

residential property home buyers guide

Moving house can be one of life's most stressful situations and we hope you find this guide helpful, even if you have moved house before. When you decide to move, contact us and we will:

- Help you estimate the costs involved
- Give you guidance on the timescales involved
- Help you understand the terms and jargon
- Advise you on the information contained in the Home Information Pack (HIP), if the property was marketed before 21 May 2010, before you make an offer to buy.

At the Outset

Identify the type of property you require – size, position, type and price.

Ask to be put on estate agents' mailing lists – if you want a new home ask about proposed new developments. Ask the estate agent for a copy of the HIP for any properties you are interested in. Contact your Bank, Building Society or mortgage adviser regarding the size of mortgage you will need.

The Offer

The estate agent will negotiate a price on your behalf and the property will then be sold subject to contract, meaning it is reserved pending signing and exchange of contracts.

Up to this point either party can decide not to proceed. ***Always remember, the estate agent acts for the seller not for you as a buyer.***

If you find a house to buy before you have sold (or vice-versa), find out how long the other party is prepared to wait or how quickly they can move.

The estate agent may ask for a goodwill deposit. Always ask for a receipt marked subject to contract, or better yet, consult us before paying it. The estate agent will then ask for our details and will send us the details of the seller's solicitor. Let us know if a deposit has been paid.

Survey

Always consider having a detailed, independent survey carried out on the property you intend to buy. Do not rely on your Lender's valuation survey.

Remember - a property is bought in its existing state and condition and it is unusual for the seller to compensate for things which you should have been aware of prior to exchange of contracts.

We can help you arrange a survey with an independent firm of chartered surveyors. A new property, with the benefit of the National House Building Council's ten year guarantee may not need a survey.

Pre-contract Legal Work

We will ask the seller's solicitor for:

- A draft contract and obtain a copy of the HIP for the property, if the property was marketed before 21 May 2010 (we will inform you if any additional searches are needed)
- The property information form and list of fittings and contents included in the sale.

We will examine these and may ask additional questions which we feel are relevant.

We will check the terms of your mortgage offer, approve the contract and ask you to come and sign the contract ready for exchange. This will tie in with you signing contracts on the property you are selling (if you have one).

Searches and Enquiries

The HIP, if the property was marketed before 21 May 2010, will include a Local Authority search, Drainage and Water Enquiry, Energy Performance Certificate and title deeds. The Local Authority search includes:

- Details of the recent planning history of the property so we can check the current

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and previous owners have not done anything contrary to planning laws

- If the road is private or maintained by the Local Authority
- Information on proposals for new roads or upgrading of existing roads and details of new railway development, but only within a 200 metre radius of the property
- General information about the Council's plans for the area e.g. is the property in a conservation area.

Please note that the search information relates to the property you are buying and does not include neighbouring or nearby properties.

We can only advise you on matters relating to the property in question and not to surrounding properties. If you have any specific concerns please let us know as soon as possible so we can make the relevant enquiries.

N.B. Even if the property does not have a HIP it must have an Energy Practice Certificate (EPC).

Signing the Contract

We will ask you to sign the contract and pay the deposit ready for exchange of contracts once we have checked the search results and information about the property, approved the mortgage offer and prepared the documentation. If you are also selling a property the deposit on your purchase will usually be the same as that you receive on your sale.

Signing is best carried out at our offices where everything can be explained to you fully. If this is not possible, we will send you a full written report via post or email. There are certain points which will need to be considered and discussed:

- The matters revealed by the title documents such as rights, benefits, covenants and restrictions affecting the property
- The matters contained in the contract,

such as completion requirements, deposits and remedies for late completion

- The property itself – are you getting as much land as you thought?
- Fixtures and fittings – what is included in the price and what is extra?
- When do you wish to complete?

Remember this will need to be acceptable to everyone else in the chain

- Is the mortgage offer acceptable and are there any life insurance policies ready to be put into effect?
- Do you have all the money you need to complete?

Deposit

At exchange of contracts the buyer is usually asked to pay a deposit to the seller. Traditionally this is 10% of the purchase price. It is not uncommon for buyers to be unable to afford a full 10% deposit, so often a reduced deposit is agreed. The contract will usually state that if a deposit of less than 10% is paid on exchange of contracts the full 10% is still owed should the buyer withdraw after exchange.

If you are buying a property and are obtaining a 100% mortgage, we will ask you to pay the costs and other fees (e.g. Stamp Duty) before exchange of contracts and we will use the fees as the deposit on the exchange. The fees will then be taken out of the mortgage monies on completion.

Exchanging Contracts

You will only be legally bound once the contracts are exchanged and until then either you or the other party can withdraw without penalty. Signing the contract does not legally bind you to buy. If the seller withdraws before exchanging you cannot claim from them any expenses incurred up to that point. Exchange is usually done via telephone and confirmed when the buyer's signed contract and deposit is sent to the seller's solicitor.

If you are buying and selling we will ensure both sides of the transaction proceed smoothly and exchange is synchronised on both your sale and purchase.

The Completion Date

The completion date is the date you actually move house and will be written into the contract. A suitable date to everyone in the chain will be discussed, well in advance, before exchange of contracts to enable all concerned to see their solicitors and make provisional removal arrangements and so on. This avoids the frustration of having one or more parties not ready on the completion date.

We will inform you when all parties are ready to proceed and arrange the completion date which suits your timescale.

In some cases, exchange and completion can take place on the same day if all necessary arrangements have been made. ***Be warned, the other party could still pull out at the last moment without any compensation to you by not proceeding with the exchange.***

If you are buying a new property the completion date may be months after exchange and not specified until the property is built and a notice to complete given by the builders.

Completion Monies

All monies needed to complete your purchase must be available. You will need:

- The purchase price of the property (less any deposits paid)
- Any additional sums which you have agreed to pay for fixtures and fittings
- Any amounts which are being retained or deducted from your mortgage
- Stamp Duty, which will be based on the purchase price
- The Land Registry fee which is paid to register your ownership of the property

- Our costs plus VAT and any search or other fees about which you have been notified
- If you are also selling you will need the estate agent's fees and the repayment value on any existing mortgage(s).

We will send you a full financial statement detailing what needs to be paid before completion. Any balance monies needed from you must be received by us as cleared funds before completion.

What we do before Completion

- Carry out final searches against the property you are buying
- Prepare any outstanding documents for signing
- Arrange for mortgage monies to be sent to us by your Lender
- For a new property we will ask the Lender to carry out a final inspection and send us the mortgage monies.

What you do before Completion

- Inform relevant suppliers of your completion date and change of address
- Take readings from any meters on the day of completion
- Do not make any definite bookings for removal until we confirm exchange of contracts
- Make a removal booking for later in the day as access to your new home will not be available until the monies have been transferred to the seller's solicitor
- If you are moving into a newbuild, carry out an inspection and make a list of any items you wish the builder to put right or finish before completion
- If you are moving out of rental accommodation don't give notice to quit until we have told you exchange of contracts has taken place.

What we do on Completion

You shouldn't need to come to our offices on



the day of completion. We will arrange for the balance purchase monies to be transferred to the seller's solicitor. If you are selling a property, we will be relying on the buyer's solicitors transferring the sale monies to us. If you are buying we will need your Lender to transfer the mortgage monies to us.

We will telephone you as soon as the monies have been received and transferred.

What you do on Completion

You will collect the keys to your new property from the estate agent, or, in the case of a newbuild, from the site office.

All technical aspects of completion will be dealt with by us, leaving you free to concentrate on the actual move.

What we do after Completion

We will now deal with post completion issues, such as:

- Signing any outstanding documents
- Paying any remaining monies due
- Payment of the estate agent's fees
- Payment of Stamp Duty
- Registration of your ownership at the Land Registry.

Once registration is completed we will send the title deeds to you, or to your Lender if you have a mortgage. These should be kept in a safe place as they may be useful when you come to sell the property in the future.

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