



GOODHAND & FORSYTH SOLICITORS
CLIENT INFORMATION SHEET – CONVEYANCING

CONVEYANCING: STAGE ONE

1. Your Solicitor Contacts the Seller's Solicitor

Once the Seller has accepted your offer, you exchange Solicitors' details with them, usually through the Estate Agent. Your Solicitor will then contact the Seller's Solicitor.

2. Your Solicitor Receives the Draft Contract and “Pre-Contract Papers”

If the Solicitors are operating the “Transaction Protocol” (a Law Society scheme which is used by many Solicitors in the Conveyancing process), the Seller's Solicitor provides a package at the beginning of the process which includes:

- The Draft Contract
- Copies of Title Deeds
- A Property Information Form, giving key property information (this saves the Solicitor from having to ask many of the “Preliminary Enquiries” mentioned below)
- Fittings and Contents Form, telling you what fixtures, fittings and other items are included in the price and which will be removed. You should agree with the Seller what is to be included, and make sure everything is included in the form

The Draft Contract contains details of prices, the two parties, other information about the transaction such as deposits, and information from the Seller's Title Deeds.

3. Your Solicitor Sends You Copies of The Property Information Form and Draft Contract For You To Check

Your Solicitor will check the details of the Draft Contract. It is a good idea to check through the Draft Contract yourself in case anything has been missed out, such as any agreements you had made with the Seller, so ask your Solicitor for a copy if you have not been sent one.

4. Your Solicitor makes “Pre-Contract Enquiries and Searches”

Your Solicitor Applies To Local Council For A Local Search, Checks The Title, Contract And Papers, And Raises Queries With The Seller's Solicitor.

It is the Solicitor job to make all the necessary enquiries to ensure that there is no reason why you might want to change your mind about buying the property. For example, it is vital to guarantee that the Seller really owns and has the right to sell it.

The main standard searches are:

Local Authority Searches

Enquiries are sent to the Local Authority such as whether there are any plans for a major road to be built nearby.

Other Searches

A set of standard questions is also sent to the Water Authority. There are additional Searches which may be carried out if necessary, for example Environmental Searches, Coal Mining Searches and so on.

Enquiries to the Seller's Solicitor (the 'Preliminary Enquiries')

Your Solicitor will send a standard set of enquiries to the Seller's Solicitor which will include:

- Disputes: whether there are any disputes relating to the property, such as disputes with neighbours.
- Boundaries: what exactly are the boundaries of the property and who has responsibility for the maintenance of hedges and fences. Arguments over boundaries sometimes even escalate to court cases between neighbours, so it is important to establish this now.
- Planning constraints and permissions: whether any additions or alterations that have been made to the property have met local planning requirements and that building regulation consent was received.
- Rights of way: checking that there is no right of way or footpath through the property, and on shared rights of access with a neighbour such as a garden or driveway.
- Restrictive covenants: whether the deeds specify that certain things are forbidden, for example keeping pets, or specifying that the house cannot be painted a different colour from other houses on the street.
- Guarantees or insurance policies: for example whether the property is covered by the NHBC guarantee or a woodrot treatment guarantee
- Services: whether the property's utilities (gas, water, electricity) reach it via a neighbour's property or are shared with a neighbour
- If it is Leasehold, they will ask who the Managing Agent is, who the Freeholder is and whether the Seller is up to date with ground rent and services charges.
- You may want to consider asking your own additional enquiries via your Solicitor, these might include questions such as whether the property has been burgled, additional questions about the neighbours or more information about any known building works.

If you are buying a newly built house there are particular checks which must be carried out by your Solicitor.

5. The Contract is negotiated and agreed. A Completion Date is agreed.

There is often a fair bit of correspondence between the two Solicitors so finalising the Draft Contract can take some time. Make sure your Solicitor knows about any agreements you have made with the Seller.

The day for the “completion” of the transaction (i.e. the day when the deal is finalised) must be agreed upon before the contracts are exchanged. It normally takes about two weeks from exchange of contracts to completion day, although it can be more or less.

Some people arrange for exchange of contracts and completion to take place on the same day, but this is not always possible. Note that if you are part of a chain of sales, the completion date will probably need to be agreed with more than two parties.

6. You get a formal Mortgage Offer (if you are getting a mortgage) on this property, not just an agreement in principle.

The formal Mortgage Offer for this particular property which you obtain at this stage is distinct from an agreement in principle (which you should have obtained earlier).

At this stage you also need to have received the results of your Survey if you are having one done, and accepted these results. If you are not satisfied with the results of the Survey, you need to address any problems at this stage, not after the exchange of contracts when you are legally bound to buying the house.

Make sure that the two parties have agreed all the terms of the Contract and that any disagreements or any matters that are unclear have been resolved.

PRE-STAGE TWO CHECK LIST

Before exchanging contracts, check that all is in order:

- You have received and are satisfied with the survey report
- You have received your formal mortgage offer, and are happy with it
- The deposit sum has been agreed and you have the money available
- You have arranged life and property insurance and they are ready to begin on completion
- The completion date has been agreed with all parties
- The terms of the contract have been checked and finalised by all involved

CONVEYANCING: STAGE TWO

8. Contracts are exchanged. You hand over a deposit which is non-refundable if you pull out of the sale.

Once you and your Solicitor are satisfied that everything is in order, the contracts can be exchanged.

You sign a copy of the contract which is passed to the Seller, and the Seller signs a copy of the same contract which you receive.

Once contracts have been exchanged (normally by the two Solicitors) both parties are legally bound to follow through with the transaction. You can no longer change your mind – if you pull out it is likely that you will lose your deposit, and you could be sued for breach of contract. You also now have no need to worry about gazumping.

At this point you hand over a non-refundable deposit as security to the Seller in case the contract is not carried out. This is normally 10% per cent of the purchase price, but it is usually negotiable.

9. Your Solicitor draws up a Transfer document and sends it to the Seller's Solicitor

Once contracts have been exchanged your Solicitor prepares the draft Transfer document (if the land is not registered it will require a special kind of transfer or 'conveyance').

This document transfers the title of the property from the Seller to the buyer. Once both parties have agreed on the draft, it is signed by the Buyer and the Seller.

10. Your Solicitor arranges finalisation and signing of your Mortgage documents

Your Solicitor will also deal with the finalisation and signing of documentation relating to your Mortgage, and will arrange for the Mortgage money to be available on the day of completion.

This also involves making investigations on behalf of the Mortgage Lender in accordance with their "instructions" and sending a "Certificate of Title" confirming that the Title to the property is acceptable as security for the Mortgage.

11. Your Solicitor carries out Final Searches and Enquiries

Land Registry checks are carried out by your Solicitor, to make sure that nothing is registered against the Seller. Problems such as undisclosed Mortgages or disputes could be uncovered at this stage.

There will be various matters for you to deal with in the run-up to completion. There will be some documents to be signed.

Before completion you need to make sure that all the terms of the contract have been fulfilled, such as any repairs. You also need to be arranging all the practical matters related to moving house.

12. You Pay the Balance of the Price through Your Solicitor

Before the day of completion you also have to pay the balance of the price on the property (the agreed price minus the deposit which you have already paid), usually through your Solicitor, including any Land Registry Fees, Stamp Duty Land Tax, Solicitors Fees and any other expenses

CONVEYANCING: STAGE THREE

13. You Move In!

At last! On the day of completion you receive the keys and the Seller is obliged to move out.

The Seller's deeds (if any) are now handed over to your Solicitor, and arrangements are made for any outstanding Mortgages on the property to be paid off.

14. Solicitor Carries out Final Administration

After completion the Solicitor still has various details to tie up. Your Solicitor will:

- Where relevant, inform your Mortgage Lender and the Freeholder that the sale has been completed
- Pay the Stamp Duty Land Tax
- Register the Transfer of ownership (and your Mortgage) at the Land Registry.
- Supplying you with a copy of your Certificate of Ownership; storing your deeds for you or sending them to your Lender as appropriate