



Your Guide to Buying a Property

How can we help you?



Your guide to buying a property

The following guide is intended to explain the main stages involved in the purchase of a property. We are here to help you at all times, so please feel free to contact us if you are unsure about anything.

1) Before exchange of contracts

Your agreement to buy a property is not legally binding until contracts are exchanged. This normally happens 3 – 5 weeks after we are instructed but can vary depending on a number of factors, such as progress on your own sale, your seller's purchase and how quickly your mortgage application is processed. We will not exchange contracts without your authority.

Please do not book your removers until contracts have been exchanged. You should, however, check what dates are available but do not commit to a date.

What we do:

On receipt of the draft contract:

We submit various searches. These would normally include a Local Authority Search, Drainage and Environmental Searches and any other relevant searches.

Please note that the Local Authority search will only give information about the property itself. It will not refer to adjoining properties. If you are worried about future development in the area please let us know as soon as possible.

We will send you a copy of the Fixtures and Fittings Form completed by the seller. This shows which items are included in the sale, which will be removed and which the seller will sell for additional payment. If you are intending to buy anything for more than a nominal amount, we suggest that this be included in the contract to reduce the likelihood of any problems following completion.

We will check the seller's title to the property and advise you of any covenants or rights affecting it.

If you are arranging a mortgage:

We will advise you on the conditions of your mortgage offer. Please remember in most cases we will be acting for your lender, as well as you. Normally, this does not create a problem, but we owe a duty of care to your lender to inform it of any matters of which it should be aware. We will tell you if we think that a possible conflict could arise.

Advise you regarding the property:

When we have most of the information we need to advise you on your purchase, we will send you a copy of the contract and a property report.



You should:

Arrange a survey:

We would always recommend that you have a detailed survey of the property. If you are buying with the aid of a mortgage, your lender will have the property valued. Normally this is not as detailed as a full survey and often the lender will not allow you to rely on it. We can help by recommending a surveyor and dealing with any matters raised in this report.

Insurance:

Unless your lender is arranging cover for you, contact your broker to make arrangements so that the property may be put 'on risk' immediately after contracts are exchanged.

Agree a completion date:

Although a completion date is not binding until contracts are exchanged, discuss with your seller a mutually convenient date. It is normally a good idea to leave a gap of at least two weeks between exchange of contracts and completion.

Rights relating to the property:

Tell us if there are signs of other people living in the property apart from the sellers (and their children under 17). Please also tell us if you think from your inspection of the property that other people may have rights over it such as rights of way, or that service pipes and wires cross the property. Tell us if you think that the property you are buying has similar rights over any adjoining property.

2) Signing the contract

When the terms of the contract are agreed, we will ask you to sign your copy. Please note that signing the contract does not create any legal obligations. This only happens when contracts are actually exchanged.

3) Exchange of contracts

When you and your sellers are ready to commit yourselves to the transaction, we will obtain your authority to exchange contracts.

A completion date will be fixed at the time contracts are exchanged.

On exchange you will be required to pay a deposit. Normally this is 10% but may be less if your seller agrees. If you do not complete the purchase then the deposit will be forfeited by your seller and you will be liable for any additional loss suffered by your seller as a result of your failure to complete. If completion is delayed through your fault then you may be liable to pay interest to your seller on the balance of purchase monies. Normally such interest would be at 4 or 5% above bank base rate.

4) Following exchange of contracts

You should:

- Finalise your removal arrangements.
- Inform the gas, electric and telephone companies of the completion date. They will discuss with you the arrangements for reading the meter and opening the necessary account.
- Notify the water authority.
- Inform the local authority for council tax purposes. If you are staying with the same authority, they should make any necessary adjustments. If you are moving to a new authority you should obtain a refund from the old one and re-register with the new one.
- Contact your bank and arrange standing orders for mortgage payments, council tax and notify the post office of your change of address.
- Insure your property as from exchange of contracts.

We will:

- Ask your lender (if applicable) to send us the mortgage advance in time for the completion date.
- Prepare a statement showing you the financial position and the amount due from you on completion. Please note that in order to complete the purchase we require cleared funds. Any money coming from you should preferably be by way of telegraphic transfer, building society cheque or bankers draft. If you send us a personal cheque, we may need to have this specially cleared at additional cost to you.
- Arrange for you to sign the Land Registry Transfer, which will also have to be signed by your seller in time for completion.
- Send you the Stamp Duty Land Tax Return for you to check, complete and sign. Please note that we will not be able to register your purchase at the Land Registry until any necessary tax has been paid.

5) Completion date

On the day of completion, you may move into the property. Normally this is around midday; however, this can also depend on when we receive the money from your lender and also from your buyer if you have a related sale.

If there is likely to be a significant delay because of money being delayed in any chain below you we may be able to assist by using a special bridging arrangement which we have with our bank. We will give you further details about this later in the transaction.

We will:

Tell you when the seller's solicitors have received the balance of the purchase monies and you may collect the keys. Normally these are collected from the estate agent unless you have arranged to collect them from your seller direct.

6) Following completion

- Send the Stamp Duty Land Tax Return and the tax due to the Inland Revenue.
- Register the Transfer and Mortgage (if applicable) with the Land Registry. Normally this process takes approximately six weeks but can take longer if the property is being registered for the first time.
- On receipt of the Title Information Document from the Land Registry we will send you a copy.
- If you are mortgaging the property we will send the Title Information Document to your lender.

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Private Clients

A personal approach to legal advice

Trust is the most important aspect when it comes to legal matters.

We believe it is essential that we take time not only to review your legal issue, but also get to know you. From business to personal affairs, a complete understanding of your circumstances and objectives is the starting point. Once we can see the bigger picture, we can focus on the detail.

Talk to us about:

- Arbitration
- Buying and selling your home
- Care Is Our Concern
- Children
- Cohabitation
- Consumer law
- Contested Will and estate claims
- Debt recovery
- Divorce and financial advice
- Domestic violence
- Inheritance tax advice
- Landlord and tenant
- Lasting Powers of Attorney
- Litigation
- Living Wills
- Personal injury
- Prenuptial agreement
- Tax and succession
- Trusts
- Wills and probate



For more detailed advice about **buying a property** and how it can affect you and your personal circumstances, please contact your nearest **Humphries Kirk office**.

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