

Private client advice

Conveyancing

Understanding the
purchase and sale
process

Tallents
Solicitors

Conveyancing

what does it all mean?

When you buy or sell a house, you'll come across lots of confusing legal terms.

We hope this guide will break down the legal jargon and help you to understand the purchase process.

Our legal experts are here to help you. We cannot emphasise enough the importance of you asking us to explain something you really don't understand as the purchase progresses.

We have yet to be asked anything we think is a silly question, so please, ask away!

What is conveyancing?

Conveyancing is the process of
buying and selling land
– usually with a house on it.

If you are reading this guide, you are likely to have passed the first hurdle, which is finding a house to buy or finding a buyer for your property.

After your offer has been accepted your estate agents will ask you for details of your chosen solicitor.

The estate agents will then notify your solicitor, and any other interested party, of the necessary details of the property, including the price and any special terms that may have been agreed.

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There are several general steps taken during the purchase and sale process. We will take you through the processes relevant to your situation. Please read on to find out more about them.

Mortgages

If you are buying a property you will probably need to borrow money. A mortgage can be arranged with your broker or bank/building society. We recommend that you obtain an Offer in Principal from your lender to prove your ability to purchase, prior to making an offer on a new home.

Property surveys

Some lenders will only require a valuation, however, we would recommend that you also commission an independent survey on any house that is more than 10 years old or does not have the benefit of a house builder's guarantee.

Our covering letter will advise you as to what types of survey can be carried out. Alternatively, we can talk these options through with you.

Searches

We will explain the searches that are necessary and appropriate for the property you are going to purchase. Some searches are optional and we can advise you on this. It's worth noting that some of these searches can take up to three weeks to complete on receipt of the relevant costs for doing this.

If you are requiring a mortgage, your lender will expect us, as a minimum, to conduct a local and water search on their behalf. If there is anything untoward or strange about the results of the searches, we will advise you of this. We are also duty bound to report these to your lender. This may cause a delay whilst waiting for a response from your bank or building society.

A deposit to secure the house purchase

If you are at the bottom of the chain you will be expected to find a deposit – usually 10% of the purchase price, unless you are borrowing more than 90%. You can pay the deposit by bank transfer or by cheque. If you are paying by cheque it will take 7 working days to clear.

Signing contracts to legally purchase the property

Once your contracts are ready we will invite you into the office to sign them. Please note that signing the contract is not the same as exchanging contracts. We ask you to sign the contracts in readiness for us to exchange contracts with your buyers and your sellers.

Exchange of contracts

When you are buying a property, we will not exchange contracts until you have agreed the terms of your mortgage offer and we know you are going to be in a position to buy the house.

Exchange of contracts can only take place when everyone involved in the chain are ready to do so. When you have agreed and signed your contracts we will exchange contracts with the other parties provided a completion date has been agreed.

The completion date is the moving date, i.e. the day you can pick up the keys for the house that you are buying. Usually, the completion date is a week or more after exchange of contracts.

In certain circumstances, however, it can be less than a week.

It is important for you to be happy with the agreed completion date. We will not exchange contracts until we have agreed that date with you.

Prior to exchange of contracts, it is important that you have secured your removal arrangements. Some removal firms will allow you to make a provisional booking.

Once we have exchanged contracts we will confirm the completion date with you. This will allow you to confirm the removal date having made a provisional booking.

When you are buying with the aid of a mortgage, we will apply to your mortgage lender to forward your mortgage advance to us on the day prior to completion of your purchase so that we are able to purchase your home on your behalf as soon as possible on the completion date.

If you are adding to the funds that we receive from the bank/building society, we will ask you to send us the money in advance of the completion date. Again, you need to bear in mind that cheques take 7 working days to clear.

Insurance

Under the terms of the contract we ask you to sign, the small print states that the property is to be taken by you in the condition that it is at the date of completion.

This means as a buyer it is important for you to ensure that the property is insured from the date of exchange of contracts. This makes sure that if something happens to the property after exchange of contracts, but before completion, the property will then be covered by insurance. Although this is unlikely, it is better to have peace of mind that the property will be insured.

Even if you are selling we would advise you to continue insuring your property until the completion date has passed.

Moving day – the completion date

Selling a property

We will contact you once the proceeds from your sale have been received from your purchaser's solicitors we will be available to discuss any queries you may have during your moving day.

Once you have moved out, you should hand your keys to your estate agent who will then hand them over to your buyer once we have confirmed the necessary funds have arrived into our bank account from your buyer's solicitor.

Please remember that as you are selling, the contract will state that you are selling with vacant possession meaning that the property will be free of all of your furniture, personal effects and rubbish (unless you have agreed otherwise in the Fittings and Contents Form).

Buying a property

You will be able to collect the keys for your new home once we have sent the money for your purchase to your seller's solicitors and they have confirmed receipt. Some times this can take a little time if there is a long chain in your transaction.

The money will obviously start being sent from the bottom of the chain and make its way upwards via all the solicitors involved in the chain.

The keys will be released to you once your sellers' estate agents have received confirmation from their solicitors that the money has been received from us. This is usually some time after midday but we will endeavour to keep you informed if there is likely to be any delay beyond that.

Post completion

Buying a property

After completion, we will account for any monies relevant in your transaction by way of a completion statement. This allows you to see all finances involved in your purchase.

We will complete any necessary Stamp Duty Land Transaction Return (SDLT) for you.

We will retain enough monies at completion stage to enable us to make the payment to the Inland Revenue on your behalf. We cannot register your transaction at the Land Registry without a certificate issued by the Inland Revenue to confirm that the SDLT Return has been submitted (online) and payment made.

We will also register your ownership of the property at the Land Registry. The process can take up to 6 weeks (and some times longer on more complicated transactions).

Following registration, we are issued with a copy of your title document.

Your property will be allocated a unique title number. We will forward a copy to you once we have received it back from the Land Registry.

It is important that you keep this and any other documents that we send to you so that these are available when you ultimately come to sell the property again.

Selling a property

We will account for any monies relevant in your transaction by way of a completion statement. This allows you to see all finances involved in your sale.

What other important documents do you need to retain?

Whilst living at your new home, you may want to improve or carry out maintenance to it. If you update or replace anything, please keep all relevant documentation relating to the changes pending a later sale. Some examples are:

- Any new windows or doors will require a FENSA certificate. This should be issued by your contractor.
- If you carry out electrical, gas or plumbing works, you will need to obtain a certificate from the appropriate competent person.
- If you do any structural work or alterations, you will need to obtain (where necessary) planning permission, building regulation approval and completion certificates.
- If you do any work that needs the consent of a developer, or the consent to any previous owners, then it will be necessary to obtain written consent before you complete those works.

We will advise you of any need to see these documents when we go through the purchase contract with you.

Sometimes we will have advised you that it is important that you obtain an indemnity policy. It is therefore advisable to contact us before you carry out any type of work to your property so that we can remind you should it be necessary to either obtain consent and/or an indemnity policy.

- Keep any guarantees that you receive from any contractors in relation to any works carried out to the property.
- If you are told by the planning authority that you do not need any permission for the work, it is advisable to get written confirmation of this from the council, as in later years we have found it difficult to prove that permission was not required. If you have confirmation in writing, then there can be no doubt.

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We hope that this guide has helped you understand the conveyancing process a little better.

If you have any questions at all during the purchase of a property please contact us so that we can put your mind at rest.

Good luck with your move!



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Note: All information is correct at time of publication.
We recommend you always consult your lawyer before
taking any action.

Call us now to find out how we can help you.

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