

A Guide to Buying and Selling your Home

Welcome to our Guide to Buying and Selling your Home. We hope you will find the contents helpful. Whether you are thinking of buying, selling or re-mortgaging your home it pays to contact your solicitors at an early stage.

At Edward Marshall Solicitors, our team of qualified property lawyers is on hand to help you with your move.

For further assistance or information, contact us at one of our offices listed at the back of this pack.



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The Procedure for your transaction

Selling

1. Take Instructions

We take your instructions and receive details of the transaction from the Estate Agents.

2. Obtain Title Deeds

We apply for your Title Deeds. These are normally held by a Building Society or Bank if you have a Mortgage.

3. Questionnaire

We will ask you to complete a questionnaire and list of fixtures and fittings to enable us to give Property Information to the Buyer's Solicitors.

4. Preparation of Contract

On Receipt of your Deeds we will prepare a draft Contract and send this together with the other documentation to the Buyer's Solicitors.

5. Approval of Contract and Signing Up

When the Buyer's Solicitors have dealt with all the searches and investigation of title, they will approve the Contract and send one copy to us. We will then ask you to call at the office or will send the document to you to sign. At that time we will take your instructions concerning a completion date. Once you have signed there may sometimes be a delay until all the other transactions in the chain are ready to exchange.

6. Exchange

Exchange takes place and the date for completion is inserted in the Contract. This is the date on or before which you must vacate your property. The property must still be insured until completion takes place.

7. Signing Final Document and Approval of Agent's Account

You will be asked to call at the office to sign the final document shortly before completion or alternatively it will be sent to you for signature.

We will also ask you to approve the Agent's account and will then settle this from the sale proceeds at completion.

8. Completion

On completion we will report to you and let you have a statement together with a cheque for the net sale proceeds.

The Procedure for your transaction

Buying

1. Take Instructions

We take your instructions and receive the details of the transaction from the Estate Agents.

2. Request Documentation

We will request the documentation from the Seller's Solicitors, and will let you know when this arrives.

3. Investigation of Title and Searches

On receipt of the documentation we will proceed with the investigation of Title and carry out the necessary searches.

4. Pre-Contract Enquiries

We will raise Pre-Contract enquiries with the Seller's Solicitors, if not already supplied. You will have inspected the property and you should let us know if there are any aspects you would like clarified. For example, there may be someone in occupation of the property who is not the owner or the boundaries may appear to have been altered. You will have been sent a short questionnaire about this.

5. Mortgage and Survey

You will have contacted your Building Society or Bank to make a Mortgage application if necessary. When you receive the Mortgage Offer, instructions together with the Mortgage documents will be sent to us. There are some points that should be drawn to your attention:-

(a) Please note carefully the Special Conditions.

- (b) If it is an Endowment Mortgage, please let us have details of the Life Policies to be assigned and the name and address of the person arranging any new Policy. Any existing Policies should be sent to us unless they are with your Title Deeds having been previously assigned to the Lender.
- (c) You may receive a copy of the Lender's valuer's report and you should look at this carefully. We would also recommend at this stage that you have your independent survey carried out as you may not be able to rely on the report prepared for the Lender unless this was specifically commissioned by you. It is obviously very important where you do not require a Mortgage to have a survey carried out. If you are buying a new property you should have it surveyed when it is ready for occupation.

6. Report to You

When all the preliminary matters have been dealt with we will report to you and let you have copies of any important documents. This will usually include a plan of the property and details of any relevant rights and restrictions.

7. Signing Up and Deposit

We deal with the approval of the Contract and ask you to call at the office to sign. Alternatively, we will prepare a contract report, and send that to you in the post. You will need to read through the report carefully, and ask us if you want anything clarified. On exchange of Contracts, a non-returnable 10% (sometimes less) deposit is usually payable. If you do not have this available you should tell us as early as possible so that other arrangements can be made (e.g. a bridging loan,

agreement of a reduced deposit or the use of your purchaser's deposit if you are selling). When we see you, we will discuss the time scale for exchange and completion.

8. Exchange and Insurance

Exchange of Contracts takes place and the date for completion is inserted in the Contract. You are then contractually bound to buy the property and you will be able to take possession as from the completion date. If you are obtaining a Mortgage, the Lender will normally wish to arrange the buildings insurance. If there is no Mortgage or if you wish to arrange insurance with a company of your choice (and this will usually have to be approved by the Lender), you must effect adequate insurance cover as from the date of exchange. The level of cover will be dealt with in the survey report. If you decide to arrange your own insurance and the Lender agrees, there could be additional charges depending on the requirements of the Lender.

9. Statement and Final Searches

We complete the final search and will send you a financial statement. We may require money from you to complete your purchase, and will ask for it before completion. We also obtain the Mortgage Advance cheque a few days before completion, or (if the advance is being sent electronically) on the day before completion.

10. Completion Arrangements

We suggest that a few days before completion you contact the Vendor to arrange a handing over of the keys. The usual arrangement is that the Seller will leave the keys at the Estate Agents for you to collect on the morning of completion. We will, of course, report to you at your

new address. Sometimes there is money due to you and we will then send you a statement together with a cheque unless you have instructed us to have the money placed direct in a Bank or Building Society account.

11. Post-Completion

We will then deal with the stamping and registration of your Title at the Land Registry. The registration will usually be completed within three months.

12. And Finally

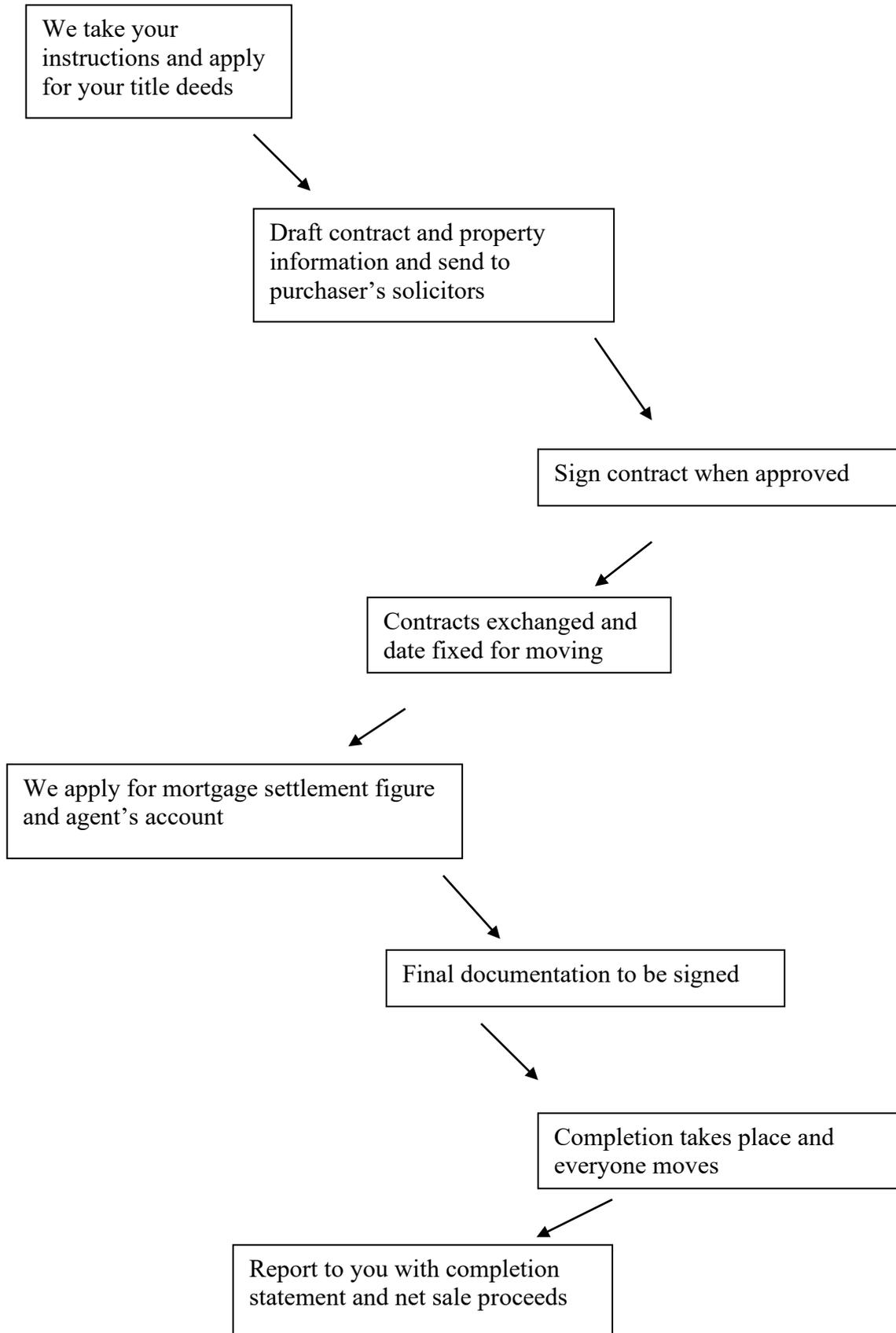
When the Deeds are returned, we will check that the Title is registered correctly. The Deeds will then be sent to the Lender, or if there is no Mortgage we will be pleased to hold your Deeds here at the office in safe custody without charge. You will be sent a copy of the title for your records showing you as the registered owner.

The Procedure for your transaction

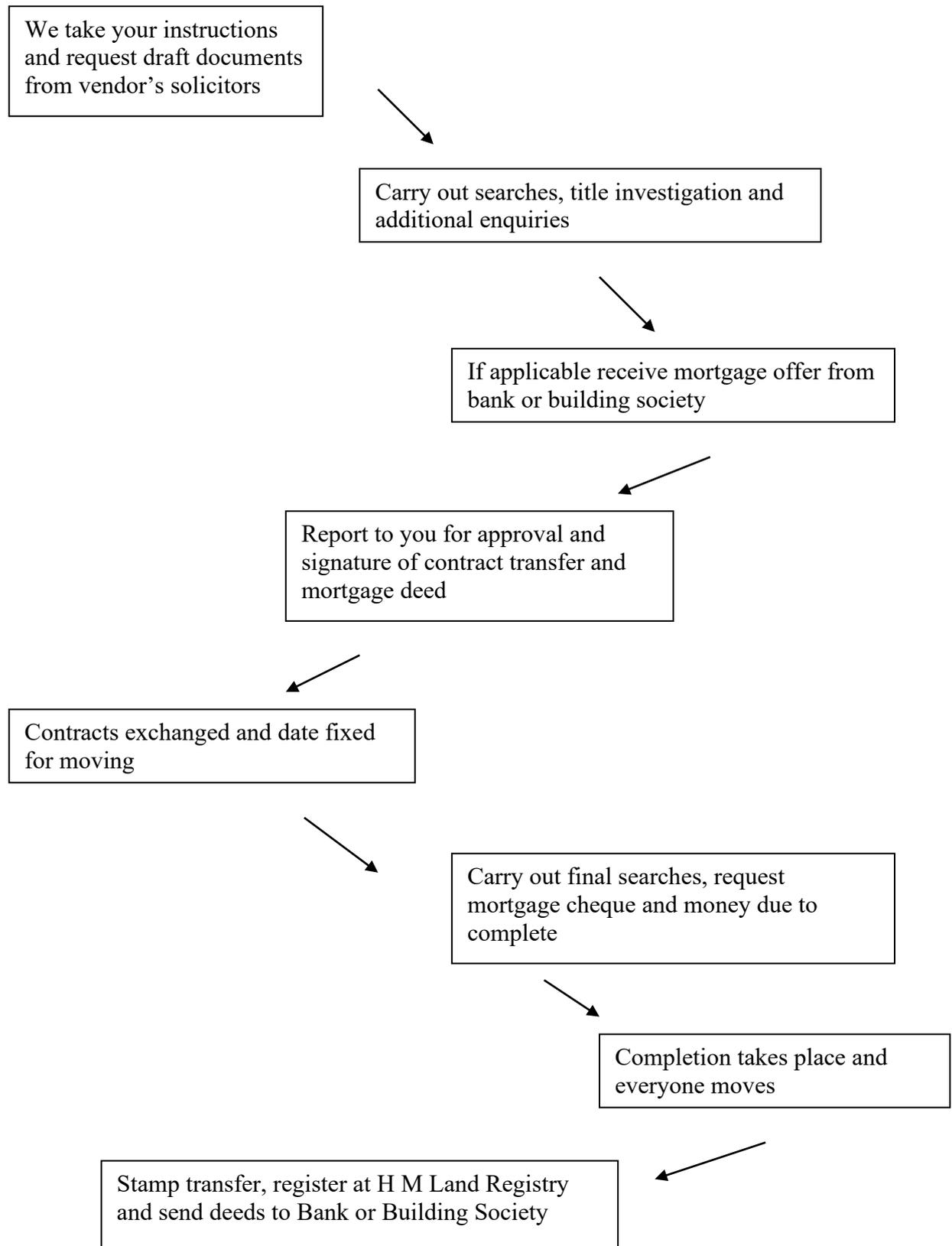
Selling and Buying

1. Please note the various stages in the above paragraphs.
2. Where your sale and purchase have to be synchronised then we will normally report to you and ask you to sign the sale and purchase Contracts when we are ready in both transactions.
3. If you are buying, but the sale transaction has not yet been arranged, it is a good idea for you to let us have the details of your property so that we can apply for the Title Deeds. This takes up to a couple of weeks. We can then have all the documentation prepared in readiness.

Sale Flow Chart



Purchase Flow Chart



Financial Aspects

Stamp Duty Land Tax

Stamp Duty Land Tax is simply a Government tax on the purchase of land. This Duty is subject to change. Stamp Duty is not payable on certain items within the property that are being left by the Vendors. Therefore if you are buying goods or movables, such as carpets or curtains for a separate price, no Stamp Duty is attributable to the separate price.

If you are buying a new Lease please note that Stamp Duty is also payable on the average amount of rent payable over the remaining term of the Lease and is also dependent on the number of years the Lease has left to run. The Stamp Duty payable on the rent is paid irrespective of the purchase price. Where the tenant is a shareholder in the Freehold or in the Management company, a further Stamp Duty may be payable on the Stock Transfer Form - this relates to the transfer of the Share Certificate.

Land Registration Fees

After completion the purchaser's title must be registered at the Land Registry and a fee is payable for this according to the purchase price. If you are buying a new Lease then there is an additional Land Registry Fee payable in respect of the rent.

Local Search Fee

A Local Land Charges Search is always carried out in a purchase. The fee is wide-ranging and depending on the Local Authority, averages around £125. If any additional questions are raised then a small additional fee has to be paid. Depending on where the property is situated, it may be necessary to carry out other searches, the fees for which usually vary between £14.00 and £45.00

Other Fees and Costs

New freeholds or leaseholds

If you are buying a new freehold or leasehold property then the Seller's Solicitors may charge for preparing the documentation.

Landlord's Registration fee

If you are buying leasehold, it is a usual requirement to register the transfer to your name and any mortgage with the Landlords' Solicitors. The registration charge varies widely but is normally between £20 and £100. The charge will normally be specified in the Lease.

Ground rent and service charges - leasehold properties

If you are buying a leasehold property, on completion you will usually have to pay a proportionate part of the ground rent and service charges in respect of the lease. It is impossible to calculate exactly how much you will have to pay until the final completion date is known, but usually you should account for paying something in the region of £200.00 to £400.00, depending on the amount of the annual ground rent and service charges.

Bank Transfer Fee

On the completion of a purchase there is usually a Bank transfer effected. Our charge for this is £30 plus VAT. In addition, if you wish us to send funds direct to your new or existing Bank account following a sale, we are happy to do this at the same charge. This may in fact save you money as opposed to waiting for a cheque to come through the post and be cleared.

Our fees

Please contact us for an estimate of our fees. We will always confirm our fees in writing together with a note of the other likely disbursements. We will also supply you with details of our Terms and Conditions when we send you your quotation.

If you have any general enquiries or would like to instruct us, please contact us at any of our offices listed at the end of this guide.

Title Insurance

Title Insurance can enhance the marketability of residential properties by eliminating all risk of loss due to defective title and substantially reducing the time required to purchase or sell your property. A Title Insurance company defends or settles claims against your property or pays you the amount stated in the Policy (purchase price valuation) usually within 6 months.

Title Insurance will cover all the usual searches including local authority searches as well as giving an unconditional guarantee that the property will be owned by you free from defects or adverse claims.

Title Insurance is particularly beneficial where the property is leasehold as many more Leasehold Titles than Freehold Titles are defective. Lawyers' views of what is or is not a defect do change over a period of time and what may be considered acceptable now may not be acceptable to your buyer's solicitor when you come to sell the property in the future.

Title Insurance can be cost effective, especially when compared to the value of your home. We are able to offer Title Insurance cover from as little as £90 plus 5% Insurance Premium Tax.

Please contact us for further information.



Our Lawyers are dedicated to providing legal services
to our Private and Corporate Clients

meeting your needs

- Residential Property
- Right to Buy purchases
- Preparation of Wills
- Administration of Estates
- Trusts
- Landlord and Tenant
- Employment advice
- Family law matters
- Debt recovery and civil litigation

and the needs of your business

- Commercial Contracts
- Commercial Property
- Planning

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The details contained in this pack are correct at the time of printing

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