



A Moving Experience

A guide by PCB Solicitors

Stage 1

Negotiating

Let us assume you have found the house you wish to buy. You will now be negotiating terms for the purchase and unless you are a first time buyer you will also negotiate terms for the sale of your present home. The important thing to remember when putting anything in writing is to include the phrase "subject to contract"

Deposit

Having agreed terms of purchase "subject to contract" the seller will sometimes require you to pay a preliminary deposit to his Agent. This is more usual when you are buying a brand new house. The deposit paid on exchange of contracts and any preliminary deposit paid by you will be credited towards payment of the purchase money on completion

Draft Contract

Now the Seller's Solicitor prepares a contract package for the Buyer's Solicitors. For this purpose he will need to obtain title deeds to the property which are normally held by the bank or building society as security against the mortgage.

We will also ask you to complete simple property information questionnaires for the benefit of the Buyer letting him or her know for example which boundary fences you maintain. We will need to know about second and subsequent mortgages at this stage

Fixtures and Fittings

Anything that is fixed permanently to the house or land such as baths and built in cupboards is normally sold as part of the property. However, the Seller may wish to remove certain fixtures and fittings.

The Seller and Buyer should both know exactly what items are being included with the property before Contracts are exchanged. Also if a separate price can be fixed for furniture, carpets, fittings etc.

We would recommend that a list is made of all items included in the sale and all items attached to the property which are to be excluded from the sale. If you are selling we will ask you to complete a simple Fixtures and Fittings List. If you are buying we will obtain a list from your Seller's Solicitor.

Stage 2

Searches

The Buyer's solicitor then carries out the necessary search enquiries. These are enquiry forms that are sent to the Local Authority and Local Water Board and Coal Board (if applicable). This information however will only relate to the specific property being purchased and not any neighbouring land.

If you are worried about drains, new roads, boundaries, rights of way, restrictions, schools or even the presence at one time of mining in the area, please let us know as soon as possible. We can then make special enquiries.

Surveys

Do not rely on the Building Society Valuation. The building society only inspects the property to see if the valuation is justified before the loan (mortgage) is granted. The basic survey is not a full structural survey. Legally the Seller is not bound to give any guarantees as to the condition of the Property and the buyer purchases it as seen.

We would strongly recommend a survey or a House Buyers Report by a qualified Surveyor and if your surveyor finds work that needs doing it may be possible to negotiate a lower price with the Seller in order to cover the cost of that work woodworm, rot and damp.

In older properties a specific survey is sometimes advisable. Most firms that specialise in these problems will conduct a survey free or form a nominal charge.

Stage 3

The Mortgage

By now you should have received written confirmation of your mortgage advance from the building society or bank. We will report to you in full on the offer and deal with any conditions imposed by the lender. We will arrange to see you to sign the contract and mortgage documentation and at that time we will require formal identification such as a passport or driving licence.

Please note that once your offer is received, we must report to the lender on any matters which may affect their charge. Please also note that most lenders require a least five working days notice to release mortgage monies.

Exchange of Contracts

Until now nothing is binding (not even signing the contract in readiness) the seller can still sell his house to somebody else or the buyer can withdraw without reason.

Both parties are legally bound only when the contracts are formally exchanged and a completion date is agreed. This will only take place with your clear and specific instructions to do so. As soon as exchange takes place we will let you know and a completion statement will be forwarded to you.

The Full Deposit

When the contracts are exchanged the deposit which can be as much as 10% of the selling price is payable to the seller's solicitors.

If you are selling at the same time we can utilise the deposit we receive on your sale even if this is less than the 10% required. However, if a breach of contract occurs you will be liable for the full 10% deposit.

Leases

Most of the procedures for house buying also apply to flats and apartments. There is however one important difference. With a flat you will be buying a Lease.

Leases tend to be very complicated and cover such things as maintenance, cleaning, repairs, ground rents, gardens, roofs, car parking, foundations, insurance, neighbours, service charges and pets. Where a lease is involved our practice is to see you to go through the terms of the Lease. Obviously more time may be required before exchange to deal with all these matters.

Apportionments of service charge and ground rent may also be payable on completion. If you are having a mortgage, details of insurance will be required by the lender before they will release mortgage monies. If you are selling a flat or apartment the latest receipt for ground rent and any service charge must be provided and all payment must be made up to the day of completion. Apportionments will be made for any overpayment

Stage 4

Pre Completion

Generally, completion takes place between two and four week after exchange of contracts. In that period of time the seller and buyer's solicitors agree the form of the final transfer document, deal with pre-completion searches and request mortgage advance monies.

All monies must be received prior to completion and cleared in readiness for a telegraphic transfer on the day of completion.

Insurance

Buildings insurance normally becomes the responsibility from Exchange of contracts except for new properties which remain insured by the builder until completion. Your lender may be arranging cover on your behalf.

Mortgage Redemption

This means paying off any mortgages on the property you are selling. If you are a first time buyer this will not apply. We will arrange for the mortgage to be discharged and any life policies to be assigned. Please continue to make your mortgage payments prior to completion. Any overpayment should be refunded.

On Completion

The Solicitors have only now tied up the legal and financial transaction. Monies will be transferred to the seller's solicitors in order that keys can be released to you by the sellers. Vacant possession is given when the keys are handed over and the house is empty. This can sometimes be held up if there is a chain of completions.

Keys are sometime left with selling agents who will have authority to release the same from the seller's solicitors as soon as monies are received by them. Contract allows until 2.00 pm for all monies to be received and vacant possession given.

"What happens now?"

On completion we account to you for any monies due to you. The transfer document is sent for stamping at the Inland Revenue (if applicable) and following that Registration of your purchase is carried out at the Local Land Registry.

If you have a mortgage, following registration your title deeds and documents will be sent to the lender as security for the loan.

If you do not have a mortgage we will be happy to store the deeds for you at no charge.

We Leave This To You...

Most of what you have read so far is handled by us. However, certain things we leave to you:

1. Cancellation or transfer of insurance of your contents and building
2. Disconnection of Gas Electricity, water and telephone – have the meters read and the account transferred to your buyer
3. Arrangement with removal companies
4. Cancellation of standing orders for your mortgage
5. Notification to Local Authority, TV Licensing etc.
6. Arrange for the Royal Mail to redirect your post if appropriate

Conclusion

This is only meant as a guide to the Conveyancing process. Nevertheless we hope it enables you to understand what is happening and takes away some of the stress that goes with moving house.

Sometimes we need to discuss things like planning permission, inheritance tax, statutory tenants, capital gains tax, mistakes in documents, road developments, joint purchases, restrictive covenants, rights of way or even tree roots.

Whatever the situation we will be in close contact with you throughout the transaction and reports will be made to you on each aspect of the Transaction.

...And Finally

A word about Wills. We always recommend that clients should have a Will and we consider that an acquisition or disposal of property is a good time, either to make a Will or review an existing one.

Making a Will ensures that your estate is dealt with as you would wish rather than according to the intestacy rules of the country. It also gives you power to appoint your own executors and trustees to look after your affairs and to make sure that any specific gifts either of cash or chattels goes to the person you wish, rather than simply fall into intestate residue.

If our Wills Department can be of any assistance or offer advice, please do not hesitate to contact us and we will forward your details on to a Wills expert.



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