

## **RICHARD WEBSTER & CO**

### **INFORMATION ON PURCHASE PROCEDURE**

This is a conveyancing guide on the PURCHASE of a Freehold or Leasehold property. It is a very basic guide on the key stages of the process and is not a complete overview.

The stages set out below are based on a standard residential transaction. Sometimes, the stages may vary and do not always follow the same sequence.

#### **STAGE 1**

1. An offer is accepted via estate agents (or privately) from a Buyer for the purchase of the property.
2. All parties instruct solicitors.
3. The estate agents (or if private the parties themselves) send out the Memorandum of Sale to all parties concerned, confirming the agreed price and details of the Buyer, Seller and their respective solicitors.
4. Both solicitors write to each other to confirm their instructions.
5. The Seller's solicitors apply to the Land Registry for official copy title information documents, and send to the Seller various forms/questionnaires to complete (Fixtures Fittings and Contents form & Property Information form(s)).

#### **STAGE 2**

- 1 Once the Seller's solicitors have received the official copy title information document from the Land Registry, and completed forms/questionnaires from the Seller, they send the Contract package to the Buyer's solicitors.

#### **STAGE 3**

1. The Buyer's solicitors review the Contract package.
2. The Buyer's solicitors submit local search and will also submit any other required searches e.g. coal mining search, environmental search.
3. The Buyer's solicitors may request additional information about the property, the legal title or the surrounding area from the Seller's solicitors. On Leasehold purchase, the Buyer's solicitors will send additional leasehold enquiries to the seller's solicitor to be answered by the Landlord or their Agents. Such enquiries are to ensure that any rent/service charge arrears are paid by the seller on or before completion, and that any current disputes that the seller may have with the landlord are resolved before your purchase completes.

4. The Seller's solicitor will deal with any legal enquiries they are able to answer, but may need to forward some enquiries to the Seller to answer.
5. The Buyer's solicitors will send a report to the Buyer on the property which includes a plan of the property and a form indicating items to be included in the sale.

#### **STAGE 4**

The Buyer's solicitors receives the Buyer's mortgage offer and reports to the Buyer on the terms of the offer.

#### **STAGE 5**

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- 2 The Buyer's solicitors receives the search results and reports to the Buyer on any adverse entries. They may need to request further information from the seller's solicitors regarding any entries revealed in the searches, which could in the future have an adverse effect on the property.

#### **STAGE 6**

- 3 If the Buyer's solicitors are satisfied with the replies to the Additional Enquiries they will then arrange for the Buyer to sign the Contract documents and request a deposit (if applicable) from the Buyer.

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#### **STAGE 7**

- 5 Once the Buyer's solicitors have received satisfactory replies to Additional Enquiries, satisfactory conveyancing search results, mortgage offer (if required), signed Contract documentation and clear deposit funds(if any), the Buyer's solicitors will contact the Seller's Solicitors to let them know they are now **READY TO EXCHANGE CONTRACTS** and to suggest a completion date.

#### **STAGE 8 - EXCHANGE CONTRACTS**

1. The Seller's solicitor check the completion date with the Seller.
2. Otherwise, the parties; negotiate directly or through their respective solicitors (or the estate agents) to agree a completion date acceptable to all parties.
3. Once a Completion date is agreed, the Buyer's solicitor and Seller's solicitor **EXCHANGE CONTRACTS**.
4. **BOTH PARTIES ARE NOW LEGALLY BOUND TO BUY AND SELL THE PROPERTY FOR THE AGREED PRICE ON THE AGREED COMPLETION DATE.**

## **STAGE 9 - COMPLETION DATE**

1. On the Completion date the Buyer's solicitor will send by same day money transfer to the Seller's solicitor the monies required to purchase the Property.
2. Once the money is received the Seller's solicitor will authorize the release of the keys to the Buyer either via the estate agents or via the Seller direct.
3. **CONGRATULATIONS - YOUR PURCHASE IS NOW COMPLETE.**

### **IMPORTANT INFORMATION**

- You are not obliged to continue with the purchase until we exchange contracts.
- If you are also selling a property, we strongly recommend that contracts for the sale and purchase should be exchanged at the same time. If you exchange contracts on your purchase independently of your sale, you may have to obtain bridging finance for an unpredictable length of time, which we do not recommend. You may also find that your new lender will require all existing mortgages to be repaid before they advance the monies required by you to fund your purchase.
- You should not exchange contracts until you have your mortgage offer, and we have received satisfactory results/replies to our searches and enquiries. If not, matters may arise which could either prevent registration of your title and mortgage (if applicable) at the land Registry, or which could cause you difficulties during your ownership and/or when you come to sell the property.
- You should be aware that if you are borrowing money from an institutional lender to finance your purchase, we are also acting for the lender. We are obliged to report any concerns to the lender which could affect their security, or any items which conflict with the valuer's assumptions in the valuation report, such as discrepancies in the Purchase Price. If we receive instructions from you which conflict with our obligations to the lender, a conflict of interest will arise, and we may have to cease to act on your behalf in the transaction.
- We strongly recommend that you arrange for a house buyer's survey, rather than rely on a lender's valuation. Please note that a copy of the survey/valuation should be forwarded to us so that we can verify any assumptions made by the valuer/surveyor of a legal nature.
- If this is to be a second home, you should discuss tax implications with your financial advisor.

- You should note that whilst we appreciate that you may have a target completion date in mind, this does need to be agreed with the other parties in the chain you are involved in. You must therefore be aware that any completion dates cannot be guaranteed until the solicitors acting for all parties in the chain have both confirmed the completion date, and indicated that they are ready to proceed. Only once you have exchanged contracts will the completion date be legally binding on your buyer.
- **Please therefore do not make any completion arrangements, such as booking removal vans, booking time off work, or giving notice to your landlord to terminate your existing tenancy (if applicable) until we have received such confirmation from the chain.**

### COMPLETION DAY

- It is essential that you let us have *before* completion a telephone number where you can be contactable on the day of completion, as you may not be contactable on a land line for a large part of the day of completion.
- It is common for a seller to vacate the property by midday on the day of completion. However, it is advisable for you to liaise with the seller either direct or via the estate agents to clarify key release arrangements in order to avoid any misunderstandings and to check any particular requirements your seller may have regarding their departure arrangements. However, The seller is not obliged to release the keys to you until the purchase monies have been received by the buyer's solicitor.
- We are required to transfer the money directly to the bank account of your seller's solicitors on the day of completion. In order for us to transfer the funds, we must have received in our account the mortgage funds and, if applicable, the sale proceeds of your connected sale from the buyer's solicitors. Whilst in theory this sounds like a simple process, in practice we are dependent upon our bankers and those of the seller's solicitors, and buyer's solicitors if applicable, in processing and completing the funds transfer. Unfortunately, this means that we have no control over the time at which the purchase monies will be received by your seller's solicitor. As a result, we cannot give you a firm indication as to when the keys will be available on the completion day. Whilst we will deal with the matter as quickly as possible, you should not expect to receive the keys until at least lunch time.
- Take metre readings and notify the relevant utility companies as soon as you move in.
- You will be contractually obliged to remove all your personal belongings, and leave the property clean and tidy and free from rubbish.