

# **GUIDELINES**

## **TO**

# **CONVEYANCING**

**EWART PRICE**  
**FIRST FLOOR, 16/18 CHURCH ROAD**  
**WELWYN GARDEN CITY**  
**HERTFORDSHIRE**  
**AL8 6PS**

**TEL: 01707 332383**  
**FAX: 01707 326520**  
**WWW.EWARTPRICE.COM**

<u>Section</u>	<u>Topic</u>
Introduction	Index
	Concise Guide to the Conveyancing Procedure
	Glossary of Terms
	Introduction
	Warning
1	Energy performance certificates
2	Legal Searches
3	Preliminary Enquiries (Property Information Form)
4	Title Documentation
5	Survey
6	Mortgage
7	Fixtures and Fittings and Chattels
8	Deposits
9	Completion Date (“The Moving Date”)
10	Exchange of Contracts
11	Insurance of the Property
12	Leaseholds
13	After Exchange
14	Joint Buyers
15	Investment Buyers and tax advice
16	Wills
17	Completion
18	After Completion
19	Costs
20	Change of Address

## Concise Guide

### First Stage:

#### Sale Agreed

Seller's Solicitors	Buyer's Solicitor
<ul style="list-style-type: none"><li>• Applies for your title deeds and asks you to fill in enquiry forms</li><li>• Prepares a contract and sends this out with a legal information pack</li><li>• Answers any additional enquiries buyers solicitor may have</li><li>• Negotiates the moving (completion) date</li></ul>	<ul style="list-style-type: none"><li>• Asks you for money on account of expenses</li><li>• Receives contract and other papers from sellers solicitor and asks additional enquiries if necessary</li><li>• Carries out appropriate legal searches</li><li>• Receives mortgage offer</li><li>• Reports to you with contract for signature and requests deposit (or uses deposit from sale – if any)</li></ul>

## **Second Stage:**

### **Exchange of Contracts**

<b>Seller's Solicitor</b>	<b>Buyer's Solicitor</b>
<ul style="list-style-type: none"><li>• Receives the buyer's deposit</li><li>• Obtains a settlement figure for your mortgage</li><li>• Approves the transfer deed and arranges for you to sign it</li></ul>	<ul style="list-style-type: none"><li>• Sends contract and deposit to seller's solicitor</li><li>• Prepares transfer and mortgage deed and sends them to you to sign</li><li>• Arranges final searches</li><li>• Prepares final accounts and requests any monies required from you</li></ul>

## Third Stage:

### Completion

Seller's Solicitor	Buyer's Solicitor
<ul style="list-style-type: none"><li>• Receives balance of purchase price</li><li>• Pays off the mortgage</li><li>• Hands over the deeds</li><li>• Sends you the balance or uses this towards purchase (if any)</li></ul>	<ul style="list-style-type: none"><li>• Sends balance to seller's solicitor and collects deeds</li><li>• Pays stamp duty (if any)</li><li>• Registers purchase at Land Registry</li><li>• Sends new Register of land to Bank or Building Society (if any) and to Client</li></ul>

## **GLOSSARY OF TERMS**

“apportionment”	the division of liability for e.g. rent or service charges between Buyer and Seller before and after completion.
“chattels”	free-standing items which are not included in the sale unless specified in the contract.
“completion date”	the date when the contract is completed - “the moving date”.
“contract”	the written document which includes all the terms agreed between Buyer and Seller, one part of which is signed by each party.
“covenants”	promises which bind the owners of the property.
“deposit”	the total amount paid by the Buyer to the Seller on exchange of contracts to secure the contract.
“easements”	rights (e.g. of way) which either benefit or affect the property.
“exchange of contracts”	the point at which the contract becomes binding upon both Buyer and Seller. Ewart Price will supervise this.
“fixtures and fittings”	items that are physically attached to the property and which would normally pass to the Buyer with the property unless excluded.
“mortgage”	a document which secures the money lent to buy the property.
“mortgage advance”	the amount of the new mortgage as sent to us.
“mortgagee”	the lender.
“mortgagor”	the borrower (you).
“preliminary deposit”	a nominal deposit which may be paid to the estate agent or the builder if the property is a new one.
“redemption”	repayment of your existing mortgage.
“Registration”	the process by which the transaction is recorded at HM Land Registry and your ownership confirmed.
“searches”	checks carried out by Ewart Price in various public registries.
“Stamp Duty Land Tax”	money payable to the Government on certain transactions.
“survey”	an inspection of the property by a qualified surveyor followed by a written report.
“transfer”	the document which contains the legal transfer of the property from the Seller to the Buyer.
“valuation”	a procedure whereby the value of the property is formally established e.g. the for the building society.

## INTRODUCTION

These notes on conveyancing have been prepared as a guide to some of the procedures involved in the sale and purchase of a property. They contain important information and are to be read in conjunction with advice we may provide to you during the course of the transaction. They also indicate documents and information you will need to provide to us.

We operate the Law Society's Conveyancing Protocol, designed to speed up the conveyancing process. Certain information may be stored at varying stages of the transaction which will assist in the efficient management of the whole chain. Of course, most information provided to us remains confidential but we would generally encourage buyers and sellers to be open with general information except in exceptional circumstances.

**Until contracts have been exchanged you are not committed to either buying or selling a property. You will be informed when contracts have been exchanged.**

Only in extremely rare cases is there any possibility of claiming from your buyer or seller any expenses incurred by you if the transaction becomes abortive PRIOR to exchange of contracts.

## **WARNING**

Normal conveyancing procedure provides for a reasonable time between exchange of contracts and completion. Exchange of contracts will take place when all parties in the chain have signed contracts, provided a deposit (if required) and agreed a completion date. Until exchange of contracts takes place no-one in the chain is bound to proceed.

There is therefore a danger that you decide upon a completion dated BEFORE everyone is ready to proceed and there is insufficient time to make all the necessary legal arrangements to achieve that date. Always consult us upon "target" completion dates and remember that the "target" date becomes less realistic the closer it gets without an exchange of contracts.

Exchange of contracts and completion can take place on the same day but you take a risk that exchange will not happen and all your arrangements will be frustrated.

Usually our clients prefer to have a reasonable period between exchange and completion so that they can make the many practical and physical arrangements for their move. In any event we have to make a significant number of arrangements during this time. Two examples demonstrate the problems we often encounter between exchange and completion which are exacerbated when time is short. Mortgagees will not release funds until they are satisfied:

- (a) if you are arranging your own buildings insurance that the cover is on risk and is in accordance with their requirements - sometimes they will require a form to be completed AND signed by the insurance underwriter (not the agent)
- (b) they may require similar evidence that all life-cover products which are being taken out with the mortgage are on risk.

Please therefore check with us as to what is a reasonable time between exchange and completion.

If you insist upon a time-scale which we advise you is unrealistically short we reserve the right to charge an additional fee where the completion date is extremely short.

## **1. ENERGY PERFORMANCE CERTIFICATES**

In April 2010 the Government removed the legal obligation for residential homes to be marketed with a Home Information Pack. However the obligation for all homes to require an Energy Performance Certificate (“EPC”) when sold or rented remains. The EPC gives a current energy rating for the property and a recommendation for improvement. If you are considering marketing your property and do not have an EPC we should be happy to provide this for you. Please enquire of the likely costs involved.

## **2. LEGAL SEARCHES**

### **a) LOCAL AUTHORITY SEARCH**

This is a set of enquiries raised of the Local Authority prior to exchange, to ensure there are no adverse Local Land Charges or other local authority encumbrances affecting the property. Whilst some authorities process the searches quickly the processing time varies according to the local authority responsible (usually between 7-28 days). We will usually organise a personal search as these are generally cheaper and quicker than awaiting the information from the Local Authority directly.

### **b) WATER AND DRAINAGE SEARCH**

The Local Authority search no longer provides water and drainage information. Accordingly, a separate Water and Drainage search will be obtained from the local Water Company.

### **c) ENVIRONMENTAL AND PLANNING SEARCH**

It is now usual to undertake an environmental search in purchase transactions. These can provide useful information on previous uses of the property and potentially harmful processes carried out in the local vicinity, although the reports will only show information recorded in appropriate registers. The reports are only for guidance. The report will contain a certificate as to whether the information in the report shows a risk sufficient to describe the property as “contaminated land” within the definition as stated. However, no inspection of the property is carried out and this does not guarantee there is no site contamination.

In the event of contamination of land arising the owner of a property may have to pay for decontamination of land, even if he was not responsible for the contaminating activity.

The search reports may also show if the property is in or near a flood plain. If so such information should be referred to your proposed insurance company to ensure cover will be available.

The Local Authority search only covers matters in respect of the property to be purchased and will not reveal any matter that may be relevant to an adjoining property. For example,

the search will not reveal any matter that may be relevant to an adjoining property. For example, the search will not reveal any planning permissions for the development of adjacent land or property. The Environmental & Planning Search will provide additional planning information relating to the locality.

**d) OTHER LEGAL SEARCHES**

Depending upon the location of the property other legal searches may be required, for example commons registration search, coal search, brine search.

**3. PRELIMINARY ENQUIRIES (Property Information Form)**

Before exchanging contracts on a purchase, we deal with various enquiries and questions about the property. These assist us in approving the contract and may enable us to provide you with some useful information about the property.

When acting for you as a seller, we will send you an enquiry form to answer which will provide the buyer with useful information relating to the property. You must take care when replying as you will be responsible to the buyer for the answers you give. If you do not know an answer you should say so rather than guessing.

As a seller you must send to us all relevant original documentation, such as guarantees, FENSA certificates, Planning Permissions, Building Regulation approvals and for leasehold cases, the original lease if you have this (or copy if not), service charge and ground rent accounts and invoices

Where a seller is not occupying the property, for example in the case of a sale by a mortgage company who has repossessed or by executors of a deceased owner, replies to enquiries are usually very vague and the buyer should take extra care in investigating the property.

If we are supplied with copies of guarantees which affect the property, we will pass these on to you. Any original guarantees received on completion will normally be kept with the title deeds. If you were expecting the property to have guarantees, for example, if new windows were recently added, please let us know so we can make enquiries.

We can give no assurances as to the value of any guarantees (save for NHBC certificates). If you are concerned about their validity you should ensure that you carry out checks with the companies as to their worth and the procedure which may be required to assign the benefits to you. These checks need to be carried out before contracts are exchanged otherwise, unless there is specific provision in the contract, the seller will not be bound to do anything in respect of the guarantees.

**4. TITLE DOCUMENTATION**

We will provide you with copies of the documentation setting out the main rights, restrictions and covenants affecting the property. Most land in the UK is registered at the Land Registry and we will send you a copy of the title register.

If you believe the property either uses or needs a right of way (on foot or with vehicles) over adjoining land or is subject to rights of way exercised by another property then please let us know. The documents we receive may not otherwise disclose this information. We can then ensure that appropriate rights are granted.

There are often restrictions against using residential properties for business purposes. If it is your intention to run a business from home you must ask us to specifically check for you whether this is allowed, this is in addition to any local authority planning permissions which may be relevant.

Particular care is needed when there have been alterations to the property or installation of new services has taken place. Sellers may not always know what consents should have been obtained and, as a buyer, you cannot assume the seller has complied with all legal obligations.

All “development” (including new properties, extensions, garages and outbuildings) will require planning permission from the planning department of the local authority. For many properties planning permission will not be required if permitted development rights apply. Small extensions may be within those limits. However, even conservatories will need planning permission if permitted development rights have been excluded or used up. Most alterations, such as loft or garage conversions, removal of structural walls or chimney breasts, replacement windows, central heating and electrical works will require building regulation approval from building control. In the case of windows, central heating and electrical works a qualifying certificate issued by the installer will replace building regulations (for example FENSA, CORGI and NIECS respectively). Some alterations may be exempt, for example most conservatories where the door to the main house has not been removed, small porches and outbuildings not used for residence e.g. sheds and greenhouses. We would recommend you check building regulation requirements with the local authority or on website [www.communities.gov.uk/explanatory-booklet](http://www.communities.gov.uk/explanatory-booklet).

Alterations may require consent from others under the covenants in the title to the property. For example original builders of the property, the local authority (for former local authority properties), neighbouring properties who previously held title to the land or Landlords in all leasehold cases. This is in addition to the consents referred to above. For example a local authority may have to give 3 separate consents! Consent is commonly required for external alterations such as extensions, conservatories, outbuildings, replacement windows and doors and hard standings.

If you are aware of any alterations or replacement installations you must notify us. If appropriate consents have not been given you will need to discuss the implications with your

surveyor. Further investigations and inspections may be required with remedial work or retrospective consent obtained. Insurance policies may be required in some cases, however these do not cover the quality of works undertaken merely the failure to obtain legal consents. Alterations and installations without consent are major causes of delay in a conveyancing transaction. Whether you are a seller or buyer we need to have all relevant documents and information at as early a stage as possible. A seller should consider this when beginning to market a property and not wait for such matters to be raised by a buyer!

In cases where alterations or installations have been carried out without consent you must raise this also with your surveyor as you cannot be sure that the works were carried out properly. Major expense might be required to repair such works.

We will also send you a plan of the property. It is important to check this carefully against the boundaries at the property to ensure that it is accurate in all respects.

Problems are often caused by the moving of boundary fences or subsequent purchases of pieces of land additional to the original plot.

## **5. SURVEY**

### **THE BUYER BEWARE!**

When you are purchasing a property, whether new or old, leasehold or freehold, we must advise you to have an independent structural survey carried out prior to exchange of contracts. You might also consider having the central heating and electrical systems inspected. A seller is not necessarily required to reveal all he knows about the condition of the property and indeed may well be unaware of the existence of problems which may only be revealed following inspection by a surveyor.

A survey is particularly important where the property is a leasehold flat or maisonette as you are likely to be responsible for a proportion of the repairs and upkeep of the common and structural parts of the building of which the flat or maisonette forms a part, by way of service charges.

Your lender will carry out a survey for valuation purposes but in many instances this may not be sufficient for the proper protection of a buyer. Nevertheless you may be able to instruct the lender's surveyor to carry out a full survey on your behalf which may be quicker and cheaper than arranging your own.

If there have been alterations to the property you should ask your surveyor whether planning permission or building regulation approval should have been obtained and if so let us know. If there have been alterations which you do not advise us of, we cannot be responsible for enquiring as to whether relevant consents have been obtained. In all cases please send us a

copy of the lenders valuation and your survey report. We cannot advise or comment on the majority of the survey as this is a matter for your surveyor. However it is helpful if we see the section for relevant legal matters.

If you have any queries in this regard then please do let us know.

## **6. MORTGAGE**

If you are purchasing with the assistance of a mortgage we cannot advise you to exchange contracts until you have received a formal written mortgage offer. A letter of intent or a promise from the lender is not sufficient.

Nowadays there are several different types of mortgage available and you will probably discuss these when making your mortgage application. If you require assistance or advice in this respect please let us know.

It is important that you read and understand the General Conditions and any Special Conditions which the Mortgage Company impose. As well as retaining to the company the right to take possession proceedings if you are in default of the mortgage terms, they may also claim any balance from you if there is insufficient proceeds from any sale to cover all of the liability due. Your mortgage may also contain early redemption penalties and you must make a clear note of any appropriate dates to which these apply.

Many mortgages contain penalties which apply if you repay your mortgage within a certain period. This is usually the case with fixed or capped interest rates, and the penalties often continue for a period after the fixed or capped rate ends.

When selling a property please remember that you may need to give notice of redemption to the lender and this can vary from one to six months. You should also ask for a provisional redemption statement as this should show if there are any redemption penalties to pay on completion of the sale.

Many lenders require a mortgage guarantee premium to be paid where the amount of the mortgage exceeds a specified percentage of the value of the property. If this applies you should check to see whether they will add this to the amount to be borrowed or will deduct it from the monies to be sent to us on completion. If the latter applies, you will have to ensure you cover this sum from your own resources.

Remember that the mortgage guarantee policy is for the benefit of the lender in case you default on the mortgage. It does not benefit you and the lender can still seek to recover monies from you directly following repossession even if a policy is in place.

You may be required to take out some form of life assurance or pension plan to further secure the loan e.g. term assurance or an endowment policy. If so your proposal must be accepted

by the life company prior to exchange and the policy put in force on exchange of contracts. Any delay might result in the mortgage monies not being released in time for the completion date.

If you are advised to surrender any existing life policies you should consider whether this is in fact in your best interest as often any surrender value that has accrued will not equate to the premiums you have paid. If you are convinced that you wish to surrender the policy then you may wish to sell the policy privately.

In most instances you will be required to provide proof of your age to the life company and, where applicable, a marriage certificate.

## **7. FIXTURES AND FITTINGS AND CHATTELS**

These are often a bone of contention and should be clarified by both seller and buyer. Normally this is dealt with by a form of questionnaire which is completed at the same time as the preliminary enquiries/property information form.

**FIXTURES AND FITTINGS**, unless specified to the contrary, are included in the sale e.g. central heating system, doors, fitted kitchen units, and flowers/plants in the garden.

**CHATTELS** remain the seller's property, unless otherwise agreed e.g. furniture, carpets, curtains, curtain rails, TV aerial.

On a purchase we will send to you as soon as possible a copy of the fixtures, fittings and contents questionnaire which the seller has completed for your consideration.

Please remember that additional money paid for fixtures and fittings is subject to Stamp Duty Land Tax. Money paid for chattels is not subject to such tax provided this represents a reasonable value for those items.

## **8. DEPOSITS**

The seller's Estate Agent (if any) will occasionally request a small preliminary deposit as a sign of good faith. This is not a legal requirement. Unless specified to the contrary, it is refundable if contracts are not exchanged. When paying a preliminary deposit to an agent please ensure they hold it as "stakeholders subject to contract".

A preliminary or reservation deposit is invariably required when purchasing a new property in the course of construction from a builder - part or all of this deposit may be non-refundable if you cannot proceed to exchange of contracts.

On exchange of contracts the buyer is normally required to pay to the seller's solicitors a 10% deposit, less any preliminary deposit paid. If the funds are not readily available, consider arranging a bridging loan (if this is a possibility, please let us know as early as possible). Alternatively the seller may be willing to agree a reduced deposit. You should specifically notify us if you wish us to request this on your behalf.

Some insurance companies offer a service which provides for an alternative to the payment of a cash deposit on exchange. In place of the payment of a cash deposit, a bond is provided to the seller for the equivalent sum. If the buyer should default under the contract and be liable to forfeit the deposit, the insurers pay over the money to the seller under the bond, and the insurers then have the right to recover the money from the defaulting buyer. The amount of the non-refundable premium is relative to the amount of bond. If you wish to have further information on this service please do not hesitate to contact us.

In order to ensure that we are not in breach of the Law Society's rules, we shall require the deposit paid as follows:

- (a) a building society cheque or banker's draft on the date anticipated for exchange payable to "EWART PRICE".
- (b) a bank transfer of the funds required to our client account but see our Terms and Conditions for our requirements.

If there is plenty of time before exchange of contracts we may be able to accept a personal cheque but please discuss this with us.

If you are simultaneously selling and buying it is common to reach agreement with the parties whereby the deposit received on your sale is utilised towards that required on the purchase.

#### **9. COMPLETION DATE** ("the moving date")

Legally the date must be fixed at the time of exchange of contracts. Although it is usually two to four weeks from exchange the date may be any one agreed between the parties but must be a weekday (not weekends or bank holidays). Please advise us of the date required and note that when combining a sale and purchase, it is usually essential that both matters are completed on the same date.

If you intend to use a professional remover, then it is wise to check the availability of the removal van before contracts are exchanged. Remember, Fridays are very popular and can sometimes get booked up several weeks in advance, particularly the Friday before a bank holiday or the last Friday in each month.

Sometimes the completion date will not be met because of unavoidable delays caused by either party's related sale or purchase, or a delay in receipt of mortgage funds. Failure to

complete on the contractual completion date will not usually result in the immediate termination of the contract, however a penalty payment and/or damages will be due to innocent party. At a minimum this will be interest calculated at the rate specified in the contract (usually 4% or 5% above the base lending rate of the clearing banks) calculated on a daily basis on the outstanding purchase price. It is therefore essential that you do all in your power to ensure that completion takes place on the contractual completion date.

In considering the completion date do bear in mind that some building societies charge interest on redemption of the mortgage to the end of the calendar month regardless of the actual date in the month that you complete. Please check with your building society or bank.

#### **10. EXCHANGE OF CONTRACTS**

Two identical copies of the contract are drawn up and when both parties are satisfied with the terms, the buyer signs one copy and the seller signs the other. As soon as all parties in the chain are ready, a completion date has been agreed and the buyer has paid the deposit, exchange of contracts will be effected by us, on your behalf, either by post or over the telephone.

At this stage both parties are legally bound and so it is vital that you are satisfied with all preliminary matters before this occurs. If buying we would also advise you to carry out a "pre-exchange" inspection of the property to check that it has not deteriorated or been damaged since your first visit. You are purchasing the property in its condition on exchange whether or not you have inspected or are aware of any physical defect.

#### **11. INSURANCE OF THE PROPERTY**

When purchasing freehold property, comprehensive buildings insurance must be effected as from completion unless we advise to the contrary. Where a mortgage is involved this is normally arranged by your lender. It is essential that the property is insured at all times for its full reinstatement value and that the amount of cover is index-linked. The reinstatement value will almost certainly differ from the purchase price and you should ask the surveyor to advise specifically in this regard.

If, either your lenders do not arrange insurance or you are not mortgaging the property, you should ensure that you put in hand insurance arrangements at an early stage and that cover is effected by completion. Again this is something we can arrange on your behalf. All it will take is a telephone call from you.

You should remember that property buildings insurance is not the same as contents insurance which will need to be dealt with separately.

## **12. LEASEHOLDS**

Flats and maisonettes are usually leasehold. The lease normally contains:

- (i) regulations affecting the tenant's mode of behaviour. Often these may seem onerous and petty but they are intended to ensure the good running and management of the building and also provide protection for the tenants; and
- (ii) service charge provisions which are usually open-ended. Although we shall advise you on these, you should take particular note of the service charge provisions contained in your lease; and
- (iii) buildings insurance arrangements, which vary from lease to lease.

## **13. AFTER EXCHANGE**

Buyer: Following exchange we carry out final searches and prepare necessary documentation and deeds for signing. We will also report on title to the lender and request the advance funds in readiness for the completion date.

We shall also prepare a Land Transaction Return which is a document which must be signed by you and then submitted by us to the Inland Revenue within 30 days of completion. There are financial penalties for delay. We shall be completing this form on your behalf so it is imperative that you check it carefully before signing it and returning it to us before completion. This return must be made even if there is no Stamp Duty payable.

As soon as we are in a position to do so (normally 7-10 days before completion) we shall send a completion statement to you showing the balance required to complete the transaction (taking into account the purchase price, any apportionments, the net mortgage advance, and our costs and disbursements). It is usual for the seller to arrange for final meter readings and closing accounts in respect of the gas, electricity, telephone and other services. You should ensure that this has been arranged and that you register with the relevant authorities and apply for new accounts. Some authorities (e.g., British Telecom) will disconnect the service if they do not receive a new application.

Where the property you are purchasing is leasehold you may also be required to pay a proportion of the ground rent and service charge. Full details of these will be provided on the completion statement.

For the reason stated earlier we will require a payment of any balance at least five working days prior to completion by bankers draft or building society cheque unless alternative arrangements have been agreed. Alternatively, you may wish to arrange for your bank to

transmit funds direct to our account (see page 11 for our bank details). This should be done on the day prior to completion in order to guarantee that the funds arrive in our account in time for completion. Please inform us if you are arranging such a transfer.

We shall be asking for any mortgage advance monies to be sent to us directly. In order that we receive these in sufficient time to clear into our account before completion, we usually request receipt of mortgage cheques at least 3 working days before completion and telegraphic transfers on the working day before completion. Whilst most lenders only charge interest from completion, some charge from when the monies are sent.

**Seller:** We write to the lender to arrange redemption and at that time request a redemption statement which (provided we receive this in sufficient time) will be sent to you for approval prior to completion.

We would advise you to arrange with the water authorities to apportion rates direct. You should also arrange for the gas, electricity and telephone meters to be read up to the date of completion, but please do not have these services disconnected without first advising your buyer.

In the case of leasehold properties the latest ground rent receipt must be provided. You should notify us immediately if there are any problems in this respect. The sale of the property cannot be completed without this receipt. Please let us have any receipts for the payment of service charges so that appropriate adjustments can be made in our completion statement.

As soon as we have prepared a completion statement we will remit a copy to you together with a copy of the estate agent's account (which, unless we hear from you to the contrary, we shall pay on your behalf on completion) and also details of our costs and disbursements. If there is any balance due to you please let us know where you wish this to be remitted.

#### **14. JOINT BUYERS**

There are two different types of joint ownership. The first, and the most common type, is a joint tenancy. The second is a tenancy in common. The main difference between the two types of ownership is what happens on the death of one of the joint owners, and/or the sale or transfer of the property.

Where the property is being acquired in the names of two or more persons they may hold it as either joint tenants or tenants in common. In the case of joint tenants, the property will pass automatically to the survivor or survivors should one of the owners die. Alternatively, tenants in common have specified shares in the property which pass on death in accordance with the deceased's will or on the intestacy provisions if there is no will. In the case of a sale or transfer of ownership during the lifetime of the joint owners any proceeds of sale will be paid out in accordance with the specified shares.

Unless we hear from you to the contrary, we shall assume that the property is to be held as joint tenants.

Your individual circumstances will mean that one type of joint ownership is more appropriate than the other and the decision needs to be taken before you complete the purchase of the property.

In many cases there is an opportunity for considerable savings of tax by having the correct type of joint ownership and we strongly recommend that you ask for further details.

## **15. INVESTMENT BUYERS AND TAX ADVICE**

There are matters particularly important for investment buyers. You should ensure that any lettings are made under Assured Shorthold Tenancies for not less than six months. If you have a mortgage your lender's mortgage conditions may also specify a maximum tenancy term, e.g. one year and you should comply with any other obligations set out in the mortgage offer. You will require special insurance, normal residential insurance will not normally be sufficient. You may need to obtain a licence from the local authority and you must only hold a tenant's deposit in an approved scheme.

You will need to take specific tax advice, particularly in relation Capital Gains Tax from your accountant. For example if you buy a holiday home you may wish to "elect" a property as your main residence within 2 years of your purchase for tax advantages later.

Many types of transactions may require a specialist accountant's advice, for example as well as capital gains tax, as mentioned above, advice on inheritance tax and pre owned asset tax may also be relevant.

## **16. WILLS**

We recommend that everyone makes a will. It is even more important that you make a will on purchasing a property if you have not already made one. If you already have a will, you should review it as your circumstances may have changed since you made it and, of course, you are purchasing a new property. We are always happy to conduct a short review of your will (whether we made it for you or not) without making a charge. If that review identifies areas which need to be amended, we can give you an idea of the likely costs before you are under any obligation.

It is unsafe to rely on an old will, or worse still, the presumption that your co-owner or spouse receives your entire estate. We find that many people misunderstand what would happen if they were to die and it is quick and simple for us to make sure that your arrangements are in order.

## **17. COMPLETION**

The actual completion will be arranged by us and you are not required to attend.

Buyer: We would strongly advise you to arrange a final inspection of the property on the morning of completion confirming to us that everything is satisfactory and that we can release completion monies to the seller's solicitors. Unless we hear from you to the contrary we will proceed with completion.

The contract will state by what time we must complete and this is usually between 12 noon and 2.00pm. As soon as the seller's solicitors receive the purchase monies in their client account they will contact the estate agents and authorise them to make the keys available. It is wise to make arrangements with the seller direct to confirm the arrangements relevant to the keys.

Seller: We would advise you not to release the keys to the buyer until we have advised you that we are in receipt of completion monies. If you have an estate agent and you have not made a private arrangement for the handover of the keys with your buyer it is wise to leave the keys with the agent. They will only release them on our authority.

## **18. AFTER COMPLETION**

After completion of your sale we will arrange to redeem any outstanding mortgage, discharge the estate agent's account (if any) and send to the buyer's solicitors the title deeds and documents. We will then account to you for the net proceeds of sale as per our completion statement and in accordance with your instructions.

You may wish us to arrange a telegraphic transfer of any balance in hand to your bank account. If so you must provide us with your full bank details and check that your bank will accept such a transfer of funds. Any such transfers are the responsibility of yourself and your bank once the monies have left our bank. There will usually be a bank charge for this service.

Following your purchase we will attend to the stamping and registration of the Transfer to yourself and where applicable arrange for the registration of any mortgage.

Once the registration has been completed the Land Registry will issue an official copy of the register showing the subsisting entries following the application. We shall send you a copy of this. After the 13th October 2003 Land Certificates and Charge Certificates were abolished. Your Lender may not wish to look after the other documents relating to your property (Planning Permission, searches etc.). We can look after these for you free of charge, or if you

wish, they can be sent to you. These documents will be needed when you sell so you should look after them carefully.

## 19. COSTS

In most cases we will already have provided you with an estimate of our anticipated fees and expenses for acting for you. However, in exceptional circumstances, the transaction may prove to be substantially more complex or time-consuming than we can reasonably anticipate at the present time and we reserve the right to review our estimate in such cases. If the matter does not proceed to completion, our charges and expenses will be based upon the work undertaken and payments made up to that point. In any event our charges in the event of an abortive transaction will never exceed the original quote for costs given at the outset of the transaction (as amended, if at all, during the course of the transaction).

There may be additional work required separate from the main transaction which will be charged for independently. The following are examples with estimated fees (VAT to be added):

Money Transfer fees usually £50

Preparation of Stamp Duty Land Tax Return from £50

Power of Attorney from £100

Statutory Declaration from £50

Deed of Assignment or Deposit of Life Policy from £50

Re-Assignment of Life Policy from £50

Declaration of Trust from £200

Landlord's Deed of Covenant or Licence from £100

Arranging an undertaking for keys/access between exchange and completion £75

Arranging a legal indemnity policy from £50

Obtaining files from storage and copying TBA

“Disbursements” are payments we make on your behalf during the course of your transaction, such as stamp duty, land registry fees and the cost of searches. Your completion statement may also include an item “Indemnity Insurance Contribution”. This item relates to the compulsory negligence insurance which we are required to take out to enable us to practice. The insurance is of course for your benefit and enables you to pursue this firm in the case of a negligence claim in the knowledge that we have insurance cover.

There may also be other payments which need to be made on your behalf. Some common expenses include Money Transfer fees in the event of our having to send monies on your behalf electronically to complete a purchase, redeem a mortgage or to forward money to your account. Similarly, a new lender may impose a fee for telegraphing the mortgage monies to us. An existing lender may charge administration fees for releasing the title deeds or closing a mortgage account.

If you are purchasing or re-mortgaging a leasehold property, the Lease will dictate what fees are payable to the Landlord on registration of your purchase or mortgage. There may be a number of payments required to be made to the Landlord, managing agents or a management company for their supplying documentation or other information necessary to the transaction such as Licence to Assign or Deed of Covenant.

Please also bear in mind that the fees quoted to you at the outset of your transaction relate to the conveyancing work only. Disputes may arise as a result of breach of contract for example by your buyers or sellers. We will be happy to advise you on such matters, but we shall charge you separately for such work.

Please note that we receive commission of £20 in relation to the instruction of Local Searches. This covers our expenses in ordering searches and helps to reduce the overall charge to our clients for our services.

## **20. CHANGE OF ADDRESS**

If you should change your address during the course of the transaction or shortly afterwards (except in the case of moving to a property being purchased) it is essential that you specifically notify us of your new address and telephone number as quickly as possible.

If we are holding title deeds for you after completion or a Will and you commence residing at a different address, please notify us.

If you reside at a different address to a property than your own, you must notify the Land Registry and of all subsequent changes of address. Failure to do so may cause severe prejudice to you if the Land Registry is not able to communicate with you.

## **FINALLY**

**If at any time throughout the transactions you require assistance or advice please do not hesitate to telephone us. We are here to help and advise you in relation to your house purchase and sale.**

**Jolyon Bland Direct Dial 01707 387886**

**Graham Tooze Direct Dial 01707 387874**

**Rachael Marshall Direct Dial 01707 387896**

**Tom Bottomley Direct Dial 01707 387876**

**Alexandra Gibbs Direct Dial 01707 387877**