

A guide to buying and selling your home



Buying a house

As part of our fixed fee we will...	You need to...	Mortgage Lender will...
Contact the seller's conveyancer to obtain and check the following: Proposed Sale Contract Property title Seller's Information Forms	Provide suitable evidence of identity, current residence and source of funds to satisfy regulations Arrange a survey and consider testing services, e.g. central heating (See FAQs)	Carry out a valuation of a property
Carry out appropriate searches Check search results	Consider Buildings Insurance (See FAQs) Arrange life cover Raise any neighbouring planning concerns with the Council	Check that you are eligible for the mortgage
Receive mortgage instructions from your lender	Ensure that all the necessary papers are signed and returned to the mortgage lender	Send us the mortgage offer and instruct us to check:
Raise issues arising from papers with seller's conveyancer	Investigate removal companies	Title deeds of the property The proposed contract with the seller Conveyancing searches Mortgage conditions can be satisfied
Prepare all documentation for your signature Provide regular updates to you with documents to sign	Read all reports that we send to you Raise any concerns with us Return documentation signed	
Check your signed documents and settle the deposit	Pay your deposit to us	
Negotiate exchange and completion dates and associated issues		
Exchange contracts Pay deposit to seller's conveyancer	Put buildings insurance and life cover on risk (see Q&A section)	Receive request for mortgage funds from us
	Confirm removal company booking	Mortgage funds paid to us in advance of completion
Conduct final searches	Book utility connections	
Request the mortgage funds from your lender If leasehold agree on any rent and service charge apportionments	Agree on arrangements for the handover of keys with agents Check seller is clearing out their personal belongings and storage. Notify change of address to Council, banks, building societies, credit card companies, insurance companies, DVLA, doctors, dentists, post office etc	
Pay purchase monies to seller's conveyancer Receive deeds and documents from seller's conveyancer	Collect keys & MOVE IN	COMPLETION
Pay any Stamp Duty Land Tax	Settle into your new home	
Register your ownership with the Land Registry (and freeholder if leasehold).		
Deal with the storage of deeds		

Selling a house

As part of our fixed fee we will...	You need to...
Provide you with contract forms to complete Obtain title information	Provide suitable evidence of identity and residence to satisfy regulations
Retrieve your title deeds if the leasehold provide an information pack from freeholder, if applicable	Complete property information form including fittings and contents form then return to us
Issue a contract package to your buyer's conveyancer Send contract to you for signature	Return signed contract to your conveyancer
Retrieve such information as requested including: planning papers consents guarantees indemnity insurance to satisfy the buyer's conveyancer Reply to any enquiries raised by your buyer's conveyancer	Arrange to leave keys with Estate Agents to allow buyer's surveyor access Investigate removal companies
Check redemption figures on your mortgage	Investigate alternative accommodation needs
Confirm completion date	
Exchange contracts Buyer's deposit received	Exchange contracts
Request final settlement figures from your lender	Agree arrangement for hand over of keys
Organise final accounts	Book the removal company
Approve transfer deed (legal change of ownership document) and send to you for signature If leasehold agree any rent and service charge apportionments	Ensure signed transfer deed is returned to your conveyancer prior to completion Notify Council, banks, DVLA etc of your address from completion Clear the property of your belongings and anything stored.
Settle balance of funds with you Pay Estate Agent Pay off any outstanding mortgage	COMPLETION MOVE OUT
Pass deeds to your buyer's conveyancer	

Frequently asked questions

How long will it all take?

The table below sets out the principal legal stages of a conveyancing transaction, from the perspective of the seller's solicitor and of the buyer's solicitor.

Please note:

- The times given below are only estimates.
- Every property transaction is different, and any number of issues may arise, which will need to be addressed.
- The parties can dictate some elements of the sale or purchase; for example, the completion date is fixed by agreement between the seller and the buyer.
- However, no two cases are the same, and much depends on the response times of the various individuals and organisations involved.
- Several issues may be unavoidable and outside the control of the seller and the buyer; for example, the mortgage lender and landlord.
- If either the buyer or seller has a particular timeframe in mind, it is useful to inform all other parties, including the estate agent and the solicitors from the outset.
- Delays (if any) tend to occur with the local authority search results and the mortgage offer. If the property is leasehold, the involvement of the landlord and the existence of the lease (which is read and checked by the buyer's solicitor) usually means the transaction takes longer than if the property is freehold.

Important Note: Don't make any financial commitments or arrangements until contracts have been exchanged and a definite completion date agreed.

TIME (WEEKS)	Responsibilities of the SELLER'S SOLICITOR	Responsibilities of the BUYER'S SOLICITOR
0	Parties agree on terms and instruct solicitors	
0 – 8	Pre-contract stage	
(0 – 3)	<p>Provide the draft contract and supporting papers, including standard information forms completed by the seller.</p> <p>This may involve obtaining the title deeds from the seller's existing mortgage lender.</p> <p>If the property is leasehold, it will include obtaining standard management information from the landlord. The management pack usually sent after the initial set of contract papers.</p>	
(2 – 8)	<p>Respond to enquiries raised by the buyer's solicitor. If the property is leasehold, some of the queries may need to be referred to the landlord or management company.</p> <p>Liaise with the seller to arrange the signing of the contract and to confirm the completion date.</p>	<p>Check the papers and carry out searches: This involves investigating title and approving the contract.</p> <p>The search results will be provided by the local authority, water company and an environmental assessor.</p> <p>Raise enquiries with the seller's solicitor.</p> <p>Await and check the mortgage offer.</p> <p>Report to the buyer.</p> <p>Liaise with the buyer to arrange the signing of the contract</p>

		Transfer of the 10% exchange deposit Confirm the completion date.
8	Exchange of contracts	
8 – 10	Post – exchange / Completion period	
(8 – 9)		Draft the completion documents and carry out Land Registry and bankruptcy searches. Request the mortgage advance from the lender.
(9 – 10)	Approve the completion documents and calculate the completion figure. If the property is leasehold, this will involve obtaining up-to-date rent and service charge figures from the landlord. Prepare a financial statement setting out the calculation of the net proceeds of the sale payable to the seller on completion. Liaise with the seller to arrange for the signature of the completion documents. Arrange for hard copies of the signed papers to be returned before completion.	Based on the completion figure provided by the seller's solicitor, prepare a financial statement setting out the calculation of the balance due from the buyer to complete the purchase. Liaise with the buyer to arrange for the payment of the completion funds. Ensure the signing of the completion documents. The funds must have cleared the solicitor's account, and hard copies of the signed papers must be returned before completion.
10	Complete	
10 – 18	Post – completion stage	
	Send the signed completion documents to the buyer's solicitor.	On receipt of the completion documents, register the purchase and mortgage at the Land Registry. If the property is leasehold, notify the landlord of the purchase and mortgage provider. On receipt of the new title deeds from the Land Registry, the deeds will be sent to the lender and the balance of documents submitted to the buyer.

We will of course keep you informed as to the progress of your transaction, and advise you upon matters specific to your transaction, as it progresses. However, there are a number of points that we believe it is helpful to bring to your attention at the outset. We therefore ask that you take a few minutes to read through this information sheet as soon as possible. If you have any questions, please let us know.

Should I have a survey done?

A survey is always advisable to ensure that you are aware of any physical problems with the property before you become legally committed to the purchase. It is important to remember there is no duty upon the seller to disclose to you any physical defects in the property. You should arrange a survey as soon as possible, to ensure that the result will be available to you before exchange of contracts.

If you are purchasing the property with a mortgage, your lender will carry out a valuation of the property, and a copy of this valuation may be sent to you. This valuation will have been prepared following a superficial inspection of the property. It is not a survey and will not reveal sufficient information about the state of the property to enable you to decide whether to proceed with your purchase at the agreed price. As the valuation has been carried out on behalf of the lender, it is unlikely that you would have the right to sue the surveyor who carried out the valuation should it later transpire that the surveyor was in any way negligent in the preparation of the valuation report.

Broadly speaking, there are two types of survey available to you. A "Homebuyer Survey and Valuation Report" or a building survey. A survey should be carried out by a surveyor who is a member of the Royal Institution of Chartered Surveyors (RICS).

A Homebuyer Survey and Valuation Report is a survey done to a standard format set out by the RICS. It is generally considered to be most suitable for conventional properties built within the last 150 years, which appear to be in reasonable condition. It will include an estimated cost of rebuilding the property after fire (required for insurance purposes) and also an open market valuation of the property.

A building survey is a comprehensive inspection of a property. It is particularly suitable for older properties, listed

buildings, properties that have been substantially altered, or a property which you plan to renovate or alter. A building survey does not include a valuation of the property.

Following either type of survey, your surveyor may recommend further specialist reports be carried out, such as a timber and damp survey, a heating inspection, an inspection of the electrical installation or a wall tie corrosion survey. The reports recommended by the surveyor will of course depend upon the age and condition of the property. Remember, once contracts have been exchanged you will be legally committed to the purchase of the property. It is therefore vital that any surveys or inspections that you arrange are carried out before exchange of contracts, so that you have time to consider the outcome before proceeding. You may wish to renegotiate the price, or even to withdraw from the transaction, if inspections reveal the property to be in a worse condition than you had expected.

If you are unsure as to which type or survey will suit your requirements, a surveyor should be happy to discuss this with you before you instruct him. We can recommend a surveyor to you should you require.

Do not rely upon the lender's valuation report alone because it does not cover the condition of the property in detail and offers limited protection.

It is possible, for an additional fee, to arrange for the same valuer to carry out an inspection called a "Home Buyer's Report" or even a full building survey. Otherwise, you will need to instruct a surveyor to act on your behalf. It is also advisable to consider having the central heating and boiler checked.

Searches and enquiries

We will be undertaking legal searches against the property, in accordance with best conveyancing practice. It is also likely that we will need to ask the sellers' solicitors some additional enquiries about the property, arising from the documentation that they supply to us. Please remember that we normally will not have visited the property, and unless we have been provided with a copy of your survey, we may not be aware of any building work that has been carried out to the property, or any other unusual features, such as shared accessways or private drainage systems. It is therefore important that you bring such matters to our attention, so that we may ensure that we raise all necessary legal enquiries in order to be able to advise you fully about the property.

One of the searches that we will carry out will be a local search. The local search provides information about the property that you are purchasing from the records held by the local authority. It is not (as the name might suggest) a search of the locality, and will generally not provide any information about proposals for development of land outside of the boundaries of the property that you are purchasing. If you require any specific information about any other land in the vicinity, please let us know so that we can carry out a further search, or make further enquiries as appropriate. Alternatively, you may wish to contact the local authority planning department yourself. This might be of particular importance to you if, for example, you are purchasing the property because it currently enjoys an open aspect over farmland.

If you have any specific plans for the property, such as adding an extension or conservatory, please let us know so that we can check that there is nothing revealed in the deeds to the property, or in the searches that we make, which would prevent you from carrying out your proposals. Remember that building work will almost always require building regulation approval and may also require planning permission or listed building consent.

What work we will not be providing in carrying out conveyancing

1. Dealing with the tax consequences or implications of purchasing or selling a property (or taking or not taking any steps in the purchase or sale process);
2. Helping you to decide whether you should be buying the property and the financial implications of doing so, or how you will obtain funds and the terms and conditions on which you can do so;
3. Advising you on the condition, state or structural nature of the property;
4. Dealing with disputes, problems, claims or issues after completion which do not relate to the quality of service provided by the solicitor (eg that the property is not in a good condition).

Acting for both borrower and lender

We are also acting for your proposed lender in this transaction. We have a duty to fully reveal to your lender all relevant facts about the purchase and mortgage. This includes:

1. Any differences between your mortgage application and information we receive during the transaction; and
2. Any cash back payments or discount schemes that a seller is giving you.
3. If a conflict of interest arises between the you and the lender, we cannot continue to act for either of you any further.

Is a deposit necessary?

When exchanging contracts, a deposit is paid to the seller's conveyancing solicitor who will often ask for 10% of the purchase price. Please contact us if you have agreed a lesser deposit.

If the buyer fails to complete the purchase on time, the seller can keep the deposit as part- compensation and pursue the balance of up to 10% (although this is more complex with chains).

Deposit must be paid electronically out of your own bank account to our client bank account in cleared funds 1 working day before contracts are signed.

What does 'exchange' & 'completion' mean?

Exchange: Two identical contracts are drawn up, one to be signed by the seller, the other to be signed by the buyer. When both parties are ready to commit to the transaction, the two signed contracts are dated and 'exchanged' between the conveyancing solicitors. At this point, the contract becomes binding, and there is no turning back. Usually neither party can pull out without paying compensation.

Completion: At the same time, a date for 'completion' is agreed. This date signifies the conclusion of the transaction when the keys and deeds are handed over in return for the purchase money, and the buyer can move in.

Balance of purchase price: Must be paid electronically out of your own bank account to our client bank account in cleared funds 1 working day before completion.

At Completion:

1. The money is transferred from the buyer to the seller.
2. The legal documents needed to transfer ownership are handed over to the buyer.
3. The seller moves out and leaves the property in the state agreed in the contract.
4. The seller hands over the keys to the buyer.
5. The property now belongs to the buyer.

Why is a written mortgage offer important?

Before you commit you to purchase the property (by exchanging contracts), we need written confirmation that your lender will provide the funds you require. There are often many conditions in the mortgage offer that need to be satisfied before funds are released. You need to be happy with what you are offered and be able to take advice on it before any legal commitment.

What should I do about life cover?

We recommend that you arrange sufficient life cover for your mortgage liabilities to protect your dependents. The type of protection required will depend upon the mortgage you take out so you will need to liaise with your financial adviser and your lender. Life cover should go 'on risk' from the exchange of contracts.

What do I do about building insurance?

You will be responsible for arranging buildings insurance on your new property from exchange of contracts (unless you are purchasing a leasehold property and insurance is effected by the landlord or management company, or a newly built property, which will normally be insured by the builder under a block policy until completion). If insurance is not being arranged through your mortgage lender, then you should make sure that this is in force from exchange of contracts and the interest of your lender noted.

If you will be having a mortgage, we will need full details of any insurance arranged by you as soon as possible, and certainly before completion of your purchase, as we will be obliged by your lender to check that the terms comply with their requirements. Your lender will require that the policy cover the following risks: fire; lightning; aircraft; explosion earthquake; storm; flood; escape of water or oil; riot; malicious damage; theft or

attempted theft; falling trees and branches and aerials; subsidence; heave; landslip; collision; accidental damage to underground services; professional fees, demolition and site clearance costs; public liability to anyone else.

Your lender will also require the policy to be index linked, and many lenders require that any excess payable under the policy does not exceed £1000.

Please bear these requirements in mind when arranging your building insurance. It would be helpful if, when asking your insurer to confirm to us that the insurance has been effected, they also confirm that the policy meets these criteria (sometimes referred to as the Lender's Handbook requirements).

Please establish your insurance needs early in the process to understand the cost and capability of insuring, particularly in areas of the country with potential flood risks.

Stamp Duty Land Tax (SDLT)

Stamp Duty has been replaced by Stamp Duty Land Tax (SDLT). Anyone purchasing a property now has an obligation to notify the HMRC of the transaction within 14 days of the effective date (which is usually the completion date of your purchase) and to pay any tax due. The rate of tax depends upon the purchase price of the property. Fixed penalties apply for returns that are submitted late.

We will act as your "tax agent" for the purposes of SDLT in connection with your purchase. This means that we will complete the Land Tax Return form on your behalf, and ask you to sign a draft copy. We will sign the final copy for you as your agent (as this cannot be signed until after completion) and will submit the form to the HMRC, together with your payment of the tax due, immediately after completion has taken place. We will also deal with any enquiries raised by the HMRC.

Our role as your tax agent does not create an agent/principal relationship under the law of agency. You will remain responsible for payment of the tax due. We will advise you of the amount, and request payment from you prior to completion. You will also be liable for any penalties that are incurred if the Land Tax Return is submitted late (for example, if you fail to put us in funds to pay the tax when it is due). Where there is more than one purchaser, the liability for payment is joint and several, even if one party is in reality funding the purchase money. We will complete the Land Tax Return form in reliance upon information that we have received from you. You are responsible for the accuracy of the information contained in the form, and it is therefore important that you check the draft form carefully before signing it.

General Tax Advice

Other than in relation to Stamp Duty Land Tax, we will not provide advice on the tax implications of your sale or purchase as part of the conveyancing service that we offer.

A liability to pay Capital Gains Tax may arise if you work from home, own more than one property, or if your house has grounds of more than 0.5 hectares, in which case you should certainly seek specialist tax advice. We may be able to recommend an appropriate advisor to you if required.

There may be potential Inheritance Tax Implications, or a need to reconsider your tax planning strategies as a result of any sale or purchase.

Can I transfer an existing secured loan to my new property?

All secured loans outstanding on a property (e.g. a business overdraft facility, legal aid charge or personal loan) must be paid off out of the sale proceeds unless the lender concerned agrees to secure the loan on your new property. This may take some time for the lender to organise. If you want to do this, you need to contact the lender for consent as quickly as possible. When the lender gives their approval, they will need to send written confirmation to your conveyancing solicitor.

When are the estate agents and solicitors paid?

If you are selling, the Estate Agents will send their invoice to us after the exchange of contracts, and we will settle the amount on completion from your proceeds of the sale. Before completion, we will require you to provide sufficient funds to settle our fees, expenses and your Stamp Duty Land Tax liability.

Why does completion have to take place on a working day?

Purchase monies are transferred between conveyancing solicitors electronically. At present, banks only transfer money electronically on a working day and, therefore, completion cannot take place at the weekend or on a Bank Holiday.

Arrangements for moving

If you have any timescales or target dates in mind for moving, please let us know and we will do our very best to meet your requirements. However, please remember that until exchange of contracts has taken place, the date for completion (the moving date) is not fixed, and may change. For this reason, we strongly advise you not to confirm any booking with your removal company, or make any other firm arrangements to move, until we have informed you that exchange of contracts has taken place and can confirm a definite completion date to you.

How do I sort out the keys?

Unless you have made special arrangements before completion, the keys are handed over on the completion day in exchange for the purchase monies (the seller has already given them to the Estate Agent). However, this is often not the case due to inconvenience, and the seller will hand them directly to the buyer.

Please note: You must find out and agree on the arrangements for the keys before completion.

Wills

Everyone should have a will. The implications of dying without having made a valid will (intestacy) are wide reaching and disadvantageous. We offer specialist, affordable advice in this area and we suggest that you take this opportunity to make a will if you do not have one, or reconsider whether your existing will adequately meets your requirements.

Please let us know if you require advice on wills, and we will arrange for one of our lawyers specialising in wills to contact you to discuss your requirements further.

For further information call us today on 0203 875 5090 or email info@kplsolicitors.com