

Buying and Selling your Home

Buying or selling a property is probably the biggest financial transaction most of us will make during our lifetime. The pressure caused by the sheer scale of the money changing hands, and the actual upheaval of moving, is compounded by the emotional attachment many of us share for our homes. This is why, whether buying or selling, you want a calm, efficient team who get on with transaction; undertaking the searches, answering the questions, dealing with the agents and other party's solicitors and, critically, exchanging and completing on time.

At Fosters Law, our dedicated team of qualified property lawyers provide a fast, efficient and friendly service, that removes the burden and stress from you.

We also hope that this guide makes the whole process a little more understandable. Contents include:

- ✿ Buying a home
- ✿ Selling a home
- ✿ Financial Aspects
- ✿ Title Insurance
- ✿ Our Services
- ✿ Our Offices

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.

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

Buying a home

You've found the property; on budget, right number of bedrooms, not a terrible commute and near to the all important schools (or bars, depending on your outlook). Next comes some haggling, further viewings and eventually, hopefully, your offer is accepted. Now, funding provided, your Solicitor must secure your ownership of the property.

With your offer accepted, the property is "Sold Subject to Contract" or "Under Offer"; this basically means that neither party is tied to the contract and both are at liberty to pull out, renegotiate or accept another offer completely as is often the case with "gazumping".

As a consequence, during this period, time is of the essence. So with your mortgage approved (it is best to get this done in advance), your lender will undertake a valuation to ensure that the property is adequate collateral for the mortgage loan. Here, you may also wish to instruct a more extensive survey to gain a more detailed understanding of the property's condition.

As the funds are being secured, your solicitor will be undertaking the conveyancing, which essentially involves transferring the ownership, or title, from one party to another. The process is:

Conveyancing procedure

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.

Investigation of Title and Searches

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

3. 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.

4. 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) You may receive a copy of the Lender's valuation 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.

5. 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.

6. 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.

7. 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 require you to arrange the buildings insurance. If there is no Mortgage or if you wish to arrange insurance with a company of your choice (rather than relying on insurance arranged 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, there could be additional administration charges depending on the requirements of the Lender.

8. Statement and Final Searches

We complete the final searches at the Land Charges Registry (as appropriate) and the Land Registry and will send you a financial statement. We may require money from you to complete your purchase, and will ask for it before completion. If you are looking to complete the purchase quite quickly after exchange of contracts, we will usually request payment of any completion monies from you at the time of exchange of contracts. 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, since this avoids any delays on the completion date itself, if we have to wait for the funds to be received.

9. Completion Arrangements

We suggest that a few days before completion you contact the Seller 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.

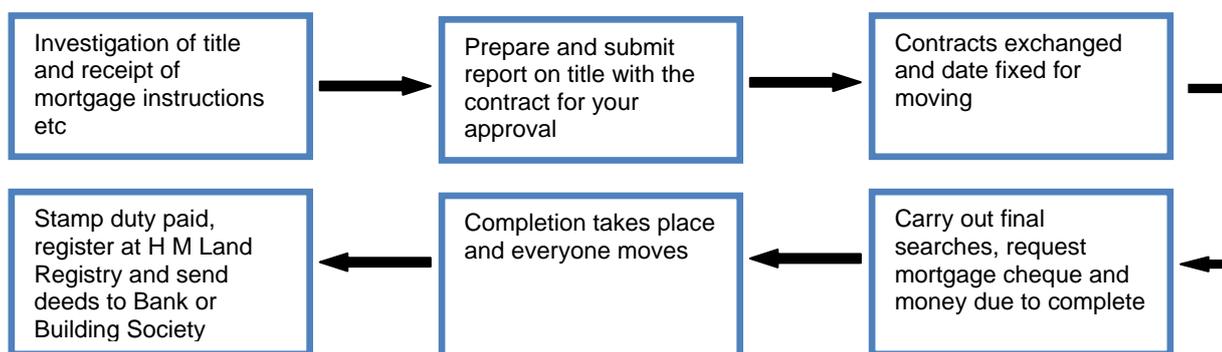
10. Post-Completion

We will then deal with the stamp duty and registration of your Title at the Land Registry. The registration will usually be completed within four to six weeks, although this can be longer if you are buying a new property, or one which is subject to first registration at the Land Registry.

11. 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.

Purchase process



Selling a home

It is said that a change is as good as a rest and whilst a new start is often refreshing, selling up and moving home is rarely restful. Not only do you have to prepare, market and sell your property, you also have to simultaneously coordinate the purchase of your new abode. That is a lot of plates to be spinning at once. And it is here when a good conveyancing team can ensure that every form is filled, every box is ticked and every call chased so that you complete on time with the minimum amount of stress.

At Fosters Law, we are experts at managing your transaction or transactions. We look after your interests and work with the chain according to your wishes.

For your reference, the process is:

Conveyancing procedure

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.

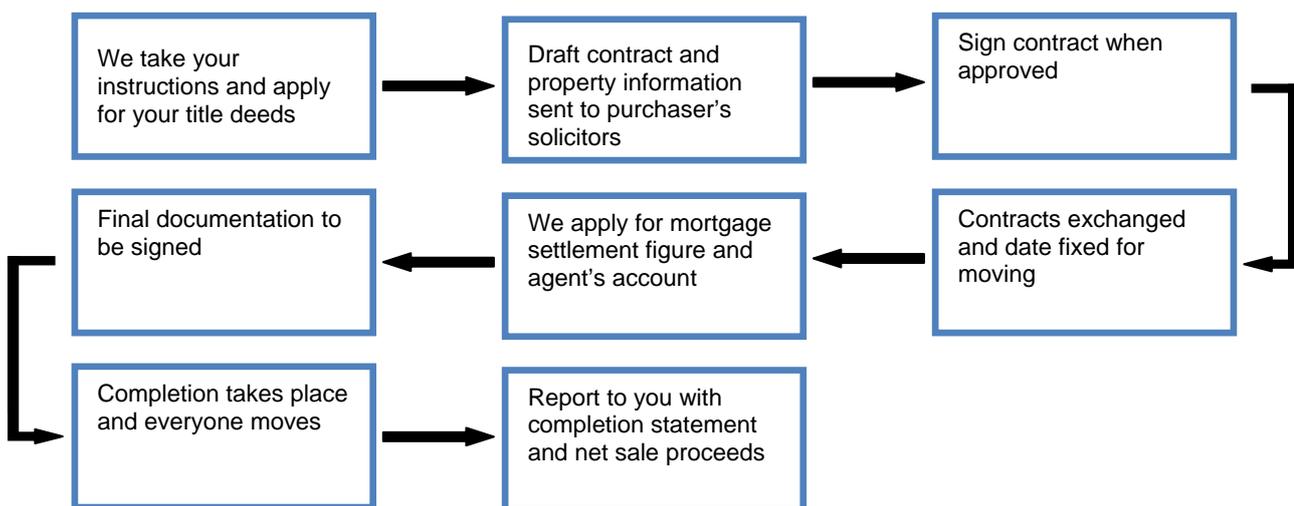
7. Signing Final Documents and Approval of Agent's Account

You will be asked to call at the office to sign the final transfer documents shortly before completion or alternatively it will be sent to you for signature. We will also ask you to approve the Estate 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 or electronic bank transfer for the net sale proceeds.

Sales process



Notes to buying and selling

Please note the various stages in the above paragraphs:

1. 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 on both transactions.
2. 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 current 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.

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. Duty is currently charged at a flat rate of 1% on the total purchase price if it is over £125,000. If over £250,000 the rate is 3%, over £500,000 the rate is 4%, and over £1,000,000 the rate is 5%. Stamp Duty is not payable on certain items within the property that are being left by the Sellers. 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.

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. For example if the purchase price is between £100,000 and £200,000 the fee is £190.

Local Search Fee

We recommend that a Local Land Charges Search is always carried out on a purchase (if you are relying on a mortgage, we will have to make this search anyway). The fee is wide-ranging and depending on the Local Authority, averages around £150. 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 £25.00 and £60.00

Other Fees and Costs

1. 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.

2. 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.

3. 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.

4. 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.

5. 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.

Please contact us for further information telephone 0800 021 3025 or email info@fosters-law.co.uk.

The details contained in this pack are correct at the time of printing – October 2013

Foster Mackay is an innovative legal practice; combining time-honoured professional values with a progressive approach. Operating locally from high street premises and nationally within a number of specialist sector niches, the firm acts with skill and authority for private individuals, businesses and larger organisations.

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Community Care Law
Court of Protection matters
Dispute Resolution
Employment Law
Family Law
Legal Aid
Landlord & Tenant
Litigation & Counsel Assist
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Property
Retirement Management
Wills, Probate & Administration of Estates

Commercial

Business Start-Up Advice
Business Growth Planning & Advice
Corporate Recovery and Debt Matters
Dispute Resolution
Employment Law
Litigation & Counsel Assist
Property (including leases)
Selling a business

Specialist sectors

Affordable/Social Housing
Auction Conveyancing
Multiple Unit Developments
New Homes
Retirement Homes
Retirement Services
Park Homes

Local Solicitors with National Presence

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