



SELLING A PROPERTY – some practical points

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

PREPARATION IS THE KEY TO SUCCESS

1. You will require an Energy Performance Certificate (EPC) before you market the property. We can prepare this on your behalf.
2. As soon as the property is on the market to achieve a cost effective and speedy transaction once a Buyer has been found we can together prepare all the necessary documents to be issued as a Seller's Pack once the sale has been agreed. This includes:
 - Draft Contract which we will prepare
 - A List of items to be included as part of the property sale price on the form that we will supply you.
 - Detailed general questionnaire in a form that we will supply you. This you will need to complete carefully supplying as much information as possible, including documentary evidence in some instances. Briefly this will disclose details of works undertaken to the property, consents, guarantees etc. Occupiers of the property, Council and Water Rates payable.
 - If the property is leasehold a further questionnaire will be need again on a form that we will supply and you will be required to disclose details of the Landlord/Managing Agents, service charge accounts and an up to date copy of the Buildings Insurance Schedule together with other matters relating to the management of the flat.

THE TRANSACTION - Useful Phrases:

- Deposit: The Buyer pays a deposit on formal exchange of contracts. It is usual for the Buyer to pay 10% of the purchase price. It is however common to accept a lesser amount to enable the transaction to proceed, particularly where you are able to use the deposit received as part or whole of the deposit payable by you on a related purchase.
- Formal Exchange of Contracts: When you and your Buyer contractually commit to the sale and purchase and when the deposit is paid by the Buyer
- 1.1 Completion: When the Buyer pays over the purchase price. You redeem all loans secured upon the property and vacate the property.

The completion date is agreed on formal exchange of contracts

Negotiations and Withdrawal before Exchange - You are not legally bound to sell your property until formal exchange of contracts has taken.

Let us assume you find someone who is interested in making an offer for your property.

You will negotiate terms for the sale usually through your selling agent. The important thing to remember when putting anything in writing is to include the phrase "subject to Contract" on the letter. On this basis and without entering into any other agreement with the Buyer, you should be able to withdraw from the sale at any time up to formal exchange of contracts without being liable for any of the Buyers costs and expenses, although you would of course be liable for your own. The Buyer may also withdraw similarly.

Buyers Searches & Enquiries - Once a sale is agreed we submit the Sellers Pack to the to the Buyers solicitor. The Buyers solicitor then carries out any necessary searches and enquiries.

Buyers Survey - The Buyer may commission a survey of your property. The surveyor concerned should contact you to make convenient appointments for this purpose. It is common for problems to surface after surveys have been completed, so the sooner these are carried out the better. This step also shows commitment on behalf of your Buyer as he will have to pay the cost of the survey whether or not the transaction proceeds.

Buyers Mortgage - More often than not your Buyer will require a mortgage to assist with his or her or their purchase. Be aware that the Buyer is unlikely to formally exchange contracts for the purchase until the Buyer receives a written mortgage offer and all is order. Mortgage offers can contain requirements that take time to resolve.

Formal Exchange of Contracts - Until formal exchange of contracts nothing is binding (not even by your signing the contract in readiness). You can choose to sell the property to somebody else or the Buyer can withdraw without reason. 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.

The Deposit

2. When formal exchange of contracts takes place, the deposit is payable to us as your solicitors, which we have to retain until actual completion. If you are buying at the same time, we can negotiate with your Buyers solicitors to utilise the deposit we receive on your sale even if this is less than the 10% required. However, if a breach of contract occurs you will be liable for the full 10% deposit.

Post Exchange - Pre Completion - Generally completion takes place between two and four week after formal exchange of contracts. In that period of time we agree the form of the final transfer document with your Buyers solicitors and arrange for you to sign it, obtain final loan redemption figures, obtain your agents commission invoice and supply to you a statement of account. Any monies due from you at completion of your sale must be received by us prior to completion and cleared in readiness for completion. Any money payable to you will be forwarded to you on the day of completion or the following working day.

Insurance - Buildings insurance normally becomes the responsibility of the Buyer from formal exchange of contracts. You should however keep your home insurance on risk until actual completion takes place. In circumstances where there is a claim between exchange and completion, you will have to give your Buyer credit for any insurance monies received or payable, although your Buyer will be under an obligation to complete and pay the balance of the purchase price.

Mortgage Redemption - This means paying off any loans and mortgages on the property you are selling. We will arrange for the mortgage to be discharged. Please continue to make your mortgage payments prior to completion. Any overpayment should be refunded by your lender

3. **On Completion** -

4. The balance of the purchase monies will be transferred to us in order that keys can be released to the Buyer.

5. You vacate the property completely, contractually you should do this by no later than 2pm on the completion date, handing the keys to your agent so they can be released to the Buyer upon the balance of the purchase monies being remitted. This can sometimes be held up if there is a chain of completions. We will account to you with any monies due to you. You should:-

- Cancel or transfer any insurance of your contents and building.
- Transfer the gas, electricity, water and telephone or otherwise ensure that these are no longer your responsibility and have the meters read.
- Deal with physical removal arrangements.
- Cancel standing orders for your mortgage on the property.
- Deal with apportionment of council tax and any refunds of TV Licensing etc.

Leases - Most of the procedures for house selling also apply to flats. If you are selling a flat or maisonette or other leasehold property the latest receipt for ground rent and any service charges must be provided and all payment must be made up to the day of completion. Apportionments will be made for any overpayment.

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