698€	42,022€	81,078€	83,452€
		Total Conveyancing Fees	559€	746€	1,109€	1,401€	1,987€	2,654€	3,742€	4,934€
		Convenancing Fees as percent of Total Costs	6.68%	8.54%	5.41%	6.65%	4.88%	6.32%	4.62%	5.91%
		Conveyancing Fees as percent of Purchase Price	0.56%	0.75%	0.44%	0.56%	0.40%	0.53%	0.37%	0.49%
		Broker's Commission as percent of Total Cost	47.79%	45.80%	48.76%	47.44%	49.14%	47.59%	49.34%	47.93%
Sweden	Costs	Broker's Commission	3,000€	3,000€	7,500€	7,500€	15,000€	15,000€	30,000€	30,000€
		Purchase Price	100,000€	100,000€	250,000€	250,000€	500,000€	500,000€	1,000,000€	1,000,000€
		Mortgage Amount	-€	75,000€	-€	150,000€	-€	400,000€	-€	750,000€
		Inspection/Engineer Fee	500€	500€	500€	500€	500€	500€	500€	500€
		Real Estate Transfer Tax	1,500€	1,500€	3,750€	3,750€	7,500€	7,500€	15,000€	15,000€
		Mortgage Tax	-€	1,500€	-€	3,000€	-€	8,000€	-€	15,000€
		Recording/Registration Fee	89€	89€	89€	89€	89€	89€	89€	89€
		Mortgage Registration Fee	-€	41€	-€	41€	-€	41€	-€	41€
		Broker Contract and Implementation Charge	900€	900€	2,250€	2,250€	4,500€	4,500€	9,000€	9,000€
		Total Transfer Costs	5,989€	7,530€	14,089€	17,130€	27,589€	35,630€	54,589€	69,630€
		Total Conveyancing Fees	900€	900€	2,250€	2,250€	4,500€	4,500€	9,000€	9,000€
		Convenancing Fees as percent of Total Costs	15.03%	11.95%	15.97%	13.13%	16.31%	12.63%	16.49%	12.93%
		Conveyancing Fees as percent of Purchase Price	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
		Broker's Commission as percent of Total Cost	50.09%	39.84%	53.23%	43.78%	54.37%	42.10%	54.96%	43.09%
United Kingdom	Costs	Broker's Commission	2,000€	2,000€	5,000€	5,000€	10,000€	10,000€	20,000€	20,000€
		Purchase Price	100,000€	100,000€	250,000€	250,000€	500,000€	500,000€	1,000,000€	1,000,000€
		Searches Fees	304€	304€	304€	304€	304€	304€	304€	304€
		Buyer's Lawyer's Fee	608€	608€	676€	676€	815€	815€	1,183€	1,183€
		Seller's Lawyer's Fee	571€	571€	635€	635€	768€	768€	1,116€	1,116€
		Bank Lawyer's Fee	-€	100€	-€	250€	-€	499€	-€	999€
		Inspection/Engineer Fee	441€	441€	514€	514€	705€	705€	1,102€	1,102€
		Real Estate Transfer Tax	-€	-€	2,499€	2,499€	15,000€	15,000€	39,999€	39,999€
		Recording/Registration Fee	88€	88€	220€	220€	323€	323€	617€	617€
		Total Transfer Costs	4,013€	4,112€	9,848€	10,097€	27,916€	28,415€	64,321€	65,320€
		Total Conveyancing Fees	1,484€	1,584€	1,614€	1,864€	1,888€	2,387€	2,603€	3,602€
		Convenancing Fees as percent of Total Costs	36.98%	38.51%	16.39%	18.46%	6.76%	8.40%	4.05%	5.51%
		Conveyancing Fees as percent of Purchase Price	1.48%	1.58%	0.65%	0.75%	0.38%	0.48%	0.26%	0.36%
		Broker's Commission as percent of Total Cost	49.84%	48.63%	50.77%	49.52%	35.82%	35.19%	31.09%	30.62%
U. S. - Maine	Costs	Broker's Commission	6,000€	6,000€	15,000€	15,000€	30,000€	30,000€	60,000€	60,000€
		Purchase Price	100,000€	100,000€	250,000€	250,000€	500,000€	500,000€	1,000,000€	1,000,000€
		Title Examination Fee	228€	228€	228€	228€	228€	228€	228€	228€
		Buyer's Lawyer's Fee	148€	-€	148€	-€	148€	-€	148€	-€

		<i>Seller's Lawyer's Fee</i>	103€	103€	103€	103€	103€	103€	103€	103€		
		<i>Bank Lawyer's Fee</i>	-€	148€	-€	148€	-€	148€	-€	148€		
		<i>Appraisal Fee</i>	-€	266€	-€	266€	-€	266€	-€	266€		
		<i>Inspection/Engineer Fee</i>	-€	152€	-€	152€	-€	171€	-€	171€		
		<i>Real Estate Transfer Tax</i>	335€	335€	837€	837€	1,674€	1,674€	3,348€	3,348€		
		<i>Owners Title Insurance</i>	228€	304€	628€	704€	1,256€	1,332€	2,511€	2,587€		
		<i>Title Company Fee</i>	152€	152€	152€	152€	152€	152€	152€	152€		
		<i>Recording/Registration Fee</i>	14€	14€	15€	15€	15€	15€	15€	15€		
		<i>Mortgage Registration Fee</i>	-€	44€	-€	44€	-€	44€	-€	44€		
		<i>Total Transfer Costs</i>	7,208€	7,747€	17,112€	17,651€	33,577€	34,135€	66,507€	67,064€		
		<i>Total Conveyancing Fees</i>	860€	936€	1,259€	1,336€	1,887€	1,963€	3,143€	3,219€		
		<i>Convenancing Fees as percent of Total Costs</i>	11.93%	12.08%	7.36%	7.57%	5.62%	5.75%	4.73%	4.80%		
		<i>Conveyancing Fees as percent of Purchase Price</i>	0.86%	0.94%	0.50%	0.53%	0.38%	0.39%	0.31%	0.32%		
		<i>Broker's Commission as percent of Total Cost</i>	83.24%	77.45%	87.66%	84.98%	89.35%	87.89%	90.22%	89.47%		
U. S. - New York	Costs	<i>Broker's Commission</i>	6,000€	6,000€	15,000€	15,000€	30,000€	30,000€	60,000€	60,000€		
		<i>Purchase Price</i>	100,000€	100,000€	250,000€	250,000€	500,000€	500,000€	1,000,000€	1,000,000€		
		<i>Buyer's Lawyer's Fee</i>	342€	342€	342€	342€	342€	342€	342€	342€		
		<i>Seller's Lawyer's Fee</i>	419€	419€	419€	419€	419€	419€	419€	419€		
		<i>Bank Lawyer's Fee</i>	-€	304€	-€	304€	-€	304€	-€	304€		
		<i>Appraisal Fee</i>	190€	190€	228€	228€	228€	228€	266€	266€		
		<i>Real Estate Transfer Tax</i>	304€	304€	761€	761€	1,522€	1,522€	3,044€	3,044€		
		<i>Owners Title Insurance</i>	467€	467€	853€	853€	1,496€	1,496€	2,649€	2,649€		
		<i>Mortgagee Title Insurance</i>	-€	114€	-€	176€	-€	365€	-€	365€		
		<i>Recording/Registration Fee</i>	27€	27€	27€	27€	27€	27€	27€	27€		
		<i>Mortgage Registration Fee</i>	-€	64€	-€	64€	-€	64€	-€	64€		
				<i>Total Transfer Costs</i>	7,750€	8,233€	17,631€	18,175€	34,035€	34,768€	66,748€	66,812€
				<i>Total Conveyancing Fees</i>	1,228€	1,647€	1,614€	2,094€	2,257€	2,926€	3,410€	3,410€
				<i>Convenancing Fees as percent of Total Costs</i>	15.85%	20.00%	9.15%	11.52%	6.63%	8.42%	5.11%	5.10%
		<i>Conveyancing Fees as percent of Purchase Price</i>	1.23%	1.65%	0.65%	0.84%	0.45%	0.59%	0.34%	0.34%		
		<i>Broker's Commission as percent of Total Cost</i>	77.42%	72.88%	85.08%	82.53%	88.15%	86.29%	89.89%	89.80%		