

TEN STEPS TO BUYING AND SELLING YOUR HOME

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Moving house can be a stressful and worrying time, but with the right kind of help and advice, it can be exciting and rewarding. During the legal process (conveyancing) you will have to sign various documents. Whilst your Solicitor will guide you, the following may be of some help in explaining the steps involved in the transaction.



Obtain a valuation on your own property, check estate agent, building society and legal costs to ensure you have sufficient funds before you decide to move. If you have a mortgage remember to include the details in your financial calculations (and check to see if there are any penalties).



Let your Solicitor know you are selling so he can prepare your EPC (Energy Performance Certificate) which needs to be commissioned before your Estate Agent puts your property on the market; give your Solicitor's details to your estate agent. When a buyer is found the estate agents will notify the Solicitors involved.



The seller's Solicitor prepares the contract (the agreement to buy/sell) and sends this and other information relating to the property to the buyer's solicitor.



The buyer's Solicitor will make the necessary searches (see later) and will receive the mortgage offer, if relevant.



You will be asked to sign the contract in readiness for exchange. If you are buying your Solicitor will explain everything shown in the searches and title documents which affect the

property, and you may be asked to sign the mortgage deed. The signed documents are kept on your file until needed.



When everyone in the chain is ready to proceed contracts are exchanged. The buyer pays a non-refundable deposit. **At this point you are committed to your sale and/or purchase.** A completion date is agreed at the time of exchange - this is your 'moving date'.



A transfer document will be signed by both the buyer and the seller - this is the title deed which will pass the property to the buyer on completion. The buyer's solicitor arranges for any mortgage advance to be released; the seller's solicitor will check how much is to be repaid on the seller's mortgage; you will let your solicitor have the balance of the money needed to complete your transactions. You will also sign an Inland Revenue Stamp Duty Return.



On completion, the buyer's solicitors pay the remaining purchase money and receive the title deeds. The keys will be released to the buyer. The seller's solicitors will repay any mortgage on the property and settle outstanding estate agent and legal accounts before sending the proceeds of sale (if any) to the seller.



After completion, the stamp duty return together with any tax will be lodged and the buyer registered as the new owner at the Land Registry.



Your Solicitor will send the details of the title to your new property to your lender. If you do not have a mortgage, we can store the title documents for you free of charge if so required.

We hope the explanations which follow will help you understand the terms used during the conveyancing process.



Joint Ownership

Where property is owned by two or more persons, they most frequently own as **joint tenants** - if one owner dies his/her share automatically passes to the other owner(s). All joint tenants must hold equal shares. Alternatively ownership may be as **tenants in common**, whereby a deceased owner's share passes under his/her will or intestacy. Ownership can be in equal or unequal shares. It is usually possible to alter the type of joint ownership at a later date if your personal circumstances change.

The Land Registry

A central body with regional offices holding details of land ownership. All properties are properly mapped to avoid the confusing situation where old deeds did not always contain a plan. A property is **registered** where details are held by the Land Registry and **unregistered** where the 'old style' system of deeds are still in use. All purchases must now be registered, a fee being charged according to the purchase price. Registration renders the old title deeds obsolete although we strongly recommend they be kept safe for reference purposes.

Mortgages

Banks and building societies are the most usual lenders, although there are some private mortgages, for example where a relative is helping to fund your purchase.

- * For a **repayment** mortgage you will pay back some of the loan (capital) and some interest with each monthly repayment. Your lender may ask you to take out a **term** assurance policy (to repay the capital if you should die before the mortgage term ends). Such insurance policies are relatively low cost as no money is repaid to you if you are living at the end of that time.
- * Under an **endowment** (or 'interest only') mortgage your monthly repayments are of interest only. You must therefore ensure you will have sufficient funds at the end of the mortgage to pay the whole of the initial loan. The most common way of doing this is to take out full life insurance. A mortgage may be on a part endowment/part repayment basis.

Searches

A seller's solicitor will have to provide **official copies of the register** of the seller's title showing the up to date title information held by H.M. Land Registry. The buyer's solicitor usually carries out most of the searches, the most common being:

- * Local Search - a check of the local authority register showing matters which may affect the property such as road improvements, conservation areas etc. fees variable, approx £120
- * Coal Authority Search - undertaken where there is actual, past or proposed mining in the vicinity to check on subsidence claims etc., approx £36
- * Water Authority Search - confirm that mains water/sewer facilities serve the property (sometimes included in the local search), fee variable, from £47.00
- * Environmental - carried out to assess risk to the site from flooding, landfill, pollution and other hazards; costs vary according to the nature of the search carried out and locality approx £49.00
- * Land Registry Searches - check that details of ownership, mortgages etc. are the same as shown in the copy deeds sent by the sellers solicitor, fee £4.00
- * Land Charges/Bankruptcy Searches - insisted upon by every lender to check the buyer is not bankrupt, fee £2.00 per name searched.

Surveys

Although a lender usually inspects a property before making a mortgage offer, this is a **valuation** for the lender's own purposes and does not necessarily confirm the full value of the property. The lender is checking, should they repossess because you default on your Mortgage repayments, that they are likely to recover the amount of their loan from the sale proceeds.

A buyer can instruct a surveyor to carry out an **RICS Homebuyer's Report** giving a comprehensive check on the property, although furniture/carpets are not usually moved or lifted. In older properties a more detailed **structural survey** may be advisable. Either survey may recommend further specialist investigations such as electrical, timber or drains reports if defects are

suspected. We strongly advise buyers to have a survey undertaken.

An **Energy Performance Certificate** (EPC) is provided by a Solicitor. This details the property's energy efficiency rating and the surveyor will show ways in which energy efficiency can be improved – approx £60

Stamp Duty

An Inland Revenue tax on all purchases where the price exceeds £125,000. The duty is currently 1% of the total purchase price between £125,000 and £250,000. 3% between £250,000 and £500,000 and 4% where the price exceeds £500,000.

For first time buyers relief from duty presently exists on purchases not exceeding £175,000

If you want to talk with one of our Solicitors experienced in Conveyancing, please do not hesitate to contact Mr C Rossin, Mrs D K Ryan, Mrs Cara Watson, or our Licensed Conveyancer Mrs Frances Yates on Newark (01636) 703333.



This pamphlet is intended as a general guide only. Our advice should be sought on specific issues.