



A Practical Guide to Conveyancing

How to sell, purchase and own property

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Conveyancing Calendar

Our Conveyancing Calendar provides a basic time-line for the legal process for home transfers in England and Wales.

We have provided this in the form of a flow chart which sets out the basic and usual way in which a conveyancing transaction runs from beginning to end.

We try to explain the normal procedures that are undertaken when dealing with any property transaction and what you are required to do.

Conveyancing Guides

Our guides explain in more detail each stage of the transaction referred to in the calendar for both buyer and seller:

- **Selling a Residential Property**
- **Purchasing a Residential Property**
- **Guide to Jointly Held Property**

CONVEYANCING CALENDAR

Sale

Offer accepted from purchaser

Stage One: 1-5 days

Agent to:

- send offer agreed letters to all parties
- check if property requires any specialist reports carried out such as damp & timber

Seller to:

- appoint solicitors
- hand over deeds or give lender's details
- complete forms
- list items included in sale and return to solicitors

Stage Two: 5-10 days

Seller's solicitors to:

- apply for / retrieve deeds
- prepare contract bundle
- send contract bundle to buyer's solicitors
- deal with enquiries raised by buyer's solicitors

Stage Three: 10 – 21 days

Seller's solicitors to:

- receive approved contract from buyer
- send the same contract to seller

Seller to:

- sign and return contract to solicitors

Agent to:

- agree with buyer, vendor and other parties in chain a completion date

Stage Four: 21 – 31 days

EXCHANGE CONTRACTS

Seller's solicitors to:

- collate figures
- prepare completion statement
- send completed document
- (transfer) to seller for signature

Seller to:

- sign and return transfer to solicitors
- make arrangements to move

Stage Five: 31 days +

COMPLETION

Agent to:

- organise collection of keys
- read meters

Purchase

Offer accepted from seller

Stage One: 1-5 days

Agent to:

- send offer agreed letters to all parties
- check if property requires any specialist reports carried out such as damp & timber

Buyer to:

- appoint solicitors
- apply for mortgage
- submit documents to mortgage company and pay survey fees (if required)
- pay solicitors' search fees
- arrange for independent survey i.e. full structural or homebuyers report if required.

Stage Two: 5-10 days

Buyer's solicitors to:

- receive contract bundle
- apply for searches
- investigate title & raise enquiries (if any) of seller's solicitors

Mortgage survey

Stage Three: 10 – 21 days

Buyer's solicitors to:

- receive and check mortgage offer
- receive and check search results
- approve and return contract to seller's solicitors
- prepare reports and send contract to buyer

Mortgage offer (hard pack) issued

Stage Four: 21 – 31 days

Buyer to:

- sign contract and mortgage deed
- hand over deposit to solicitors

Agent to:

- agree on completion date with seller and other parties in chain (if any)

EXCHANGE CONTRACTS

Buyer's solicitors to:

- pass on deposit to seller's solicitors
- apply for funds from lender
- prepare pre-completion work
- prepare completion statement

Buyer to:

- make arrangements to move
- place building insurance on risk
- arrange to pay balance of funds to solicitors

Stage Five: 31 days +

COMPLETION

Mortgage funds released

Buyer to:

- sign transfer and return to solicitors

Agent to:

- arrange to meet buyer to hand over keys
- read meters

Please note that the above time scales are a guide only. Completing a property purchase can be done much quicker if everything is in place to proceed. Sometimes matters do not proceed quite according to plan, particularly if there is a chain involved however we will communicate with all parties involved to try and achieve as smooth a transaction as possible. The most important thing to effect a smooth and timely completion is for all parties to carry out their responsibilities without any delays.

SHORT GUIDE TO THE BUYING A RESIDENTIAL PROPERTY IN ENGLAND AND WALES

The process for Buying and Selling Residential Property in England and Wales is known as Conveyancing. This process is usually undertaken on behalf of clients by a Solicitor or Conveyancer.

The process is briefly set out below.

1. Fees and Expenses

Clients will be expected to pay our fees to us for the work that we carry out to process and complete the transaction. Our fee for the purchase and mortgage work will be paid to us by them and in addition they will need to pay the following:

- The charges made by the relevant authorities to process the necessary Searches required to protect them and any Lender.
- The charges made by H M Land Registry to register them as the new owner of the property.
- Government Stamp Duty Land Tax, if applicable.
- Bank funds transfer fee.
- If the property is leasehold, the freeholders charge to register them as the new owner.
- Our fee for any extra work that they may authorise us to carry out for them.

The actual amount of these expenses will depend upon the purchase price of the property and its location.

We will need to ask the clients to provide us with a payment on account, to cover the various Search fees. We will collect the remainder of the expenses from them later, generally before contracts are exchanged.

2. Searches

On receipt of the payment on account, we will carry out all necessary searches. In every purchase, we will carry out a Local Search and a Drainage Water Search. Depending on where the property is situated, it may also be necessary to carry out other searches, such as a Coal Mining Search.

3. Contaminated Land and Environmental Matters

The owner of a property may have to pay for decontamination of land, even if he was not originally responsible for the contaminating activity. We will, therefore, make an environmental search on behalf of the clients in order to check this and other environmental matters. We are not, however, professionally qualified to interpret the contents of the results of such search. If the clients decide not to take advice from someone who is suitably qualified, then we will complete the purchase at your own risk as regards these matters.

4. Request Documents

As soon as we have details of the solicitors acting for the Seller, we will write to them to request the draft contract and the title documents.

5. Investigation Of Title

On receipt of the purchase documents from the Seller's solicitors, we will approve the contract and investigate and confirm the seller's ownership of the property and prepare the purchase Transfer Deed.

6. Pre-Contract Enquiries

We then raise relevant Pre-Contract enquiries with the Seller's solicitors. The Client will have inspected the property and should let us know as soon as possible if there are any aspects they would like clarified, or extra enquiries raised. If they do not inform us of any of these matters, we will not be able to investigate them. For example, there may be someone in occupation of the property who is not the owner; the boundaries may appear to have been altered or there may be physical defects. These matters are generally covered within our initial client questionnaire.

If it appears that any works have been carried out to the Property which may have required Planning Permission or Building Regulations consent then the client should discuss this with their surveyor and then advise us, as further investigations may be needed. Works needing Planning Permission may include extensions; new buildings (such as conservatories) and loft conversions. Many works will not require such permission provided they are within certain size and position guidelines. Building Regulations consent is generally needed for internal alterations including removal of structural walls and chimney breasts, creation of through living rooms by removal of the dividing wall and installation of bathrooms.

7. Mortgage and Survey

Where the clients have applied to a Lender for a Mortgage Loan. By the time that they receive the written loan offer, the Lender should also have sent us a copy, together with our instructions and the mortgage literature. We will then advise them on the contents of the offer including any special conditions that the lender requires to be satisfied before the lender will release the monies to us, we will then arrange for the clients to sign the mortgage documentation.

8. Report to Client

When all preliminary matters have been dealt with, we will send the clients our Purchase Report, which will contain copies of any important documents, a plan of the property and details of any relevant restrictions on your use of the property.

9. Deposit

On exchange of contracts the clients are required to pay a non-refundable deposit to the Seller. This figure is normally 10% of the purchase price, although the Seller will often accept less if the buyers are obtaining a mortgage loan in excess of 90% of the purchase price.

We will also at this stage send a completion statement to the client detailing the funds we require to complete. This will include all expenses as detailed above and will allow a credit for the advance payment for searches. Please note we will not be in a position to exchange contracts until these funds have been paid in and cleared through our Bank. Where the property which the client is buying is Leasehold or where we for example the clients are buying a new build property the figures may be subject to some variation and a further definitive statement will be sent immediately prior to completion setting out the exact details.

10. Exchange and Insurance

Exchange of Contracts then takes place and the agreed date for completion is inserted in the contract. The client is then contractually bound to buy the property and will be able to move in as from the completion date. Please note that adequate buildings insurance cover must be in place as from the date of exchange. If the clients have not agreed with their Lender that they are insuring via them this insurance will be the clients' responsibility.

11. Final Searches

After exchange and before completion we carry out final searches, which will include a bankruptcy search against each of the buyers.

We will ask the Lender to arrange for our bank account to be credited with the mortgage loan monies one working day before the completion date. Although this will involve interest being charged by your Lender for one extra day, this step will ensure that we are able to protect the client against the practical and financial consequences of any delay on the day of completion. It will also ensure an early completion and release of the keys on the day.

12. Completion Arrangements

We suggest that a few days before completion, the client contacts the Seller to arrange the handing over of the keys. The usual arrangement is that the Seller will leave the keys at the estate agents for the client to collect on the day of completion.

13. After Completion

We strongly recommend, as a security precaution, that all clients arrange for the locks to be changed once they move in. This is because it is impossible to say, with any certainty, how many sets of keys have been produced in the past, and to whom they may have been given.

We will deal with the payment of Stamp Duty and the registration of Title at the Land Registry. The registration process will usually be completed within 4-6 weeks.

14. And Finally

When the registration process is complete, the Land Registry will supply a Title information Document (TID), which confirms the clients ownership of the property. This will then be sent to the Lender for them to retain. Any Deeds which are not required by the Lender will be sent to the client unless they instruct us to store them for safe-keeping. We will send the client a copy of the TID, for their records, showing them as the new registered owner.

GUIDE TO JOINTLY HELD PROPERTY

Property held in joint names can be held in one of two ways.

These are as follows:

Beneficial Joint Tenants

- This is where the joint owners are all equally entitled to the property.
- When one of the owners dies, that person's interest in the property passes automatically to the surviving owner(s). If, therefore, there are two joint owners and one of them dies, the other becomes solely entitled to the property.
- A Joint Tenant cannot deal with his/her "share" of the property in a Will - it cannot pass to anyone other than the surviving owners.
- Do not be confused by the term "tenant" this has nothing to do with "tenants" in the ordinary meaning of the word.

Beneficial Tenants in Common

- Under this arrangement the property is held by the joint owners in specific proportions, which may or may not be equal. There might for example, be two owners each owning a half interest in the property, or three owners having a 20%, 40% and 40 % share respectively.
- If one of the joint owners dies that person's interest does NOT pass automatically to the surviving joint owners, but would form part of his/her estate and will pass according to that person's Will or under the rules of intestacy.
- A joint owner could, therefore, make a Will leaving his/her share to the other owner(s) or leaving it to someone else altogether.
- When the property is held in this way, it is essential to have a Declaration of Trust either in the deeds or separately which states the proportions owned by each of the joint owners.

Other Factors to Consider

It is necessary when purchasing a property in joint names to decide whether the property should be owned as Joint Tenants or as Tenants in Common. This decision need not be permanent as it is possible to change from one form of ownership to the other. Please note that severing a joint tenancy (i.e. converting to tenants in common) can be done without the consent of the joint owner(s). One person can instigate it and the other(s) do not have to agree for it to be effective.

If the joint owners are not entitled to equal proportions of the value of the property then they should not hold the property as Joint Tenants, unless they wish to become entitled to equal proportions.

If the joint owners do not wish their interest to pass automatically on their death to the other joint owner(s) they should not hold as Joint Tenants, but as Tenants in Common. There may be personal and/or tax reasons for this.