

Buying Guide

This information guide is intended to provide you with a brief outline of the work involved in a property transaction and to offer a brief insight into the mechanics and terminology behind it. It is by no means a comprehensive guide to the law, nor to all matters involved in conveyancing transactions. However, it contains useful information which we hope will assist you to understand the process more clearly. If you have any questions about the contents of this information guide, please do not hesitate to contact us and we will be happy to assist.

The Contract Package

The legal process involved in buying or selling a property begins with the Contract package. The first step in any purchase transaction is to write to the Seller's Solicitors to ask for the Contract documentation, which includes the following:

Title Documents

These are either copies of the original Title Deeds or Official Copies of the Registered Title and Title Plan (depending upon whether the property is unregistered or registered) and, if the property is leasehold, a copy of the Lease.

Sale Contract

The Sale Contract is a formal written agreement between you and the Seller that they will sell and you will buy the property at an agreed price. It is the responsibility of the Seller's Solicitor to draft (write) the Sale Contract and all of the clauses contained in it. Once drafted, the Sale Contract is sent to us to either approve, or to amend and return. Once the clauses in the Contract have been agreed, matters work in such a way that two parts of the Contract are printed, both identical. One part will be signed by the Seller whilst the other part will be signed by you. The signed documents are then held on file until both parties are in a position to proceed.

Property Information Forms

There are a standard set of forms used in every residential sale transaction which the Seller completes and provides to the Buyer. They are:

- a Property Information Form;
- an Additional Property Information Form;
- a Fittings and Contents Form;
- and, if the property is leasehold, a Leasehold Information Form.

The Seller is under a duty to complete these forms as accurately as possible and you are entitled to rely on the information provided in them. If any reply to a question is

inaccurate or misleading, the Seller may be liable in the civil offence of misrepresentation or even guilty of the criminal offence of fraud (fraud by false representation or fraudulently failing to disclose information).

The Property and Additional Property Information Forms contain questions relating to ownership of boundaries, disputes about the property, occupier's interests (for example, Tenants), building works, adjoining property rights, guarantees, and details of Notices received from a Local Authority or governing body which affect the property. The Leasehold Information Form contains additional questions relating to the Landlord, the ground rent and the service charges.

The Fittings and Contents Form in particular, will be attached to, and form part of, the Sale Contract, and so will become legally enforceable. Care should be taken to ensure that all of the items you expect to be included in the sale are actually included in the list.

If there are items the Seller wishes to exclude from the sale but would like to offer for sale to you separately (such as a washing machine or television), they will make a note of these on the form, together with the suggested price. In law, these additional items are called 'Chattels', and if you wish to buy them from the Seller, a 'Chattels Price' is agreed and inserted into the Sale Contract. This sum will be payable in addition to the sale price for the property.

Planning Documents

If the property has been altered or extended in any way (for example a conservatory or loft extension), you will want to ensure that the building works were completed in accordance with all relevant Planning Permissions and Building Regulations. Copies of these permissions, and any accompanying warranties and guarantees, are provided to prove that the modifications are both sound and not in contravention of planning laws.

Checking the Title

Once the Contract package has been received, the Title documents will be examined to ensure the accuracy and extent of property and land being sold. Also, to ensure that the Seller is the owner of the property and has the legal right to sell it, and that there are no defects in the legal title. In law, we call this 'investigating title'.

We will also examine the information provided in the Property Information Forms and check any supporting documents supplied. If, during the course of investigating title, there are any matters which are unclear or are dissatisfactory, these will be raised with the Seller's Solicitors, a process called 'raising enquiries'.

The enquiries may be a combination of general questions appropriate to every property, and specific questions about the particular property being acquired. Usually, the enquiries are sent at the start of the transaction and the Seller replies to them through their Solicitor. Additional enquiries will often be raised after the making of the initial enquiries, right up to Exchange of Contracts, as further information relating to the property or the transaction comes to light, or further points need to be queried. Again, you are entitled to rely on the accuracy of the Seller's replies so

that you can make an informed decision about whether or not you wish to proceed with the purchase.

You should take cognisance of the fact that the Sale Contract will almost certainly contain a clause whereby you acknowledge that you are entering into the Contract to purchase the property based on your own knowledge and enquiries about the property and *not* in reliance of any statement made by the Seller (except those made in writing by the Seller's Solicitors and contained in the replies to enquiries). It is important, therefore, that if the Seller told you anything during initial negotiations which materially influenced your decision to buy the property, you inform us at the earliest opportunity so that we can confirm the statement in writing; otherwise it cannot be relied upon.

As we will not actually see or inspect the property, we will rely upon you to report to us any unusual features or discrepancies you uncover during the course of your own inspection of the property, so that appropriate enquiries can be raised. When doing so, please pay particular attention to the following:

- discrepancies regarding the boundary lines (by reference to the Title Plan);
- the existence of non-owning occupiers;
- whether the property abuts a river, village green or railway;
- whether the property abuts a road which appears to be a private road;
- evidence of rights of way or other rights enjoyed by neighbours or the public;
- items omitted from the Fittings and Contents form; or
- alterations and extensions to the property (ie: a conservatory, loft conversion or removal of a wall).

If a defect in the Title to the property becomes apparent, the Seller is under a duty to rectify it at their own expense. This is sometimes done by way of obtaining retrospective consent, as in the case of a breach of Planning regulations, or by obtaining an insurance policy (called an 'Indemnity Policy'), which we, or the Seller's Solicitor, can arrange on your behalf.

If a defect in title is not rectified, your Lender (if you are purchasing with the aid of a mortgage) may refuse to lend money on the property unless, and until, the defect is corrected as it will undoubtedly affect both its value and marketability.

Searches

Upon receipt of a plan of the property, it will be necessary for us to put in hand various searches. The term 'property searches' covers a number of different searches offered by Local Councils, Government Agencies, utilities and commercial organisations, the aim of which is to provide you with information about any potential restriction, benefits and conditions which affect the property and, ultimately, your use and enjoyment of it. The main searches which are conducted on a purchase transaction are:

Local Authority Search (approximately £100 - £150)

Local Councils maintain a large amount of data relating to properties in their area and searches of these records will reveal whether the property is:

- affected by nearby road schemes or parking restrictions;
- the subject of a Compulsory Purchase Order;
- in a conservation area;
- abutting a road adopted by the Council and maintainable at public expense;
- subject to breaches of planning laws;
- in a smokeless zone;
- subject to a Tree Preservation Order; or
- a listed building.

Please note that the Local Authority search only relates to the specific property searched and will not give any information relating to adjoining properties or undeveloped land in the area. If you have concerns as to the possibility of development going on nearby or as to the use of neighbouring land, we recommend you contact the Local Authority planning department directly who will be better able to advise you. Please also remember that you are not purchasing a view, and surrounding land can be altered or redeveloped at any time.

Drainage and Water Search (approximately £45)

The water utility companies offer a specialist search which will confirm whether:

- surface water and foul water at the property is connected to the public sewer;
- the property is connected to mains water; and
- there are any known sewers or mains drains running through the boundaries of the property.

Environmental Search (approximately £45)

The Contaminated Land Regime was brought into effect in April 2000 and applies to all land, residential or commercial. The legislation states that all the Local Authorities in England and Wales must inspect and identify seriously contaminated sites and compile a register of contaminated land. Once a piece of land has been identified as contaminated, the Local Authority has the right to issue Remediation Notices, requiring homeowners to remedy the contamination. This liability is unlimited and any delay in remedying the contamination can lead to penalties being imposed, on a periodic basis, until the contamination is removed.

Due to this potentially unlimited financial liability, it is necessary to commission an Environmental Report which will reveal whether there is any contamination (currently known), in respect of the property. It will also reveal a number of other issues, such as:

- flooding;
- radon gas emissions; and
- whether there was a past use which may have left unstable land, pollution or contamination behind.

Chancel Repair Liability Search (approximately £20)

This search will reveal whether the property is liable to pay a contribution towards the chancel repairs of a pre-reformation local parish church. Such obligations stem from mediaeval times where former rectorial land, previously owned by the church to fund the local rector, had been sold and the new owner took on the repairing obligation attached to that land. This means that any property located within the boundaries of a parish where such liability exists, could be required to pay for a proportion of the costs associated with the upkeep of the chancel.

The rights of the church tithes goes back to 1189 and they affect some 5,200 pre-reformation churches across England and Wales. In an effort to clarify these potentially onerous liabilities, the Government gave the churches until 2013 to note their right at the Land Registry on the Registers of Title of all the properties concerned. Failure to register means that this liability will not be binding after 2013 and cannot be enforced.

So far as the Chancel Repair Liability search is concerned, this merely provides that the property *may* be within the boundary of a parish which existed prior to the reformation but does not indicate whether the property ever formed part of former rectorial land, and it does not indicate whether there is an actual entry relating to the property on the Record of Ascertainments. Accordingly, we will not commission this search unless you specifically request us to do so. If you choose to do so and a potential liability is found, this can be insured against at a cost of approximately £80.

Mining Search (approximately £30)

The Coal Authority holds and maintains the national coal-mining database and its search report will confirm if the property has been subject to a mining related subsidence claim and/ or is situated on land suffering from ground instability. We will only commission this search if the property is located within a coal-mining area.

Because we have to pay the relevant authorities for the cost of these searches, we cannot order them until such time as we have received a payment on account from you (we usually request around £250 at the commencement of a transaction). It can take the relevant authorities up to three weeks to process the information provided in the search results, so it is important, if you wish to expedite matters, to let us have the money requested as soon as possible. If speed is not of the essence, you may want us to delay commissioning searches until you have received a satisfactory survey and mortgage offer, but, obviously, this will result in a delay in Completion.

Searches and Home Information Packs

The introduction of the Home Information Pack attempted to shift the responsibility and cost of obtaining property searches from the Buyer to the Seller and, indeed, it

is now mandatory for the Seller to provide both a Local Authority search and a Drainage and Water search in the pack. In practice, however, it is still often necessary for the Buyer to obtain and pay for their own searches, even if they have already been provided. The reason for this is that first, the property may have been on the market a long time and the searches are out of date (more than 6 month's old), and, secondly, the searches provided may not be in a format acceptable to most Mortgage Lenders who insist on confirmation that satisfactory searches are obtained prior to release of funds. Whilst we will certainly utilise any acceptable searches provided, please be aware that the searches in a Home Information Pack are, in reality, of little practical use to Buyers.

Valuations & Surveys

It is important, when purchasing a property, that you satisfy yourself as to the state and condition of the property *before* Exchange of Contracts. Broadly speaking, in English law there is no duty on the part of the Seller to disclose defects in the physical condition of the property. Rather, the onus is on the Buyer to discover defects (for example, rising damp, subsidence, drainage defects, woodworm, etc.) by way of survey, inspection and any relevant specialist reports.

Accordingly, it is strongly recommended that you commission an RICS Home Buyer's Report or, in certain cases, a full structural survey, together with any recommended specialist reports, to ensure you are fully versed in the scale and type of repair work which may be required and the likely cost. If in doubt about which type of survey to order, please do obtain expert advice.

You must also ensure that you inspect the property yourself and test as many items as possible (such as the central heating, electrical and water systems). Once Exchange of Contracts has taken place, should any defects then become apparent, it will be too late for you to try and renegotiate the purchase price or to require the Seller to put the defects right. Likewise, if your survey reveals that works will be necessary to the property, you should obtain estimates so that you are fully aware of what it will cost to put the property into a good state.

If you do wish to renegotiate the price with the Seller, you should do this through the Estate Agent (if there is one). However, please remember to advise us of the revised price as we will need to alter the contract documentation and notify the Lender.

Many people mistakenly believe that the valuation carried out by their Mortgage Lender's Surveyor is sufficient. However, a mortgage valuation is just that, a valuation. Other than a brief, rudimentary inspection, it does not offer any useful information regarding the condition of the property and should not be relied upon. Moreover, the valuation will only act as confirmation that the property is worth the sum your Lender is lending, not what you are paying for it.

If you are purchasing the property with the aid of a mortgage and the problems revealed are severe, it is possible that your Lender will make a retention (withhold monies), equal to the sum the Lender estimates the repairs will cost. You will then have to carry out the repairs at your own cost to the satisfaction of the Lender's Surveyor and then the balance of the monies will be released to you. If you are unable to make up the purchase price from your own funds, you may be required to

have the works done between Exchange of Contracts and Completion, in order to have the full mortgage advance released to you.

If the property is leasehold, please ask your Surveyor to advise you not only on the state of repair and condition of the property, but also on the building as a whole (in which it is situate). This is because you may be required to contribute towards the cost of any major or structural repairs to other parts of the building (including the roof, foundations and walls, etc.) and to the common parts via the service charge provisions in the Lease.

Please note, as a general rule, issues as to the *physical* state and condition of the property are not matters of title and are the remit of your Surveyor, not your Solicitor. We do not generally raise enquiries regarding the structural condition of the property.

Alterations and Development

If it is your intention to make any alterations to the property, either after Completion or in the future, please tell us, as there may be further considerations which need exploring or additional enquiries to raise of the Seller and the Local Authority.

There is also a wealth of legislation now in place with regard to building works which you should be aware of. Most importantly:

Replacement Windows

As from 2002, the installation of replacement windows, roof lights or glazed doors must either have Building Regulating approval or have been carried out by a person registered under the Fenestration Self Assessment Scheme by the Glass and Glazing federation (who will issue a FENSA Certificate confirming compliance with the regulations).

Installation of Central Heating Boilers

As from 2004, the installation of new boilers or water tanks must either have Building Regulating approval or have been installed by a person registered under the OFTEC, HETAS or CORGI Scheme (who will issue a Compliance Certificate confirming observance of the regulations).

Electrical Works

As from 2005, any electrical repair work or alterations will need to comply with the Part P requirements of the Building Regulations and be carried out by NICEIC registered person (who will issue an ELECSA Certificate confirming compliance with the regulations).

Failure to comply with parts of the latest Building Regulations and some Planning regulations is a criminal offence and Local Authorities have the power to require the removal or alteration of work which does not comply. This legislation is also constantly changing and we would strongly advise that, before undertaking any building works (structural or non-structural, internal or external), that you contact

the Local Authority to enquire what consents may be necessary; even if your building Contractor says consent is not required. In this way, you remove the risk of subsequent intervention by the Council and it will make it far easier to sell the property in the future. Wherever possible, ask the Council to confirm their advice in writing.

Also remember that if the property is leasehold, you may only make alterations if you have the prior written consent of the Landlord, who may charge a fee for granting consent.

The Mortgage Offer

If you are purchasing the property with the assistance of a mortgage, your Bank or Building Society will send us a copy of your mortgage offer at the same time as you. Please ensure you read through your mortgage offer carefully and fully understand your obligations under it and the risks involved. Particular attention should be paid to any early redemption penalties or rates of interest quoted.

The offer will contain various conditions which must be met before release of funds. Conditions can be wide-ranging and vary from mortgage to mortgage, but may include:

- providing written confirmation that adequate insurance cover is in place;
- confirmation that we hold sufficient evidence of your identity;
- a requirement to repay an overdraft or credit card on Completion; or
- a stipulation that certain remedial works are to be undertaken at the property within a specified period of time.

You are under a duty to inform your Lender of any incentives offered by the Seller, for example, a discount in the sale price if you Exchange Contracts by a certain date, or a contribution towards legal costs or the Stamp Duty. You must also inform the Lender of any persons over the age of 17 who will be living at the new property but who will not be a party to the mortgage as they will be required to sign a form confirming their consent to the mortgage.

Please remember, we will be acting not only for you but also for your Lender and will owe a separate and distinct duty to them. If, for instance, the purchase price is renegotiated or the Seller makes a reduction in the purchase price equal to the cost of repairs (called an 'allowance'), we are under a duty to report this information to your Lender. The reason behind this is because the value of their security has altered since the original assessment and they may need to revise their offer. If you instruct us not to reveal such information we will not do so as we are also under a duty not to breach confidentiality. However, it will not be possible for us to continue to act for you in this instance.

We are not qualified to comment on the suitability of any mortgage you arrange, or to give financial advice (although we will be happy to recommend an independent financial adviser should it be required), and you should continue to refer to your Mortgage Lender or Broker in this regard.

Contributions to the Purchase Price by Third Parties

If any other person, such as a business colleague or relation, makes a contribution to the purchase price, that person may need their interest protecting by the taking of a charge on the property, in much the same way as a commercial mortgage lender does.

We will need to obtain that person's written instructions as to whether the contribution is intended as an outright gift, in which case there will be no need for a charge to be registered, or whether it is to be repayable from the proceeds of sale at a later date, in which case we may need to advise them to seek independent legal advice.

Deposits Paid Directly

If the property you are buying is being sold through an Estate Agent, they may ask you to pay a deposit to them. You are under no legal obligation to pay this sum, but, if you do, please remember to inform us so that this sum can be taken into account when sending the purchase monies on Completion. Any deposit paid will be returned to you if the purchase does not proceed to Exchange of Contracts.

Under no circumstances should you make a payment direct to the Seller, even if there are no Estate Agents involved. All payments should be made through ourselves to ensure that you do not unwittingly commit yourself to the purchase or lose your money to an unscrupulous Seller. Likewise, you should not sign any document without first referring to us.

Joint Ownership

If you are buying a property with another person, it is very important you give consideration as to how you wish to hold the property between you. In England and Wales, the law provides two ways in which land can be held by co-owners:

- as Joint Tenants; or
- as Tenants in Common.

Both types of co-ownership have very different implications, which are outlined below. Please note, 'Joint Tenants' and 'Tenants in Common' are ways of describing how you *own* a property. The terms have a distinct legal meaning and should not be confused with the type of tenant who rents a property from a landlord.

Joint Tenants

If you hold the property as Joint Tenants, each of you is regarded as owning the whole of the property, rather than a specific portion. If one of you dies, the deceased's interest in the property will automatically belong to the survivor, without any further legal action being necessary (other than a copy of the Death Certificate being placed with the Deeds). The remaining co-owner would then own all of the property and on their death it would form part of their estate. This is known as the 'right of survivorship'.

Owning as Joint Tenants, therefore, means that you do not each have a quantified share in the property and you cannot leave a half share of the property to someone else in your Will. If you sell the property, or if you decide to separate, it will be presumed that you both own the property equally, regardless of your respective contributions to the purchase price or the running costs, and the net proceeds of sale would be split accordingly. If only one of you provides the deposit money to purchase the property, or if the property was originally purchased by one person and is being transferred into joint names, the person who paid the deposit, or originally contributed towards the purchase price, would not be able to recover that money. They would only be entitled to half of the sale proceeds.

Married couples, or those in a civil partnership, commonly use this method of co-ownership because the right of survivorship makes the exercise of inheriting each other's Title in the property straightforward.

However, there may be reasons not to become Joint Tenants. For example, if one of you has made a larger contribution to the purchase price of the property and would therefore require a larger share of the proceeds upon sale, or if you have children from an earlier marriage and wish to leave your interest in the property to them on your death, instead of it passing automatically to the other co-owner, then this method of co-ownership is unsuitable and you should consider holding the property as Tenants in Common.

Tenants in Common

If you hold the property as Tenants in Common, each of you will own a specific and quantifiable share in the property. Your shares may be equal, but they do not have to be, and they can be passed on to another person, either during your lifetime, or to a beneficiary under your Will. In particular, if one of you were to die, that person's share of the property would not automatically pass to the surviving owner. If you do not have a Will at the time of your death, then your share will pass in accordance with the legal rules of 'intestacy'.

Having 'shares' also allows you to take account of individual contributions towards the purchase price and the running costs of the property. If you were to separate and the property sold, the net proceeds of sale would be divided between you in accordance with the shares specified at the point of purchase. This can be done by way of a simple 'Declaration of Trust' which is included in every Transfer Deed. If the proposed division of shares in the property is more complicated than a straightforward split, (say 50/50 or 70/30), then a separate Deed of Trust can be specially drafted to record the wishes of the parties.

Unlike a Joint Tenancy, if only one party pays the deposit money on a purchase, or if a property originally purchased by one party is being transferred into joint names, that person would be entitled to recover the equity in the property on a sale before the proceeds were split, ensuring they retrieved the original money contributed.

If you have dependents for whom you wish to make provision, such as children from a previous relationship, or if you have made unequal contributions towards the purchase price, it is probably more appropriate that you hold the property in this way.

Careful consideration should be given as to the two options, and it is something you should keep under regular review. If you decide to hold the property as Joint Tenants but later wish to split your interests, the Joint Tenancy can be 'severed' and changed into a Tenancy in Common at any time. However, please do seek further legal advice before severance as the document purporting to sever a Joint Tenancy needs to be correctly drafted or it may not take effect in law.

If you have not already done so, you should also put in place your Will on Completion of the purchase, particularly if you wish to hold the property as Tenants in Common. Making a Will these days is relatively inexpensive and, as with any legal document, can be changed at a later date. Again, please let us know if you would like to take steps to make a Will and we will put you in touch with one of our Private Client team.

Exchange of Contracts

Once we have completed our enquiries, are in receipt of your mortgage offer (if any) and are satisfied with the results of your searches, we will make an appointment for you to come in and sign the Contract. If this is not convenient, we can go over any outstanding points via the telephone and post the Contract out to you for signature. At this point, you will need to decide on a Completion date. 'Completion' simply means the date on which monies are paid over and ownership of the property transfers to you. Please remember, most mortgage lenders require, on average, 5 working days notice to transfer the mortgage monies to our account, which needs to be taken into consideration when deciding upon a Completion date. Completion can also only take place on a weekday.

Once a Completion date has been agreed with the Seller, this date is inserted into the Contract. The signed and dated Contracts are then 'exchanged', literally, so that we hold the Contract signed by the Seller and the Seller's Solicitors hold the Contract signed by you. This has the effect of creating a legally binding Contractual relationship between yourself and the Seller to buy and sell the property respectively, to be concluded on the agreed Completion date. You do not need to be present at Exchange of Contracts. However, we will need to be able to contact you by telephone on the morning of Exchange to obtain authorisation.

It is only on Exchange of Contracts that the deal becomes legally binding and you are committed to the purchase. Up to this point, either party can walk away without penalty. It is not advisable, therefore, to book removals or make other arrangements with regard to moving (eg: arranging deliveries or installations, etc.), until such time as Exchange of Contracts has taken place and a Completion date finalised. If you are living in rented accommodation pending Completion, please do not hand in your notice until after Exchange. If you need to do so because of time constraints, then you must do so at your own risk.

It will not be possible to change the Completion date once Exchange has taken place so it is obviously extremely important that a realistic Completion date is set. Normally, one to two weeks are required between Exchange of Contracts and Completion to finalise the legal formalities, although, of late, this time period has narrowed considerably. Indeed, it is not unusual to Exchange and Complete on the same day.

As a financial act of good faith, you will be required to pay a deposit of 10% of the purchase price on Exchange of Contracts, the remainder to be paid on the Completion date. Cleared funds will need to be lodged with us the day before. If you are selling a property at the same time as buying, it may be possible to utilise the deposit on your sale towards the deposit on your purchase. As is the normal course of events however, the house being sold is usually sold at a lower price than the property being purchased. It is possible the Seller of the property you are buying will accept the lower deposit without having to make up the difference from your own funds, but you should be aware that under the terms of the Sale Contract, you will still remain liable for the full 10%.

Buildings Insurance

One very important point which you must fully appreciate is that immediately Contracts have been exchanged, all risks in respect of the property will pass to you. This means that in the event of the property suffering any damage after that time, however severe, you will nevertheless be contractually bound to continue with the transaction and proceed to Completion. It is essential, therefore, that you fully insure the property from Exchange of Contracts (unless it is a leasehold property where the landlord is responsible for buildings insurance), and do not leave it until Completion. Any insurance you arrange must also comply with any Lender's insurance requirements.

Life Policies

It is also your responsibility to ensure that any life policy, endowment policy or other such investment or security is on risk before Exchange of Contracts, and certainly before Completion.

We may require you to send us a copy of the confirmation or cover schedule so that we can report to your Lender that this condition of the mortgage offer has been satisfied, failing which, there may be delay in the release of funds for Completion.

Pre-Completion

There are a number of pre-Completion formalities which need to be observed between Exchange and Completion, the main ones being:

Funds

Between Exchange and Completion, we will write to you with a draft bill and completion statement showing the financial side of your purchase and the amount required from you in order to Complete. It is vital that funds are received at least 2 working days before Completion so that we have cleared funds in our account to enable us to Complete.

The Sale Contract will contain a clause whereby you will be liable to pay interest on the balance of purchase monies outstanding if you delay completing the transaction beyond the contracted Completion date. The interest rate specified is usually 4% above the bank base rate. If delay is your fault, you may also be liable to pay damages for reasonably foreseeable additional loss suffered by the Seller. If you fail to complete at all, you stand to lose your 10% deposit. If you have paid less than 10%, then you are immediately liable for the balance.

Best practice, to ensure we have funds in time, is to transfer them 2 days before Completion by way of a CHAPS transfer (same day electronic bank transfer) - your Bank may charge a fee for this. We will inform you of our account details nearer the time. If you are taking a mortgage, we will also request the mortgage monies from your Lender at this time.

Transfer Deed

Exchanging Contracts does not actually transfer legal ownership (title) of the property into your name. This is dealt with by way of a Transfer Deed (the Contract is merely a formal agreement that you will transfer ownership). The Transfer Deed is the document which will transfer the property out of the Seller's name into your name and will be submitted to the Land Registry on Completion, so that the Registers of Title can be changed.

It is our responsibility to draft the Transfer Deed between Exchange of Contracts and Completion, and to send it to the Seller's solicitors for approval. Once the form of deed has been approved, we will send a copy to you for signature.

Final Searches

Immediately before Completion, some last-minute searches are made, which include:

- A Land Registry Search – this will reveal whether any further undisclosed mortgages or charges have been registered against the property since the date of the Office Copy Entries which were provided in the Contract package.
- A Land Charges Search - this search is only required if you are buying with a mortgage and reveals whether there are any entries against your name on the Bankruptcy Register.

Completion

On the morning of the appointed day of Completion, we will wire the balance purchase monies (including any additional payment for chattels) to the Seller's solicitors through the electronic banking system.

This whole process can take up to five or six hours although it is usual practice for monies to reach their account by around lunch time. The Seller's solicitor's bank will notify them as soon as funds hit their account and it is at this point that Completion takes place.

Upon receipt, they will immediately telephone us to inform us that they have the monies. They will then call the Estate Agent (or the Seller) to release the keys, and we will call you.

Post Completion

Immediately following Completion, we will prepare and submit your Stamp Duty Land Tax return and submit it to HM Revenue and Customs on your behalf, together with any payment due. If you have purchased the property with the aid of a mortgage, your Lender will write to you at this point to inform you of the amount of

your first repayment and when it is due.

Once we are in receipt of the SDLT submission receipt from HM Revenue and Customs, and evidence of discharge of all mortgages on the property (which were in the Seller's name) from the Seller's solicitors, we will proceed to register your ownership of the property at HM Land Registry.

Once this process has been completed, which can take up to 4 or 5 weeks, we will forward you the up-to-date Office Copy Entries showing your Registered Title, together with any deeds or documents in our possession. If there are any guarantees in existence for works carried out to the property, or indemnity policies put in place on your behalf, these will also be sent to you once registration of your Title at HM Land Registry is complete. Wherever possible, you should contact any relevant companies to make arrangements to have the benefit of guarantees transferred to you.

If you prefer, we can keep your original Title Deeds and documents in our strong room, free of charge, until such time as they are required by you.

Timescales

Without doubt, the overriding requirement in virtually every conveyancing transaction is that the matter is completed quickly. However, as you have seen, the process of buying and selling properties is far from simple, nor is it quick.

Whilst professionals from all sides of the industry are continually working together to find ways to speed up the process (the Land Registry are currently pioneering and testing a nationwide e-conveyancing platform), at present, the average timescales for completing a sale or purchase are as follows:

- Freehold property: 40 days

Leasehold property: 60 days

The time varies from transaction to transaction depending on a number of factors, for example, how quickly the other Solicitors respond, how quickly the mortgage offer is received, or how quickly the searches are returned from the Local Authority.

The reason leasehold properties tend to take longer is because of the additional time spent examining and advising on the Lease (often up to 80 pages long), and in waiting for information from the Landlord and the Management Company.

If there is a chain involved (X buying from you, who is buying from Y, who is buying from Z), this can also slow things down considerably. However, fast response times, consistent communication and the use of high-tech document production systems can speed things up dramatically, and, fortunately, we specialise in all three.

We also advise that if you are involved in a chain, liaise closely with the Estate Agent involved during the waiting period, as they will have detailed knowledge of where each link in the chain is in terms of readiness to Exchange. Your Estate Agent is by

far the best person to chase the chain above, and below, as they are free to speak with all parties concerned whereas we are only permitted to speak with the Seller's Solicitors, not the Seller.

If you have any questions or queries contact Residential Property Head of Department, Rebecca Soar on 01159 471 501 or email rsoar@fraserbrown.com



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