

# Your guide to the legal process for buying a property



## About Us

From protecting your family legacy to securing your business' future, we work tirelessly to get the right outcome for you. When you work with us, you have an award-winning, full-service law firm with you every step of the way.

We remain committed to supporting our local communities and have built a national reputation in a number of specialist areas. We act without judgement or prejudice, forging lasting relationships with businesses, families and individuals looking to defend their position, protect their interests and secure their futures.

Jackson  
Lees 



## Introduction

Buying a property is probably the biggest investment you'll make. Obviously you want to get it right, and it's our job to help you achieve this.

As soon as you have found a property to purchase you should let the estate agents know that we are acting on your behalf.

This brochure is aimed to assist you to understand the house buying process, but please remember that it is for general guidance only and cannot cover every point which could arise. If at any stage you have any queries, don't hesitate to ask.

**There are five main stages in the legal process:**

- 1 The start**  
Acceptance of your instructions
- 2 Before exchange of contracts**  
Obtaining more information
- 3 Exchange of contracts**  
The day that you enter into a binding contract to buy
- 4 Preparing for moving day**  
Preparing for the big day
- 5 Completion day**  
The day the house becomes yours



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## The start

### Negotiation

You've found your house, and you've told the sellers or their estate agents that you want to buy it. What next? You make an offer and, hopefully, it is accepted.

**Please note:**

If you are buying a new build, the situation is different, and frequently you will have to pay a reservation deposit at this stage. If you subsequently decide not to proceed you will potentially lose this money.

### Acceptance of your instructions

Once you have chosen to instruct there are certain formalities that we must go through. We will send you our client care letter containing our terms. This will give you information on matters such as the scope of our work, who will carry out the work, our fees and other useful information. It is important that you read this carefully and return the duplicate copy signed.

This is quite a lengthy document but it is important that you read through it as it is the basis of our instructions with you.

We will need to verify your identity by obtaining a copy of your passport or driving licence or similar. The documents that we need you to produce will be specified in our terms of business letter.

**Please note:**

We will not be able to work on your file until the above matters have been dealt with and it is vital that you attend to these quickly to avoid delay.



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## Before exchange of contracts

At this stage, our aim is to gather information about the property and its legal title. Once we have this information we will provide a report to you to enable you to make an informed decision as to whether you want to proceed. If you are getting a mortgage, we will also have an obligation to report to your mortgage lender.

### Contracts

Once we have received your instructions we will make contact with your seller's solicitors (the estate agents will have provided us with their details). They will then send us the contract pack including:

- Copies of Title to the property.
- A copy of a plan of the property.
- Property Information Form giving responses from the seller as to their knowledge of the property.
- Fittings and Contents Form, showing details on what items are to be included or excluded in the sale.
- If the property is Leasehold a copy of the Lease, a Leasehold Property Information Form and details of matters such as the ground rent, service charges and insurance. This can take some time to collate.
- Copies of other miscellaneous documents, e.g. guarantees, planning consents, building regulation approvals and completion certificates.

We will send you copies of some of the key documents together with a report advising you on the title. We do not have a personal knowledge of the property and will not inspect it. Please ensure that the plan marks the full extent of the property that you are buying and that the information supplied is in accordance with your understanding.

## Contracts continued

Check the Fittings and Contents form to establish exactly what is included in the sale, as misunderstandings can arise in this area. It is important that any discrepancies are highlighted before you commit to the purchase.

If you do have any queries please let us know immediately so that we can raise the matters with the seller's solicitor.

## Additional enquiries

Once we have checked the documentation then it is quite normal for us to raise some additional enquiries. You should not be alarmed by this and we will let you know if the replies do give cause for concern.

## Searches

We will also apply for searches on your behalf including:

- **Local Authority Search** – A search of the local land charges register for the property which will provide details of road agreements, planning permissions and building regulation consent together with any enforcement action taken by the local authority (if any).
- **Drainage and Water Search** – A search with the Utility Company for the area in which the property is situated. It will confirm whether the property is connected to mains water drainage and supply or otherwise. It gives details of the route of such services in the locality as well as water quality testing results and any anticipated works or improvements to any supply of such services.
- **Environmental Search** – A search with the Environment Agency. It identifies matters within a specified area around the property and will include details of contaminated land, flooding, energy and infrastructure.

## Searches continued

- **Chancel Repair Search Insurance** – Chancel repair is a historic liability which stems from mediaeval times where land, previously owned by the Church to fund the local Rector was sold and the new owner took on the repairing obligation attached to the land. Basically, any property located within the boundaries of a parish where such a liability exists could be “caught.” The penalty is financial in that it involves having to pay for the upkeep and repair of the chancel of the local mediaeval parish church.
- To cover you for potential liability we arrange to place insurance in place of undertaking the search as part of your search package.

In addition other searches may be necessary, e.g. a coal mining search if the property is in a coal mining area.

**Please note:**

The searches will not tell you anything about nearby property. They will not reveal whether, for example, your neighbours are planning any building work. If you are concerned then you should speak to your local planning officer.

## Survey

You need to know whether the house is structurally sound and you should ensure that the property is surveyed. Please note that, if you are obtaining a mortgage, the lender may also want to carry out a valuation.

You are buying your house as it stands subject to any defect there may be and it rests with you to satisfy yourself that it is sound.

We cannot advise you on the structure of the property, however, it is still helpful if you provide us with a copy of the survey as the survey may reveal work that has been carried out for which we will need to check that the correct planning permissions and building regulations approval have been obtained. A structural survey may appear expensive. However, when looking at the value of your investment it becomes a relatively small outlay to protect you from future problems which may not be visible from your inspection.

## Repairs

If the survey, valuation or inspection reveals the need for repairs, try to get estimates as soon as possible. Once you know the likely cost, it may be possible to renegotiate the price. Such negotiations are best dealt with through the Estate Agents as they can speak direct to the buyer and seller. If there is to be any price change, please let us know.

**Under no circumstances should you start any repairs on the property before you have bought it.**

## Financial arrangements

Let us know as soon as possible whether you are a cash buyer or whether you are obtaining a mortgage as our advice to you can differ. If you are receiving a gift from family or friends let us know as soon as possible.

Obviously, we are lawyers not financial advisers and we cannot advise you on the suitability of your mortgage or financial matters. We can of course refer you to a financial adviser who should be able to assist you if required.



## Mortgage offer

It is important to contact your financial adviser as early as possible. Lenders do not normally tell us how your mortgage application is progressing.

**We cannot exchange contracts until we have received your mortgage offer, Search results and satisfactory replies to any questions we have raised of the seller's solicitors.**

## Buying together

If more than one person buys a house then the ownership can be shared in one of two ways. How you decide to own the property is important and particularly if you are contributing to the purchase price or mortgage repayments in unequal shares and you wish this to be reflected on sale. The two options are:

### 1. Joint Tenants

The property will be held by the owners for another. This means that NONE of the co-owners will be entitled to a distinct or separate share of the property. Each proprietor owns all of it – regardless of the contributions that may have been made on the original acquisition of the property or any subsequent payments to the mortgage or other outgoings. The full ownership passes to the survivors on death. It cannot be left in your will.

### 2. Tenants in Common

A tenancy in common means that each co-owner holds a specified share in the property – this is capable of being passed in the will. The share in the property will be subject to inheritance tax rules.

The proportion that any proprietor can hold in a property is fixed and can vary between 1% - 99%. The percentage share for each owner should be declared in a declaration and signed by each party.

## Buying new goods for your home

Do not buy anything for your new house (e.g. carpets) until after exchange of contracts has taken place. Until then there is no binding obligation either for the seller to sell to you or for you to buy the property.



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## Exchange of contracts

### Signing the contract

#### When will we exchange?

Once we have received all the paperwork we need including contract papers, search results, mortgage offer and you have signed all the paperwork we have sent to you.

### Chains

You may be involved in a chain of transactions, where the seller's can only move out when their own purchase is ready. The person they are buying from may have a similar problem ... and so on.

Everyone in the chain must exchange contracts at the same time and complete on the same date.

In circumstances like this we do our best to hurry things along, but often the delays are outside both your and our control. Sometimes patience is the only answer.

### Deposit

Before we can exchange contracts, we ask you for a deposit on the house (normally 10% of the purchase price), which we pay to the seller's solicitor when exchanging contracts. In certain circumstances (e.g., if you are obtaining a 95% mortgage) you may be able to negotiate a lower deposit.

If you are selling one house and buying another we can usually use the sale deposit of one as the purchase deposit of the other, though if you are trading up you need to provide some extra money to make up the required amount.

### Completion date

When we exchange contracts, we finalise the completion date, (the day when the house becomes yours) and the seller must move out.

It is advisable to allow at least a week between exchange of contracts and completion. The time between the two dates can be more or less than this so long as there is sufficient time for the necessary legal work to conclude.

## Insurance

You will be responsible for insuring the property from exchange of contracts unless you are buying a flat.

If you are obtaining a mortgage then we would advise you to get building insurance quotes as early as possible so you are ready to go. A mortgage company will specify the minimum level of buildings insurance required and they will also state if the insurance should be in the joint names of you and them or whether their interest should be noted on the policy.

However the insurance is handled, ensure the house is covered for the full rebuilding cost, not just the purchase price.

Please provide us with a copy of your insurance schedule before completion.

## Stamp Duty Land Tax

A Stamp Duty Land Transaction Return form must be completed, signed, and submitted on completion of each purchase. This applies even if SDLT (or “stamp duty”) is not payable.

We will send the form to you during the transaction for approval and signatures.

Please note that financial penalties are imposed by the HM Revenue and Customs (HMRC) if returns are submitted late so please ensure you promptly sign and return it to us.

Upon receipt of the Land Transaction Return Certificate from the HMRC our agency will cease. Any investigations or enquiries raised as a result of the information contained within a Land Transaction Return must be dealt with by you.



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## Preparing for moving day

### Removals

Once the completion date has been fixed you should book your removals.

### Utilities

You can inform the gas, electricity, water, phone and any other utility provider of the completion date and arrange for the services to be changed into to your name following completion. You will need to provide them with meter readings taken on the day of completion to ensure that bills cover only those charges from the moving day.

### Documentation you must sign

We use the time between exchange of contracts and completion to finalise the paperwork, so if any documents are sent to you, be sure to return them to us immediately.

If you have not already signed them before exchange of contracts, at this stage, you must sign any Mortgage Deed, Stamp Duty Land Tax form (whether or not stamp duty is payable), Transfer Deed and any other necessary documentation sent to you.

Please do not date any documents we send you.

## Money required from you

As soon as possible, before completion, we will send you a completion statement setting out exactly what is required from you in order to complete. This will include our fees, any search fees, Land Registry fees, stamp duty, any other expenses payable and the rest of the purchase price if the mortgage is not providing it all. We will receive your mortgage money direct from your lender. It is critically important that the balance required from you clears into our account the day before completion.

**It is essential that we have all that is required on the day of completion. If you cannot pay over the purchase price on the completion date, the seller can charge you interest until the money is paid.**



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## Completion day

The completion day is the day your seller must vacate the property and you will get the keys so that you can move in.

### Completion time

Completion takes place when your seller's solicitor receives the purchase money from us, usually around lunchtime. The money will be sent direct to their bank account and the time that they receive this will very much depend on the banking system.

The contract will normally specify that completion must take place by either 1pm or 2pm and generally you can expect to receive your keys around this time.

Due to the many external factors that affect it, we cannot guarantee the completion time.

Please note that if you are also selling there may be a time delay between when your buyer gets the keys to their property and when you get the keys to your new property.

### Keys

The estate agents will normally telephone you as soon as they know that the purchase has completed and your seller's solicitor has authorised them to release keys.

As soon as we know that completion has taken place we will also telephone you.

## Any problems?

If after completion you have any problems, e.g. the seller has not moved out, or removed their belongings, please let us know immediately. We can then try to resolve them through your seller's solicitor.

## What next?

Once completion has taken place we will then deal with the payment of any Stamp Duty Land Tax due and the registration of the change of ownership at the Land Registry.

We will write to you again to confirm when registration at the Land Registry has been completed.

### Disclaimer

This guide is provided for information purposes only. We have done our best to ensure that the information contained in this guide is correct as of 01.07.2018. It applies only to England and Wales. However, the guide has no legal force and the information may become inaccurate over time, due to changes in the law. It is not possible to cover every situation or point in this type of guide and some of the information is over-simplified. The information in this guide does not constitute legal advice and we will not be liable to you if you rely on this information. Before you take any action, you should find out how the law applies to you and your particular situation by taking legal advice as soon as possible (to avoid any deadlines that may apply). Please get in touch as we offer a range of affordable services and options.

## Any questions?


We pride ourselves on keeping our clients in the picture.

If you **phone** and the person you want is not available when you telephone, please leave a message and phone number, or alternatively, speak to a member of their team.

If you prefer to **call in**, please first ring for an appointment, otherwise the person you want may be out or tied up.

If you **write**, please address your letter to the person dealing with your transaction and quote the address of the property plus the reference from our most recent letter to you.


If you **email**, please quote the property address in the subject line.


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