



Residential Conveyancing Frequently Asked Questions

How long does it take?

It varies but on average probably 12 to 14 weeks. For buyers finding a mortgage and receiving the offer can delay matters. Leasehold properties can be delayed as it takes time for landlords and managing agents to provide the additional information needed or answer enquiries which may need to be raised as a result of the information they have provided. A chain of transactions i.e. sales and purchases for you and the people you are buying from/selling to can also cause delay.

At what point do I have to pay you?

- At the outset of each transaction we ask for £500 on account.
- If you are buying then at exchange of contracts we will require 10% of the purchase price as the deposit (5% if you are obtaining a 95% mortgage).
- When we are ready to complete we will send you a completion statement which will show how much is coming from the buyer or going to the seller, how much is coming from the mortgage lender (buyer only), or going to the mortgage lender where you are redeeming a mortgage (seller only), our fees and disbursements, the stamp duty (buyer only) and the estate agent's fee (seller only). The money you have paid on account will be taken into consideration on this statement.

Do you still charge if it falls through?

We recognise this can be very disappointing, but yes we do. Please see our letter of engagement for details of our abortive fees.

At what stage can the buyer or seller pull out?

Either buyer or seller can decide not to proceed with the sale or purchase at any stage up to exchange of contracts.

What happens if I can't find the title deeds to the property?

If you don't have them then let us know. We will check with your lender (if you have one). If the property is registered then we will be able to obtain an up to date copy from the Land Registry. If your property is unregistered it is more of a problem but please discuss this with us as soon as possible.

What exactly are searches?

- Searches are enquiries or inspections of registers that hold information relating to the property. Aside from inspecting the land registers to check the legal title, the most important search is the local authority search which is essential because it provides the planning and building regulation history of the property and will tell you if any notices have been served which might require the owner to carry out work to the property.
- The water and drainage search is very important to confirm that mains water and sewage are connected to the property and that the property has not been built or extended over drains or waterways to which the water service provider may have a right to access.
- The environmental search is made to provide confirmation that the property is not built on 'contaminated land'. Contaminated land can cause structural problems which may affect houses built on or nearby land that has or has a history of industrial or commercial use.
- Once you become the owner of a property you take on the liability for any negative entries in searches, some of which carry financial liabilities. It is therefore very important that you carry out the above searches on your purchase before you exchange contracts.

Do I need a survey?

We advise that it is always a good idea to have a 'homebuyer's report'. It is surprising how many purchasers go ahead without this. It may cost around £500 but if you consider the value of the asset you are purchasing this is well worth the expense!

There are actually three types of survey.

- The most basic is the 'valuation report' which the mortgage lender carries out. This is a very basic check of the property's approximate value, often made without even entering the property. It is made on behalf of the lender to ensure the amount they are lending will be covered by the value of the property.
- The second type of survey is the above mentioned 'homebuyer's report'. This is advisable because it can bring to attention defects with the property that may not have been noticed following a single viewing of the property by a typical buyer. For example evidence of damp, broken tiles or alterations that might highlight the need to check the relevant building regulation or planning consents have been obtained. The surveyor will also advise on what he considers to be adequate buildings insurance cover and what he or she considers the value of the property is.

- The third type is a 'full structural survey' which is advisable usually only for very old or rundown buildings. It can be expensive and will need the seller's permission to cause some cosmetic damage to the property in carrying out the survey.

So what happens if you find a problem with the property?

Where there is a problem there is usually some solution that can be found! If for example it is found that some work is needed to the property, or that the lease needs extending, it may take some re-negotiation with the seller, which you can do through the estate agent. If some legal documentation is incomplete it may be that it can be rectified either by obtaining the correct documents or having the matter dealt with by purchasing indemnity insurance. If no satisfactory solution could be found we would of course have to advise you not to proceed.

I'm about to sell my flat but I have just had a quarterly service charge demand – what should I do?

You should pay it as normal because all ground rent and service charges will be apportioned between the buyer and seller on completion, so you will be reimbursed by the buyer for the period running from after the completion date to the next quarter date. In fact some managing agents will not acknowledge the buyer until the service charges have been paid and are up to date so it is important for both buyer and seller for the seller to show that they are up to date.

What happens on exchange?

Exchange of contracts occurs when all have been satisfactorily carried out and any issues relating to the property have been resolved. The solicitors concerned will both be holding their respective client's signed contracts in identical form and they will have a telephone conversation in which each solicitor undertakes to send each other their respective client's signed contract and the buyer's solicitor undertakes to send the seller's solicitor the deposit of 10% of the purchase price which must be held in the buyer's solicitor's client account on the date of exchange. It is on exchange when the completion date is set and the sale becomes legally binding on both buyer and seller.

What happens to my deposit?

This will be sent to the seller's solicitor. They will hold this until we complete and will then pass it on to their client. If you do not complete when you should you will forfeit this deposit and the seller can keep it. If you have paid less than the 10% deposit required the seller will ask for the balance to be paid to make it up to the 10% you would have been required to pay under the contract.

When do I need to insure the property?

If the property is freehold then you must insure this from the day we exchange contracts. If the property is leasehold then the landlord will insure. You will need to arrange your own contents insurance from the date of completion.

When can I move in or by when must I move out?

Not until the completion date.

What happens on the completion date?

- Completion or the completion date is the date when the balance of the purchase price is paid to the seller's solicitors who in return send to the buyer's solicitors a transfer deed signed by the seller transferring legal title of the property to the buyer. This is also the date when the buyer can move into the property and the seller must move out.
- This is a two step process:
 - Step 1 - Legal completion – this is when the seller's solicitor confirms they have received your purchase money.
 - Step 2 - Practical completion – This is when the seller vacates the property and you can move in.
- Ordinarily completion should occur around 2pm but if there is a long chain of transactions it can be delayed until later in the afternoon.

What happens if completion is delayed?

If the seller's solicitors do not receive the money by the time in the contract they are entitled to charge you interest on the purchase price. This is usually charged at a rate of 4% above the base rate of Barclays Bank from the date completion is due until the date it actually takes place. The seller's solicitor will serve on your solicitor a notice to complete. This will give a further 10 working days by which you must complete the transaction. If you have not completed by that date then the contract ends, the seller keeps your deposit and they will charge you interest, their solicitors costs for serving the notice on you and they may also be able to claim damages.

Who has to pay Stamp Duty?

- Stamp duty (now called stamp duty land tax (SDLT)) is payable by the buyer. If you are buying we will complete the SDLT return for you, advise you of the amount of SDLT payable and collect this from you shortly before completion. HMRC will charge a penalty fee if this is not paid on time.
- The seller does not pay SDLT. You should be aware of the possible capital gains tax consequences and may need to take further tax advice if you are selling a property which you do not use as your only or main residence.

What about paying the estate agent?

It is only the seller who pays the estate agent and we will settle the estate agent's fee from our client account on receipt of the sale proceeds.

Once I have completed, is that it?

Well yes it is in terms of what you have to do but we will apply to have your legal title to the property registered at the land registry and send you confirmation of this, which we are usually able to do within a few weeks of the completion date. We will then send you the deeds which you will need to keep in a safe place.

Helpful information on how to buy and sell a home can be found at:

www.gov.uk/government/publications/how-to-buy-a-home/how-to-buy

www.gov.uk/government/publications/how-to-sell-a-home/how-to-sell-a-home