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## **A Guide to your Purchase Transaction**

### Negotiation of sale by an Estate Agent

Appoint your Conveyancer to act on your behalf on the purchase. You can do this prior to having an offer accepted on a property which can alleviate stress at the outset of your transaction by assisting to ensure a smoother and more efficient process once you have found the property you wish to buy.

Appointing your Conveyancer involves;

- Providing photo ID and proof of address
- Making a payment on account
- Sign Terms of Business
- Completing a client instruction form detailing the specifics of your circumstances
- Providing source of funds and source of wealth evidence as is required by law which includes gifts from family members, Help to Buy ISA details and contributions or private loans from others.

Please do not make any direct payments to the seller for contents or as a holding deposit. Please ensure you advise your Conveyancer as to any agreed prices for fittings and contents so that they can incorporate this into the contract and make it legally binding.

You may well already have an Agreement In Principle for mortgage finance. Now you should make your mortgage application and provide to your mortgage broker or lender the information they request to be able to produce your formal mortgage offer which will then be sent to your Conveyancer.

After the flurry of initial activity at the start of your purchase, there is sometimes a lull in activity at this point whilst the seller's Conveyancer gathers the necessary information from the seller before they are able to provide us with a draft contract pack.

The draft contract pack, provided by the seller's Conveyancer, should include;

- A copy of the Land Register, Title Plan and any deeds mentioned in the Land Register.
- Property Information Form
- Fittings & Contents Form
- Leasehold Information Form (if applicable)
- Landlord Property Enquiries (if applicable) also known as LPE1 or management pack
- Certificates, guarantees, planning permissions or consents as provided by the seller.

Your Conveyancer will ask you to approve the title plans for the property and instigate your property searches, which include;

- Official Local Authority Search
- Environment Data Search
- Official Drainage and Water Search
- Other searches specific to the property location as may be required i.e. mining searches

You should instruct a Surveyor to prepare a Survey Report for the property. There are different levels of Report available and your Surveyor can explain the differences to you.

Please note that a Mortgage Valuation does not provide you any protection and you should have your own Survey inspection.

You should instruct a Gas Safe Engineer to inspect the boiler and gas appliances.

You should instruct an Electrician to inspect the wiring of the property.

You should make enquiries and obtain quotes for buildings insurance.

When your Conveyancer is in receipt of the all the paperwork including full contract pack, searches and LPE1 along with a copy of your survey report, they will then review all of these to raise any additional enquiries (ask the seller's Conveyancer to rectify gaps in information or discrepancies in the documents).

The enquiries are then sent to the seller's Conveyancer for their review and any that require the seller's assistance will be sent to the seller.

Upon receipt of satisfactory responses to all additional enquiries, your Conveyancer will then be able to report to you on the contract, title, searches, mortgage, additional enquiries and any other information they feel you will need to know about the property.

You will also be sent all the documentation for signing that will be required for exchange and completion.

Your Conveyancer will ask you to send your deposit funds to your Conveyancer's Client Account if you do not have a related sale.

A completion date will be agreed once all parties in the chain are ready to exchange.

Completion day is the date you will get the keys and ownership of the property by your Conveyancer sending the funds to the seller's Conveyancer.

On the day of exchange of contracts, your Conveyancer will obtain your express authority to exchange the contract and make the transaction binding.

The contract is exchanged by way of telephone conversation between the buyer's Conveyancer and the seller's Conveyancer when the contract is dated and completion date is set. At this point the contract becomes legally binding and enforceable. You can now arrange the following;

- Book and pay for your removals or van hire
- Update your bank of your new address
- Notify your GP of your new address
- Make arrangements for time off work or childcare/pet care for the day of completion
- Put your buildings insurance on risk from the day of exchange
- Finish packing your belongings

If you are obtaining mortgage finance your Conveyancer will submit the formal request for the drawdown of the mortgage funds by way of a Certificate of Title.

You will also need to arrange to send the balance of any funds required to your Conveyancer no later than the day before completion.

On the day of completion your Conveyancer will send the balance of the purchase funds to the seller's Conveyancer.

Completion is a two part process of legal completion and practical completion;

- Legal completion takes place when the seller's Conveyancer receives funds into their client account from your Conveyancer. The documents are dated by the Conveyancers following confirmation that the monies have arrived safely.
- Practical completion is when the seller has moved out of the property. Under the terms of the contract, the seller has until 2pm to vacate the property including all their belongings.

Your Conveyancer will then attend to all post completion formalities such as;

- Submitting your Stamp Duty Land Tax or Land Transaction Tax
- Applying to Land Registry to register you as the new owners of the property
- Serving notice of the change of ownership to any relevant parties if required

The process of Land Registration can take a number of months and also depends on the type of transaction. The purchase of a new build property or grant of a new lease can take a substantial time as HM Land Registry need to allocate a new title number and this is dealt with by more experienced Land Registrars.

If HM Land Registry have any questions about the transaction or the documentation then this will be dealt with by your Conveyancer.

Once registration is completed, your Conveyancer will send you a copy of the updated Land Register which will show you as the registered proprietor of the property.

## **What you can expect from Barry & Co as your Conveyancers**

- We will provide you with realistic and practical advice in relation to your transaction and based on your individual circumstances.
- Receive sales memorandum from Estate Agents and liaise with the parties' Conveyancers.
- Receive the draft Contract and associated paperwork from the sellers' Conveyancers, approve the Contract and raise enquiries about the property, including any questions you may have.
- Instigate Conveyancing Searches of the Local Authority, Environment Agency Data, Water and Sewerage providers and other searches as may be relevant to the property (i.e. mining, flood, energy).
- We will provide you with practical solutions and confirm your legal position in relation to matters raised in the paperwork for the property.
- We will send you reports about the property which is broken down into bite-sized stages. We do this to make the volume of information more digestible and easier to follow.

These include (in no particular order);

- Report 1 - Property Information Forms, enquiries, a copy of the sales particulars.
  - Report 2 - The results of your Conveyancing Searches and survey report.
  - Report 3 - The Land Register, the lease and management of the property if applicable, joint ownership and the Transfer document.
  - Report 4 - The contract, the deposit, Stamp Duty Land Tax return, draft completion statement and buildings insurance reminder. Prepare and provide you with a Stamp Duty Land Tax Return Form. Prepare a Completion Statement and account for you which itemises the fees and disbursements of your transaction
  - Report 5 - Your mortgage offer confirming with you the terms on which you are being lent the finance and the mortgage deed for signing.
- Please bear in mind that we cannot control any behaviour, attitudes or characteristics of other parties in the chain. However, we will do all we can to ensure that our approachable and professional nature will encourage the co-operation of others.

### **What can you do to help the process run as smoothly as possible?**

- Make sure you communicate with us so that we understand what your concerns or questions are about a property.
- Be clear with us about your circumstances and intended use of the property.
- Please continue to make any existing mortgage repayments, ground rent and service charge payments up to and including completion.
- Please let us know whether you have specific funding arrangements or trust arrangements that need to be considered.
- Visit the property more than once and at different times of the day, both weekdays and weekends. This will help to identify issues that might not be evident in the paperwork.
- If we ask you to check something, read something, confirm something or return something please do so without delay. We can only action and progress your matter with the tools and information you provide us with. This is *your* transaction.

### **Unfortunately, we cannot assist you with the following, but can signpost you to someone who can:-**

- Specialist Tax Advice including Capital Gains Tax Returns;
- Instructing and arranging your Removals or Clearance;
- Instructing or arranging a Survey Report or other physical inspections of the property;
- Arranging estimates for works that are required to the property;
- Having the gas appliances or electrics checked by a suitably qualified person;
- The prospect of obtaining Planning Permission for proposed improvements to the property;
- Obtaining a Mortgage Offer to finance your purchase.

### **How long will my transaction take?**

At the point that we provide you this information, it is almost a complete guess! An average and straightforward sale or purchase transaction usually takes between 8 to 12 weeks from the receipt of the Estate Agents' Memorandum to Completion.

However, each transaction is unique and dependant on the parties involved, any chain of transactions, and any special requirements on the individuals in that chain.

We will be better placed to tell you this once we have received more information and paperwork from the other parties in your transactions.