



## **PURCHASE PROCEDURE**

### **STARTING THINGS OFF**

After your initial contact with us we will send you a written quotation showing our legal fees and the fees that we will need to pay out on your behalf. We will also send you a number of questionnaires which need to be completed by you.

Please complete and return these to us as soon as possible. Any delay in returning the questionnaire and other documentation will cause a delay

### **ID/CLIENT CARE**

It is a professional rule that solicitors must have ID and Client Care information on their file. The earlier you send ID documents back to us the quicker we can proceed with your purchase.

On the issue of ID we will also check that your buyer's solicitor is legitimate.

### **SOURCE OF FUNDS**

Your deposit and the balance of purchase funds and costs etc. must come from a bank account in your own name. If the money is to come from another party such as a spouse, parent or other member of your family then you need to explain to us the full circumstances. If you are getting a mortgage we will have to notify them of this. This may affect the amount you can borrow. If any funds are coming from a third party then you need to let us know immediately.

We need full details of any contribution from a third party to avoid delays or problems later in the transaction.

Some lenders may be prepared to accept a gifted deposit but they will need to know the full circumstances and give their written permission. In addition, the third party making the payment may want their money to be protected by means of a Declaration of Trust or other legal document and this will again need to be discussed as soon as possible.

### **DRAFT CONTRACT**

We will receive a contract from the seller's solicitors and other legal documents. We will read carefully through these and ensure that the seller is able to sell the property to you and that there are no problems in the Land Registry documentation.

Occasionally we may need clarification from you relating to aspects of the property that may be unclear from the contract documentation.

We occasionally discover problems with the seller's title or covenants relating to the property that may require further detailed investigation or in very rare circumstances may mean that you cannot proceed with the transaction. We will notify you of any such problems as soon as they arise.

### OUR INITIAL REPORT TO YOU

Once we have received contract papers we will send you a copy of the Land Registry documents relating to your property including a plan of the property, a copy of the Fixtures & Fittings Form which shows the items that would be left at the property and a copy of the Sellers Property Information Form which gives further information regarding the property.

If the plan of the property does not agree with your understanding of the land you are buying then please notify us immediately. If you have agreed to buy additional fixtures and fittings other than those included in the purchase price please let us know so that the contract can be amended.

Sometimes there are discrepancies on plans or rights of way are not shown on the documentation. We may have to raise additional enquiries with the sellers to get to the bottom of any potential problems.

### PRELIMINARY ENQUIRIES

When we receive contract documentation we will raise any enquiries we have about the property and seek clarification about any of the information supplied by the seller's solicitors. These can sometimes be complex and may require some time to resolve.

Please be patient as we have to ensure that you will not have any problems in your future ownership of the property.

Problems can relate to rights of way affecting the property, breaches of planning law, and discrepancies in the ownership of the property or difficulties with mortgages on the property. We will keep you advised of the reason for any such enquiries.

### SURVEYS

We recommend in all cases that you have the property surveyed by your own surveyor to identify any structural or other defects likely to give rise to problems and expenditure in the future. This Survey will also confirm the value of the property to ensure the price you are paying is fair and reasonable. For further information on surveys please see our [Survey leaflet](#).

### SEARCHES

We will undertake a Local Authority Search to find out whether any matters under the control of the local authority affect your property. Occasionally this search may give rise to further enquiries. For instance in connection with extensions or other changes to the property. The local authority search will give information relating to this property only. If you are concerned about planning applications in respect of nearby properties you need to let us know and we can carry out additional searches. We will advise you of any additional costs.

Other searches that we undertake routinely for properties in this area are Coal Mining and Water Searches. There are other searches that can be carried out on your behalf and further information about these can be found in our [Searches leaflet](#).

## ENVIRONMENTAL MATTERS

Contamination of land, flooding, landfill, radon gas and other such concerns that you may have can all be considered further if you wish. Further information can be found in our [Environmental Matters leaflet](#).

If you would wish for additional searches to be carried out please contact us and we can discuss with you available searches and the costs of any additional work.

## MORTGAGE OFFER

If you are buying a property with the assistance of a mortgage we will receive a formal mortgage offer from your lender. You usually receive an identical document at the same time as us or maybe a day or so in advance. We will read through the mortgage offer and report to you on its contents and any special conditions relating to the mortgage offer.

We may be under pressure from your seller's solicitors to proceed but we will not be able to until the formal written mortgage offer is received. If there are any discrepancies on the mortgage offer please contact your mortgagee and also let us know. Special conditions requirements of the offer may need further investigation or inspection of the property.

## JOINT OWNERSHIP

If you are buying the property jointly with another person or persons we will explain to you the different ways in which it is possible to own the property. You should discuss the matter with all the parties who are going to own the property and give us clear instructions. If you require further advice contact us as soon as possible.

If your joint ownership instructions differ from those on the mortgage offer we may need to report to the lender for their approval.

## PURCHASE REPORT/APPOINTMENT TO SIGN

Once all enquiries have been dealt with satisfactorily by the seller's solicitor and once we have received a satisfactory searches and your mortgage offer (if applicable) then we will prepare for you a final detailed report relating to the contract documentation and your ownership of the new property. This will be sent to you with a contract and mortgage deed for you to sign and copies of any other relevant documentation.

How can you help us? You should read our report carefully as it is of vital importance that you understand the property you are buying and any conditions relating to its ownership. If you have any queries you need to raise them with us at this time as it will be too late to do so after exchange of contracts when no further negotiations or enquiries can be raised.

If you prefer to attend our offices and have a meeting to go through and discuss paperwork and sign documentation in our presence then we are more than happy to arrange that.

## DEPOSIT

In most cases when you are buying a property and not selling a property at the same time you will need to put forward a deposit of 10% of the purchase price. This deposit needs to be paid to us by bank transfer and once contracts are exchanged (see below) we will pay this money to the seller's solicitors. If for any reason you fail to complete the contract then the seller is able to keep your deposit money.

This deposit money must come from your own resources not a third party unless you have already give us details (see "Source of Funds" above). If it comes from a third party such as a relative we need to report this to your lender and may need to prepare other documentation to reflect the rights of the party paying the deposit. This can cause serious delays.

## EXCHANGE OF CONTRACTS

It is vital to remember that until Contracts are exchanged, neither you nor your Seller is legally committed to proceed. Up to that point either party may withdraw. For this reason you should not make any firm commitments (e.g. booking removals or giving notice to your Landlord if you are presently in rented accommodation) until we have confirmed to you that Contracts have been exchanged.

Once the contract has been signed, the deposit paid and once you have agreed a completion date with your seller, then we are able to exchange contracts on your behalf. Exchanging contracts means that the agreement to purchase the property is legally binding and if you fail to complete the transaction then as stated previously you will lose your deposit and may suffer other financial consequences.

Once we are ready to exchange contracts try and fix a completion date with you seller as soon as possible and notify us of the date you have agreed.

Problems and delays are often encountered by failure to agree a completion date. The parties to the transaction must work out a date which is suitable to both of them. You and your seller may be ready, willing and able to exchange contracts with an agreed completion date but other parties in the chain of transactions may not be ready. Generally all the transactions in a chain need to exchange and complete on the same day. You may be unavoidably delayed due to circumstances beyond your control and beyond your seller's control while you wait for other parties in the chain to be ready. Unfortunately there is nothing we can do to assist you with such problems and this is all part and parcel of buying and selling property under the present conveyancing system.

It will become your responsibility to insure the property that you are buying from exchange of contracts (no completion). You should therefore make sure that you have insurance ready to put in place as soon as contracts are exchanged.

You may wish to arrange a final viewing of the property to ensure the property is in the same condition as you first viewed it, prior to exchange of contracts.

## INSURANCE

It is very important that buildings insurance is in place on your property from exchange of Contracts. If you are taking out a mortgage on the Property AND the insurance is being arranged by the Lender then it is likely the Lender will have the Property insured from exchange even though the mortgage will be dated and created on later completion. You MUST, however, check with your Lender that this is so.

If you are not having a mortgage or you have chosen not to let the Lender deal with insurance, you will be responsible for the necessary arrangements. The Contract will provide that if the Property is damaged or rendered unusable between the date of the Contract and completion you will nevertheless be obliged to complete the purchase. The Seller has no obligation to you to insure other than in certain circumstances where the property is Leasehold. It is therefore imperative that you have your own cover from exchange of contracts.

## SIMULTANEOUS EXCHANGE AND COMPLETION

Sometimes a party in the chain will request that the exchange of contracts and the completion occur on the same day. A simultaneous exchange and completion is inherently risky and very stressful for all concerned and it is this firm's policy to advise against this arrangement.

In a simultaneous exchange and completion you will be expecting to complete on a certain date but you will have no guarantee that this will happen as there is no enforceable contract. It would be possible for any one of the parties in the chain to change their minds or for a difficulty to arise somewhere in the chain at the last minute which would mean the transaction could not go through. You might only find and you would only get this information on the date proposed for completion. This could obviously produce considerable inconvenience and financial loss including payment of removal fees etc. Again, our advice is not to enter into this type of arrangement unless it is absolutely unavoidable.

## COMPLETION FUNDS

After exchange of contracts we will prepare a statement setting out full details of the transaction including the purchase price, legal costs, stamp duty and Land Registry fees and giving credit for any deposit or other monies you have paid, together with the money received from your lender. This statement will be sent to you with a request for you to send any balance due to us by bank transfer to our bank account.

It is vital that you send the funds as soon as possible as without the funds we cannot complete. This may result in financial loss to you.

## COMPLETION OF MORTGAGE

If you are getting a mortgage we need to collect the mortgage money from your lender. We provide the lender with a report on title which is a document signing off the legal paperwork and confirming it is safe for them to proceed. The mortgage company will then send the mortgage monies to us, usually the day before completion.

Occasionally, the lender may raise last minute queries relating to the release of the monies. Any query or request must be dealt with as a matter of urgency as any delay in getting mortgage monies could delay the transaction. This may result in financial loss to you.

In the hope of avoiding delays in mortgage monies being sent on the day of completion we always ask for the mortgage monies one day in advance. We cannot be held responsible for delay caused by mortgage monies arriving late.

### FINAL SEARCHES

Immediately before completion we carry out a final search against the Land Registry title of the seller and if you are obtaining a mortgage we also need to carry out a bankruptcy search against you. This is a requirement of all mortgage lenders.

If you have been bankrupt or had any insolvency problems in the past you should tell us immediately so we can carry out a bankruptcy search against you at the outset of the matter. This will give us a chance to resolve problems. If you do not inform us and the final bankruptcy search against you reveals entries it may cause severe problems. Your mortgage offer may be withdrawn and you may be unable to complete and this would have grave financial consequences to you.

### COMPLETION OF PURCHASE

On the day of completion we send the balance due on your purchase to the seller's solicitors by same day bank transfer. When the seller's solicitors receive the money they should contact the seller or the seller's estate agent to request that the keys are released to you.

There can be delays in a chain (due to other parties not getting mortgage money on time for instance) which may then cause a delay in us receiving the money to send onto your seller. Please ensure that your telephone is available for us to contact you at all times on the day of completion.

### REGISTRATION OF YOUR TITLE TO THE PROPERTY

Following completion of the transaction we will register your title to the property with the Land Registry. We will provide a copy of the new Land Registry documentation showing you as the owner, to you and to your lender if you obtained a mortgage.