



# A GUIDE TO BUYING YOUR HOME

The following information is designed to provide you with an outline of the legal procedures involved in the purchase of your property. However, circumstances vary between individual transactions

## **How much does it cost?**

When you are buying a property, in addition to the legal fees paid to the solicitor/conveyancer, there are a number of searches and checks that your conveyancer /solicitor must carry out on your behalf. Your conveyancer / solicitor will charge you whatever has been paid by them (these are usually called expenses or disbursements) to carry out these checks, so these expenses will generally be the same whichever conveyancer / solicitor you choose to work with.

- o Local Authority Search
- o Water & Drainage Search
- o Environmental Search
- o Chancel Check
- o Land Registry Fee
- o Land Registry Search Fee
- o Bankruptcy Search Fee
- o Stamp Duty Land Tax (SDLT)

Once you have instructed your solicitor/conveyancer the legal work can progress. There are four key stages:

## The Four Key Stages

### Stage 1 - Instructions – what do I need to do?

#### Proof of Identity

We are required by law to see proof of your identity before we can act on your behalf in the sale or purchase of your property. We will need to see (and take copies of) original documents.

- Your passport or photographic driving licence
- Proof of address – usually two recent utility bills or bank or building society statements

#### Payment on Account

Your solicitor/conveyancer will require a payment on account to cover the initial searches

Once the above have been dealt with we can move onto stage 2:

### Stage 2 – The Contract and pre-exchange

The sellers solicitors provide the contract package, which will include evidence of the title. It will then be necessary for us to put in hand various searches \*\*. They will then take the relevant authorities 2-3 weeks to process. The results of these searches will provide us with an overall picture of your property to enable us to advise you. You may wish to delay payment of such fees until you have received a satisfactory survey/mortgage offer, however, this will result in a corresponding delay whilst you await the return of your search results:

#### \*\* The Local Search

This is one of our initial searches, it will reveal whether or not the property is likely to be affected by public road schemes, compulsory purchase, breaches of planning legislation etc. It will not provide any information relating to adjoining properties or undeveloped land in the area. If you are concerned as to the future use of any land you should contact the Planning Department of the Local Authority who should be in a position to give you advice as to whether or not there are any planning applications pending at the present time, or whether they would treat future applications favourably. It is possible to raise additional enquiries on the Local Search for example, regarding public footpaths or bridleways which may cross the property, traffic schemes, advertising, pipelines etc and private road proposals.. These are not automatically raised by us, however, if you require this information please contact us as soon as possible. An additional fee will be payable to the Local Authority in this regard.

#### The Water & Drainage Search

We are required by your lender to make a search with the water authority which serves the property (unless the local authority carrying out the local search deal with drainage enquiries – most do not). This will confirm whether there is a mains water supply and mains drainage connection to the property. The search will also generate a plan showing the position of the nearest adopted sewers and water supply pipes serving the property. The search will also reveal whether or not the property has a metered water supply.

Please note that private drains, sewers, pipes will not be shown. You should also be aware that the existence of any pipes, sewers or drains could affect whether or not you would be able to obtain planning permission for any building work and if you are thinking about having work carried out you should take it up with your surveyor.

## Environmental Search

The contaminated land regime was brought into effect in England on the 1st April 2000 and covers future and existing contamination.

It is now possible for home owners or the occupiers of land to become liable for the cost of "cleaning up" contaminated land.

The Environmental Search looks at the past and present uses of the land and nearby area to see if it is likely that the property may be affected. The search is not conclusive and offers no protection but does at least help to identify whether or not your property is likely to be contaminated.

## Chancel Check

In medieval times Churches (or more specifically their Chancels) were maintained by wealthy land owners; since then, what used to be large estates of land have been broken down into many thousands of privately owned properties, but the potential for Chancel Repair Liabilities has been passed down to successive owners of the land or buildings. This check will find out whether chancel repair liabilities may be applicable to the property you are purchasing. However, the law changed on 13 October 2013. As you are purchasing for value you would take free of any chancel liability as long as it is not recorded on the Title.

There are other searches available and we can discuss these with you in detail if we consider they are necessary/appropriate

Your seller's solicitors will provide a list of items to be included within the sale price and we will forward this to you for you to check. This list will form part of the contract and it is imperative that you check it carefully.

Once we receive all the necessary documentation from your seller's solicitors and the results of the searches, (and any mortgage offer) we will provide you with a written report.

## Stage 3 – Exchange of Contracts

When the parties are ready to go ahead the contract signed by the Seller is given to your solicitor/conveyancer together with the agreed deposit and the contract signed by you is given to the Seller's Solicitor/conveyancer. This is the Exchange of Contracts and both parties are bound as from that moment.

**PLEASE REMEMBER** the signing of the contracts does not make contracts binding - parties are not bound until the contracts are exchanged. In other words either party is free to withdraw before contracts are exchanged.

The deposit (usually 10% of the purchase price) will be required before we can proceed to exchange. If you are selling a property it is usually possible to use your buyers deposit as the deposit on your purchase. If you are not selling and your mortgage is for more than 90%, it is usually possible to agree a smaller deposit. The deposit must be transferred by way of direct bank transfer to reach our client account as cleared funds. A note of our bank details will be provided for this purpose.

We will discuss a potential date for completion of your purchase, and upon the assumption that there are no remaining queries to be resolved, you will sign the contract. Once this contract is exchanged with an identical contract signed by the seller, you will become legally obliged to purchase the property and the agreed completion date will become final.

**We advise you against arranging any furniture removals or holidays until exchange has occurred because a suggested completion date is likely to change up until this point.**

At the point of exchange of contracts you will usually become liable for insuring the property. If you are funding your purchase by means of a mortgage, then it is usual for your mortgage company to offer you buildings insurance. In the event of you being a cash purchaser, or insuring other than with your Mortgage Company, it is essential for you to ensure that cover is in force on exchange of contracts.

Once contracts are exchanged and you are contractually bound the solicitor/conveyancer will then need to request the drawdown of any mortgage funds. They will also then provide you with a statement showing the balance required from you, which will include the legal fees and disbursements (see stage 1).

#### **Stage 4 – Completion**

This is when you will physically own the property. On the day of completion the monies are transferred electronically to the seller's solicitor/conveyancer. Once they are in receipt of the monies legal completion has taken place. You will then be able to collect your keys from the seller or the estate agent. Please note that once the money is in the banking system the solicitor/conveyancer will have no control as to when it will arrive with the seller's solicitor.

#### **Stage 5 – Registration**

Following completion the seller's solicitors will send the documentation to your solicitor/conveyancer, which will include the Transfer Deed. This is the document required by Land Registry to register the change of ownership. Your solicitor/conveyancer will lodge an application together with the appropriate fee. Once Land Registry have completed the application the solicitor/conveyancer will receive a Title Information Document, together with office copy entries showing you as the new owner (together with any details of any mortgage). The Land Registry no longer produce 'Title Deeds' in the traditional sense, all information is now stored electronically. Copies of the completed registration will be sent to you.

We hope the above will be found useful. Please remember this is very much a general guide. If you have any specific enquiries/questions relating to your transaction please contact a member of our Team who will be pleased to assist.

We are very conscious that a House move is one of the most important things you will do in your lifetime and that normally you will be very keen to move as quickly as possible. Our job is to make everything as painless as possible and we aim to keep you updated on the progress that is made in relation to your transaction throughout.