

General Stages involved in a usual Sale Transaction

1. Receive notification from Estate Agent detailing names and addresses of Buyer, Seller and their Solicitors and the sale price. Acknowledgement of the instructions – immediate
2. Write to you with terms and conditions of business and request details of where your deeds are held – within 3 working days of receipt of our instructions. The deeds are usually with a Lender so we will require the name and address of the Bank or Building Society and the Mortgage account number. We will write for them. If you do not have a mortgage and they are not in your own possession, they could be with another Solicitor or in a Safe Custody box at the Bank in which case you will need to either bring them into us or send them to us by recorded delivery. We also send you all sorts of forms to fill in about the property which you must return to us e.g. Property Information form, ground/chief rent receipt, Management Company accounts if you are selling a flat, as these are sent to the Buyer's Solicitor with the Contract. Please see below additional information regarding sale of a Leasehold property eg. flat
3. You return the initial forms duly completed and supply us with your identification documents so that we can comply with the money laundering regulations – this is totally in your hands
4. We then apply for Office Copies which is an accurate reflection of the details held for your property at the Land Registry. These are requested online and where the property is registered at the land registry the result is available to download immediately. Most properties since the 1960s are registered at the Land Registry
5. Once we have received your Deeds (if available). the Office Copies and the forms completed by you we prepare a Contract which contains your details as Seller, the unique Land Registry title number, the sale price, the Title Guarantee you are giving and the standard and special conditions of sale. Other information is left blank to be inserted on exchange of contracts e.g. Completion date and the amount of the Deposit the Buyer will pay to us
6. The Buyer's Solicitor may then ask us additional questions some of which we may have to refer to you. Please ensure that you provide us with any information we require as quickly as possible to avoid any unnecessary delays
7. When the Buyer's Solicitor is satisfied with all the answers we have provided the Contract will be approved and we shall invite you to sign it. Just because you have signed the Contract it does not mean you are bound to complete the sale but by now your Buyer will have spent quite a bit e.g survey fee and Local Authority search fee and the chances of finding another Buyer who can proceed as quickly are slim
8. Exchange of Contracts – the timing of exchange is really in the hands of the Buyer but usually it takes 6-8 weeks to have reached this point. Longer if you are in a chain. Once we reach this stage, you should try and agree a mutually convenient completion date between yourselves so that e.g. holidays can be avoided. The Buyer's Solicitor must have the following before exchange takes place
 - (i) Contract in and approved
 - (ii) Mortgage Offer in and approved
 - (iii) Satisfactory search resultsYou are not present at exchange of contracts. It is merely a telephone conversation between the two Solicitors but once done there is no going back. If you are also buying a property exchange of contracts takes place at the same time in respect of both transactions. The completion date i.e. the date

you actually take possession and the money is paid over is set and inserted in the contract. The parties involved agree the length of time between exchange and completion. This date cannot be changed once contracts have been exchanged. The deposit is paid to us and cannot be refunded if your Buyer fails to complete the purchase and indeed you can sue the Buyer for the balance of the price plus interest and expenses for breach of contract. This works both ways so if you are in breach of contract the Buyer can sue you. If you do have a related purchase you are entitled to use the Deposit received from your Buyer for the Deposit on your own purchase. You may have to pay extra fees if a notice to complete is served on you in the event that completion is delayed beyond the time in the contract. If you have not moved out all your belongings by that time so the Buyer does not have vacant possession as promised you may have to pay the Buyer and family's alternative accommodation costs

9. If you have a Mortgage we write to your Lender to request a redemption figure this is the amount required to totally repay your loan and for the Lender to issue us with a receipt in full and final settlement. You must make us aware of any borrowings
10. We receive the Transfer Deed prepared by the Buyer's Solicitor for approval. If it is drafted correctly we will arrange for you to sign it. This document actually puts your Buyer's name on the Deeds at the Land Registry and we only hand it over to the Buyer's Solicitor on completion after the full sale price has actually been received into our Client account. If you are selling a flat you may also have to sign a Stock Transfer form to enable transfer of the share certificate in the Management Company. We also have to complete a Completion Information and Undertakings Questionnaire which deal the practicalities of what happens on completion
11. We produce a Completion Statement to you setting out all the figures involved in the transaction e.g. price, amount required to redeem your mortgage, our charges and expenses paid to others including the Estate Agents fee. We shall assume that you authorise us to pay the Agents unless you tell us otherwise if e.g. you were not happy with their service. If monies are owed to you on completion you may wish to receive this direct into your bank account as opposed to a cheque which will have to be cleared. If this is the case, we will use the bank account details you provided on the Client & Lender form signed by all clients but please note that you will be charged an extra £21 plus VAT for this service in addition to the amount you have already been quoted. If your account details change, we will need written notification and proof. Please note we cannot always pay your net proceeds of sale on the day of completion especially where funds have arrived late on the day of completion. We aim to pay you on the day but if not, it will be the next working day. If there is negative equity and we require funds from you to enable completion we will let you have our client bank account details by way of a hard copy through the post. We will not provide them via email or on the telephone
12. Completion – You do not need to come into the office you just concentrate on packing up your belongings and moving out before 2 pm. Under the Contract you are giving vacant possession so do not leave anything behind even in the shed or garage. Please make sure you drop all the keys to the Estate Agent by this time. We receive the balance to complete (i.e. the purchase price less the deposit already paid plus anything agreed for fixtures and fittings you have agreed to sell with the property and any apportioned ground/chief rent or service charge if you are selling a flat) direct into our Client account. Once it is received by us we telephone the Estate Agents to release the key to your Buyer. Sometimes, where there is a long chain of sales and purchases it can

- take some time for the money to come in before it can be telegraphically transferred out to our bank account
13. On the day of completion, we have to redeem your Mortgage if you have one. This is either done by way of a cheque or sometimes if the Lender insists by telegraphic transfer i.e direct from our bank account to your Mortgage account. This will incur professional charges of £21 plus VAT plus £9 bank charge totalling £34.20. The Lender then removes their charge at the Land Registry.
 14. Also on the day of completion we send the Transfer you have signed and the other title deeds and documents to the Buyer's Solicitor
 15. If you had a Mortgage the Lender will confirm discharge of your loan and we inform your Buyer's Solicitor

Sale of a leasehold property

The sale of a leasehold property will involve more work than the sale of a standard freehold property. As we want our services to be recognised as expert, accurate and appropriate, the costs will be higher and there will be additional monies to be paid to third parties, such as managing agents and freeholders. There are no regulations governing the charges which the managing agents and freeholders will make, so at the outset of the transaction we will ask you to provide us with the details of both so that we can make enquiries as to the costs of the provision of the required Leasehold Information Packs and any other requirements which the managing agents or freeholders may have. Additionally, there is no standard procedure adopted by managing agents or freeholders and there are no guidelines as to the timescale in which such information has to be provided by them. It is important for you to be aware at all times that we can only progress your transaction as fast as the information required is provided and that will be outside our control.

In order to provide you with best service in relation to the sale of a leasehold property, Hargreaves Gilman will:

- ask you to provide details as to the management company, managing agents and freeholders at the start of the transaction;
- make enquiries with the management company, managing agents and freeholders as soon as is feasible as to the costs of provision of the Leasehold Information Pack and supporting documents;
- once such information is known, we will request you to obtain and pay for the Leasehold Information Pack.

Upon receipt of the pack, we will forward a copy to you with our comments and observations on it, making you fully aware of any information which could affect the progress of the sale [*this would include matters such as an increase in service charge within the next three years, service of a section 20 notice, etc.*]

Once the pack has been received, we will forward a copy to the buyer's solicitor.

Should the buyer's solicitor raise enquiries or observations on the contents of the Leasehold Information Pack which need to be answered by the managing agents or freeholders, then we will forward such enquiries to them for them to answer, sending the replies to the buyer's solicitor when received.

It is likely that completion will take place during a financial year when the charges for that current financial year are not known. It is important to ensure that neither you nor the buyer end up being out of pocket due to any payments required during the year, and we will therefore agree with the buyer's solicitor that a retention is made on completion to cover any future or pending charges. A 'special condition' regarding this will be agreed between us and the buyer's solicitor and inserted into the contract.

Prior to completion, and once a completion date is known, we will obtain up-to-date ground rent and service charge figures, calculate apportionments and prepare a completion statement showing the amount required to ensure that all service charge and ground rent is paid up to date. The statement will also take into account the agreed amount of retention.

Following completion, and in relation to the retention held for any balancing charges, we will ask the buyer's solicitor to provide us with a copy of the service charge accounts for the financial year in which completion took place as soon as the buyer receives them, so that we can liaise with the buyer's solicitor regarding apportionment of any payments due and agree figures and release the retention as appropriate.

If this transaction has resulted in net sale proceeds in excess of £5,000 you may wish to seek independent financial advice from an independent financial advisor. If this is the case please speak to our Deborah Millington for the financial adviser's name and telephone number. This will be extremely relevant if you were acting on behalf of the owner of the property say as a Deputy or an Attorney and the owner is going into residential or nursing care because obviously the net sale proceeds will have to be invested to produce the best income to meet the fees and it is your duty to seek professional advice in this regard.

Now will also be an appropriate time for you to make or update your existing Will or consider making a Lasting Power of Attorney in case mental or physical incapacity in the future renders you unable to deal with your own financial affairs. Please telephone Tony Learoyd for an appointment to put your affairs in order. We will store your file of papers for six years following your completion date after which they will be destroyed. To prevent this please request your file within six years