

Your Purchase Guide



Forrester Sylvester Mackett

SOLICITORS

What matters to you matters to us



The aim of this guide is to help you understand the conveyancing process. It is not intended to replace the personal advice we give you in connection with particular situations or circumstances but is a general outline of the purchase process. This guide is not exhaustive, as sometimes additional work may be required, for instance if the property is leasehold or is unregistered land. Steps also don't always follow this exact order.

Steps to exchange of contracts

- We will write to you for instructions and to gain agents particulars.
- We will receive written confirmation of instructions from you and a 'Contract Package' from the sellers solicitors, which we will read and consider and raise any 'additional enquiries'.
- We will initiate Local Authority, Drainage and Environmental searches and any other specialist searches that may be required for instance, a Coal Mining Search.
- If there is anything unusual about the property which causes you concern please draw it to our attention so that we can make enquiries with the sellers solicitor.
- The state, physical condition and value of the property are not matters in which we are qualified to advise. It is therefore important to satisfy yourself in regard to these issues by undertaking your own inspection and commissioning a professional survey before committing to exchange.
- Please let us know if you are aware of the property having undergone any alterations, improvements or extensions, such as solar panels, or the addition of a conservatory.
- We will send you a scale plan of the property, because we do not inspect the property ourselves, it is essential that you are certain that it shows the size and shape of the plot accurately. If you identify any discrepancies, these will need to be investigated and you will need to be satisfied with the situation before exchange of contracts.
- If we identify a need for indemnity insurance to cover either a defect in the title to the property or, more commonly, to cover a situation where building works have been carried out without planning permission and/or building regulations consent, we would, if necessary, obtain a quote for indemnity insurance. In these circumstances we would normally ask the seller to cover the insurance premium, which they may or may not agree to. Under FCA rules, we need to point out that we would obtain a quote from a provider we frequently use and trust, but this may not always be as competitive as if you shopped around for comparison quotes.

- If you require a mortgage to finance your purchase, we must have received your mortgage offer, ensured that any conditions it may contain have been met and hold a signed mortgage deed before exchange can take place.
- We will prepare a SDLT Form for you to approve, sign and return. We will also send to the seller's solicitor, requisitions on title to clarify where purchase money is to sent, and a draft transfer deed, which will transfer the title to you upon completion and in due course we will ask you to sign it.

Mortgage

Your mortgage lender will carry out a valuation on your property, this is to determine that the property you are buying is worth the amount you are borrowing. This is not a survey and should not be treated as such. You must make your mortgage lender aware of any incentives or offers such as a reduction of the price of your property as this may have implications. Please remember that it is possible for your bank / building society to withdraw their mortgage offer even after exchange, if they discover that any of the information you give them is incorrect.

- Once all replies to enquiries and searches are satisfactory and complete, the contract is then approved. We will send you a full report, request your deposit, and arrange for you to sign the contract.
- Once we receive your deposit (unless deposit on sale is being used), hold the signed contract and signed copies of all necessary documents e.g. the mortgage deed, and you are entirely satisfied that you wish to buy the property, all parties can agree completion dates and contracts are exchanged. You must ensure that life cover (where needed) and buildings insurance are arranged and ready to be put in place as soon as contracts are exchanged.
- Following exchange, we will prepare and send you a draft statement of account for you to settle.
- You should wait until contracts are exchanged before giving notice on your current accommodation or booking removals as completion dates are only fixed once contracts have been exchanged.
- Whilst we will make every effort to keep to desired timescales, sadly due to external factors and the involvement of third parties, we are unable to guarantee timescales or warrant the success of any transaction until contracts have been exchanged.



Documents that will feature in your purchase:

Agreement/contract

The contract document contains standard conditions that have been approved by the Law Society that set out the terms of the legal relationship between seller and buyer and includes the price, the extent of the property being transacted and the completion date. The contract is prepared in duplicate one part is signed by the seller(s) and one part is signed by the buyer(s). The contract does not become legally binding on the parties until contracts are exchanged.

Buildings insurance policy

Buildings insurance must be in place from exchange. This can be arranged through your lender (if you have one) or you can arrange it yourself. If your purchase is with mortgage finance, you must arrange buildings insurance in accordance with the detailed requirements of your lender as described in your mortgage offer.

Drainage and water search

This search requires that the provider of water and sewer services to the property answers a number of standard questions regarding the services supplied including annual charge and location of pipes.

Environmental and plan search

The environmental search result examines the past and current uses of the area in which the property is situated and reveals any potential contamination or pollution issues, which as a buyer you could in certain circumstances be responsible for the cost of cleaning up.

Fittings and contents list

A copy of this will be supplied by the seller, and will be sent to you. Please report any discrepancies from the situation as described by the agent or the seller to us immediately. It will be too late after exchange to amend the list. You must also take time to check that any electrical or mechanical fitting being left in the property are in good working order.

Life assurance policies

Life cover ensures that in the event of your death, a sum of money is available from which your mortgage can be repaid. If you need to take out this type of insurance because you have dependants, you should ensure that cover is 'on risk' before we exchange contracts.

Local authority search

Unless you have specifically instructed us to the contrary, a Local Search will have been carried out before you exchange contracts on your purchase. The Local Search is an enquiry made of the Local Authority. It provides information about planning, highways, tree preservation orders, special designated areas e.g. smoke centres and other matters involving the local authority. The search is only against the property you plan to buy. It will not show for example planning permission granted for neighbouring land. If you wish us to search against other adjoining land, please let us know.

Mortgage offer

Your mortgage offer and our mortgage instructions are usually sent out by the lender simultaneously. The offer may include conditions relating to the interest rate being charged or to works which must be carried out to the property. The offer will be subject to the lenders standard terms and conditions (in small print). Lenders often make deductions from mortgage monies to cover their admin or fund transfer fees. Please remember that we can only exchange contracts on your behalf if we have valid mortgage instructions from your lender. Otherwise, you could be committed to buying a property without the funds to do so.

Other searches

Depending upon the area in which your purchase property is situated, there may be other searches to be made, for example, coal mining searches, commons registration searches, etc. We will advise you if there is a need for these as the transaction progresses.

Property information form

This document is completed by the seller and provides some practical information about the property and includes details about occupiers, guarantees issued in respect of the property, planning matters, services etc. If any of the information causes you concern or conflicts with your own personal knowledge of the property, you should let us know.

Requisitions on Title

This is the Law Society's standard set of pre-completion questions. It is used prior to completion to deal with administrative completion arrangements such as where keys can be collected and where completion monies are to be sent.



Stamp Duty and Land Tax Return

One of the documents you will be asked to sign is a Stamp Duty Transaction Return which we submit to HM Revenue & Customs on completion. If your purchase attracts payment of Stamp Duty Land Tax we will send payment at the same time. This needs to be submitted as soon as completion takes place to avoid a late payment penalty.

Transfer deed

This is a formal land registry document which transfers property from seller to buyer on completion. It also records how multiple buyers will hold the property between them. It needs to be agreed by both parties and then signed by the seller and in most cases, the buyer, before completion can take place. Signatures are to be witnessed by an independent adult witness who should also sign the document.

Survey

Regardless of whether or not you require mortgage finance to purchase, it is up to you to satisfy yourself as to the condition of the property before exchange of contracts as it will be almost impossible and costly to rectify any problems after exchange and/or completion has taken place. If you decide to go ahead with a survey of the property we recommend that it is carried out as early as possible as any matters highlighted will require further investigation and any negotiations will need to be dealt with before contracts can be exchanged.

A survey will provide expert advice on the condition of your property - whether you plan to live in it, rent it out or sell it. Surveyors should conduct an in-depth visual inspection of the property. Their report will provide an expert account of the property's condition and should highlight any areas of concern. Different homes require different types of survey. You should always discuss your requirements with your surveyor who will be able to advise you further.

Other points to note:

Deposit

Usually a 10% deposit will be paid to the seller upon exchange of contracts. If you are proceeding with a mortgage in excess of 90% of the purchase price of the property, it may be possible to agree a reduced deposit with the sellers solicitor, but they are at liberty to insist upon the full 10%.

Exchange of contracts

When contracts are exchanged, you become legally committed to purchasing a property and the seller becomes legally committed to selling. This commitment is evidenced by the actual exchange of signed contracts and the buyer paying a deposit. The completion date is fixed at this point.

Between exchange and completion

In the period between exchange and completion you can safely organise removal companies knowing that if the seller fails to vacate the property on payment of the purchase monies, legal consequences will follow. You can also arrange for services such as gas and electricity and council tax to be transferred to you on the completion date.

- We will send a certificate of title to your mortgage lender and obtain funds for completion.
- During this time we will prepare final accounts and ask you for the balance to complete. Cleared funds must be received into our bank account on the day before the fixed completion date at the very latest.
- We will undertake final Land Registry and Land Charges searches.

Upon completion

- We will arrange monies to be sent to your sellers solicitors; if there is a dependant sale or mortgage, then monies will have to be received from buyers solicitors and / or mortgage company before monies can be telegraphed on the purchase. We will tell you when this happens.
- When the sellers solicitor receives the balance of your purchase monies they will authorise the selling agent to release keys to you once your seller has vacated.

After completion

- We will receive deeds and discharge document from sellers solicitors. Transfer your Stamp Duty and Land Tax, return and pay duty due. We will register your own ownership with Land Registry. Following registration of your purchase we will send you and your lender (if you have one) a copy of the revised Title.

Our Services

Residential Property

Commercial Property

Corporate

Employment

Dispute Resolution

Family

Personal Injury &
Clinical Negligence

Wills & Trusts

CHIPPENHAM

01249 444300

FROME

01373 485485

MALMESBURY

01666 822671

SWINDON

01793 522688

TROWBRIDGE

01225 755621

WARMINSTER

01985 217464

enquiries@fmsolicitors.co.uk

www.fmsolicitors.co.uk