

Research shows that a Conveyancing transaction may take between 9 and 12 weeks from start to completion. However there are factors which may affect this, and it may be possible to complete the process more quickly but on the other hand it may take longer.

The work we are required is different if it's a:

- sale or
- purchase of a property

Once we have been instructed and agreed our fees and the costs involved we summarise the various stages in respect of each of the above.

### **SALE OF A PROPERTY**

#### **STAGE 1: We aim to deal with in the first week following receiving instructions to act**

The first stage is for us to get basic information from prospective clients, such as their name, address, date of birth and national insurance number together with the full address of the property the subject of the transaction.

We must then verify a clients identification. We ask for sight of a current Driving Licence and Passport and evidence of their home address such as a utility bill or bank statement. In order to comply with our anti-money laundering obligations and to ensure that we are compliant with Law Society and Solicitors Regulation Authority rules and regulations we reserve the right to conduct a check on identity via electronic means.

We will send the following standard forms for a seller to complete and return to us. There is a fittings and contents form which sets out in various columns:

- What is included in the price
- What is specifically excluded: the seller may offer that at a price by putting that figure in the fourth column
- Where there is no such item

There is also what is called the Law Society Property Information Form. This is a very important document. It contains a lot of very vital and useful information about the property.

We ask a seller for any deeds and documents they may have relating to the property. For example any documentation relating to planning permission and building regulations: certificates relating to Gas

and electrical works: documents relating to the installation of Glass windows and doors for example Fensa.

We also ask a seller and whether there is a mortgage and if so details of this including the provider and account number.

We should receive notification from a seller, or if they have appointed an estate agent details of the buyers solicitors whom we make written contact with and ask them to confirm they are acting for any buyer

#### STAGE 2: We aim to deal with this in the second week following being instructed

We consider the title and draft a contract for the sale and send this with the title documents to the buyers solicitors

We contact any mortgage company and enquire how much is owed on any mortgage and check the sale price is more than that.

#### STAGE 3 : we hope to deal with this between week three and seven of being instructed

We would hope to receive any enquiries the buyers solicitors wish to raise and we ask a seller to assist us answering these

We hope the buyers approve the contract for the sale and if so we ask any sellers to sign this in readiness for exchanging contracts and making the matter legal binding.

#### STAGE 4: Exchanging contracts; We aim to do this about the sixth or seventh week following being instructed

Once the above stages have been completed, we would hope to have agreed a completion date with a seller and any other parties' Solicitors in the chain. When this is done we can exchange contracts with the other parties solicitors. There is a legal procedure for this which we follow and its undertaken by telephone. This is a crucial stage and at this time we agree a date to complete and the transaction becomes legally binding. It can be the same date as exchange but often it's a date in the future usually one or two weeks to enable parties to make arrangements such as for removals.

We strongly advise that removals are not booked or time taken off work until contracts have been exchanged. Until exchange of contracts, the completion date can change and many removers charge cancellation or re-arrangement fees.

### STAGE 5: We hope to do this between 8 and 12 weeks following instructions

By this time we will have a final figure from any mortgage company as to how much is owed. On the completion date we await receipt of the monies from the buyers solicitors upon receipt of which we pay off any mortgage, our fees and send the seller the balance. The contract usually provides the money should arrive by 1p to 2pm when the seller should hand over the keys to a buyer.

### **PURCHASE OF A PROPERTY**

#### STAGE 1: We aim to deal with in the first week following instructions

The first stage is for us to get basic information from prospective clients, such as their name, address, date of birth and national insurance number together with the full address of the property the subject of the transaction.

We must then verify a clients identification. We ask for sight of a current Driving Licence and Passport and evidence of their home address such as a utility bill or bank statement. In order to comply with our anti-money laundering obligations and to ensure that we are compliant with Law Society and Solicitors Regulation Authority rules and regulations we reserve the right to conduct a check on identity via electronic means.

We need to ascertain the source of funds in terms of where the monies for the purchase are coming from. Thus, we need an explanation and documentary evidence of where they came from in terms of sight of bank statements / pass books where these monies came from. We also need to establish how these monies came to be there and to see documentary evidence in support of that.

Examples are:

- savings from earnings, in which case we need to see wage slips / P60 and bank accounts showing income and outgoings evidencing a surplus which could be saved
- from the sale of a property, in which case we need to see a letter and completion statement from the solicitor or licensed Conveyancer acting in the sale and confirmation of the funds realised
- an inheritance, in which case we need to see a letter and estate account from the solicitor acting and confirmation of the funds sent
- if a gift, the above process needs to be repeated in respect of the person making the gift, so we can ascertain where the monies came from and how they got there in respect of the person making the gift.
- a mortgage

We also advise a buyer we do the usual searches, these are;

- A local search. This is made with the local authority. It gives information about any plans to build roads near by, planning matters etc
- A water and drainage search. These give details about the water supply & sewage.
- An Environmental Search. This examines flood risks and contaminated land issues.
- A Chancel liability search. This identifies if there is a liability to pay repairs to the local Church. It is possible and stems from a law Centuries old.

At this stage we ask for £200 to cover the costs of carrying out searches.

We undertake an evaluation of whether STAMP DUTY LAND TAX for properties in England or LAND TRANSACTION TAX for properties in Wales is due and notify a buyer of this. The criteria of whether stamp duty is payable for properties which are residential depends on one of the following three alternatives

1. None of the purchasers have ever owned property before, they are first time buyers.
2. This is to be their main residence and they do not own any other property
3. This is not the property they will live in and at least one of the purchasers (if more than one) owns other property

When we have the above information we will be able to calculate whether stamp duty is payable and if so how much. There is also a very straightforward HMRC web site aptly named “Stamp duty calculator” from which anyone can calculate the above.

We advise buyers that the standard contract terms used in house purchases do not put the seller under any obligation to tell them about the state of repair that the house is in. Instead, it is up to the buyer to inspect the property and to arrange professional inspections of the property and its facilities. Therefore, we always advise that buyers carry out a structural survey before exchange of contracts. they should also consider whether they need to ask a professional to check the following:

- a) Whether the property has a damp proof course and if so whether it is adequate.
- b) Whether the electrical system up to date and working correctly.
- c) Is the central heating working adequately? – Gas Safe- gas Inspection.
- d) Whether the timber/woodwork is in good condition or needs attention/replacement
- e) The extent, condition and adequacy of the drainage system – CCTV Inspection.
- f) Condition of the wall ties.

STAGE 2: We hope this will happen in the second to fourth week following being instructed

The seller's solicitor will send us a draft sale contract for the property together with a copy of the official Land registry title and certain standard forms containing information about the property. We will review the title and make any appropriate enquiries of the sellers solicitors

We would hope to receive the results of searches during this period and will review these and ask any further enquiries of the sellers solicitors.

If a buyer is getting a mortgage we would hope to receive a mortgage offer which we will review and report to a buyer the terms and conditions of this.

STAGE 3: We hope this will happen in the fifth to seventh week of being instructed

We will report to any buyers on the title, documentation received from the sellers Solicitors and the result of searches.

Subject to being ready we will ask any buyers to sign the contract and for 10% of the purchase price as a deposit (if the buyers are selling at the same time as buying it is possible to use the deposit received on a sale which will be 10% of the sale price) and sign the mortgage.

Subject to a buyers agreement we will then exchange contracts with the seller, creating a binding agreement between the buyer and the seller. At this point, the completion date will be fixed. This is a crucial stage as it makes the matter legally binding. It is very important to know that from exchange of contracts a buyer becomes responsible to insure the property and any mortgage providers will insist this is done.

We strongly advise that removals are not booked or time taken off work until contracts have been exchanged. Until exchange of contracts, the completion date can change and many removers charge cancellation or re-arrangement fees.

STAGE 4: We hope this will happen in the eight to twelfth week of being instructed

Following the exchange of contracts, we will ask a buyer for any extra money required to complete the purchase. This will include Land registry fees, Stamp Duty Land Tax and our fees.

We will ask a mortgage company to send us the funds

On the completion date we will send the monies to the buyers. The contract usually provides the money should arrive by 1p to 2pm when the seller should hand over the keys to a buyer.

STAGE 5: We aim to do this within 7 days after completion

Following completion we will fill in the forms required as regards STAMP DUTY LAND TAX for properties in England or LAND TRANSACTION TAX for properties in Wales and pay any such tax which is due.

We will apply to register the buyers as proprietors of the property to HM Land Registry. This may take several weeks or months to be completed by HM Land Registry. Upon completion of this we will send buyers a certificate recording their ownership.