



BUYING A PROPERTY – some practical points

What follows is meant as a guide to conveyancing and property buying process. It is not exhaustive, but we hope it will enable you to understand the process.

PREPARATION IS THE KEY TO SUCCESS

1. Prior to making an offer for the purchase of a property it is a good idea to discuss your requirements with your lender to ascertain the level of borrowing that you are allowed and what offers are available. Some lenders will even give you an offer in principle depending on the property that you find.
2. Having found a suitable property that you wish to purchase your offer should be made subject to contract, survey and mortgage if appropriate. If your offer is then accepted you will need to instruct us.
3. Surveys, Valuations and Home Buyers Report – The general principle when buying a house is “caveat emptor” “buyer beware”. Therefore if you buy a property which ultimately transpires to have some structural defect you will not have any recourse against the seller or any other party unless it is covered by a building guarantee. Therefore it is advisable to either have a full Structural Survey or more commonly a Home Buyers Report. It is important that you do not rely on merely a Lenders Valuation to purchase a property as these are generally concerned only with the value of the property for mortgage purposes not whether it is structurally sound.

THE TRANSACTION

Once your offer is accepted the sellers solicitors will issue the Contract.

Searches and Enquiries – On receipt of the contract papers we will proceed to carry out any necessary searches and enquiries. We undertake a Local Authority Search, a water/drainage search, an Environmental Search for contaminated land and a Chancel Check Search to ascertain whether the property lies within a Parish that has a liability for Chancel repair. At the same time we may raise further enquiries with the seller’s solicitors and it is common at this time to raise any queries that you may have specifically with regard to the property.

Report and Deposit – Once we have completed our searches and enquiries and have received your formal offer of mortgage we will report to you on the property with the Contract for you to sign and request that you put us in funds for the deposit. This is normally 10% of the purchase

price but if it can be negotiated at a lower percentage, although if you fail to proceed with your purchase after exchange, you will still be liable for the full 10%.

Negotiations and Withdrawal before Exchange – You are not legally bound to buy a property until formal exchange of contracts. Until this stage the Seller may also similarly withdraw.

Formal Exchange of Contracts – Until formal exchange of contracts nothing is binding not even by your signing the Contract in readiness. Both parties are legally bound only when the Contracts are formally exchanged and a completion date is agreed. This will only take place with your clear and specific instructions to do so.

Post Exchange – Pre-Completion – Once the completion date has been agreed and formal exchange of contracts has taken place, we will prepare the final form of transfer document in agreement with your sellers and arrange for you to sign it and also request the mortgage funds from your lender and supply you with a statement. Any monies due from you for completion of your purchase must be received by us prior to completion and be cleared funds in readiness for the day of completion.

Insurance – Building Insurance normally becomes the responsibility of the Buyer from formal exchange of contracts. However, where you are buying a new property on a development it is normal for the developer to maintain the insurance until actual completion.

Your Mortgage – We will request the mortgage advance from your lender and you will also have to sign the mortgage papers. You will become responsible for the mortgage repayments from completion.

On Completion – On completion we will forward the balance of the purchase monies to your seller's solicitors and the keys will be released to you. You will find that if the property is a new property on a development the keys will be available from the site office. If the property is sold through an Estate Agent the keys will normally be available for collection from the Agent. The property should be vacated and you should expect to obtain possession by 2pm on the completion date. However, if there is a delay in the funds being transferred you will not obtain possession until such time as the seller's solicitor has received the monies.

On the day of completion you should ensure that:-

- The contents and buildings insurance is in force (contents only for leasehold properties)
- Transfer the gas, electricity, water and telephone into your name and read the meters
- Contact the Local Authority and statutory undertakers with regard to the payment of Council Tax, water rates etc

Leases – The procedure for buying flats are similar to those for houses. If you are buying a flat you must allow for an apportionment of ground rent and service charge to be paid on completion.

Snagging – On buying a new property from a developer, on receipt of the Notice to Complete you should ensure that a "snagging list" is made. Different developers have different ways of dealing with this. Sometimes their site office works foreman will inspect the property with you and in that inspection he will make note of any cracks, taps not working, radiators not working etc which will be made good prior to completion. In the alternative if the developer does not adopt this practice it will be necessary for you to instruct your own Surveyor to prepare a snagging list.

Post Completion – We will, having received the funds from you pay any Stamp Duty and deal with the Registration of your Title at the Land Registry. On completion of the Registration we will send you and your Lender (if any) a copy of the Title Information Document.

In the Future – Having just completed your purchase there may well be works that you wish to carryout on the property now or in the future. Please keep all Guarantees, Contracts, Planning Permissions and Building Regulation Completion Certificates in respect of any works carried out as you will have to produce these when you come to sell and additional cost may be incurred if you have to obtain duplicates.

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