



# YOUR GUIDE TO MOVING HOME



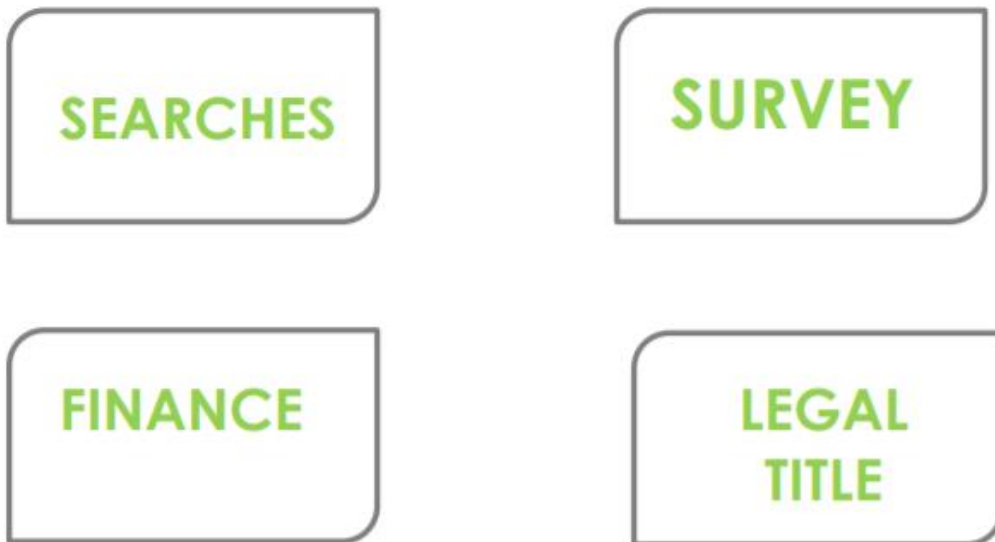
Quantick Daley  
SOLICITORS

# INTRODUCTION

Moving home can be a stressful time. This guide gives you a simple overview of the conveyancing process, along with information and tips about moving home. It's intended to take the mystery out of the process! We hope you'll find it helpful.

Remember, moving home is a team effort. There's a lot for you to do. There's a lot for us to do on your behalf. And, there are things you may need help with from others – e.g. a surveyor, a removals firm, etc.

There are 4 key areas that need to be in place before your purchase can proceed. They are:-



Once everything is in order with all 4 key areas, you can '**exchange contracts**'. You are then legally bound to '**complete**' the purchase. If there's a chain above or below you, exchange of contracts can usually only happen when everybody's key areas are in order up and down the chain (ie not only your own).

See over the page for a simple over view of the conveyancing process.

# 1. PURCHASE PRICE AGREED

## BUYER

The buyer needs to establish exactly what they're buying before exchange of contracts.

There are 4 key areas:

- Searches
- Survey
- Finance
- Legal Title

## SELLER

Their solicitor will prepare the sale contract. The seller will complete 'fittings and contents' and 'property information' forms. These confirm what is staying at the property, and what is not.

The buyer's solicitors may raise 'pre-contract enquiries'. The sellers must respond to these.

# 2. EXCHANGE OF CONTRACTS

The buyer and seller are now legally bound to 'complete'. If they don't, they can be sued for breach of contract. The completion date is fixed when contracts are exchanged.

Exchange of contracts can only usually happen when everyone in a 'chain' is ready.

Now is the time to pack!

# 3. COMPLETION

# SEARCHES

Searches help you understand what you're buying! If you're taking a mortgage the lender will insist on searches as part of the terms of your mortgage.

## LOCAL AUTHORITY

This is to establish as much as possible about issues over which the local authority hold records. It will include information on things like planning and building regulations, highways, and railways.

## WATER & DRAINAGE

This will show how mains water gets to the property and who supplies it. It will also show how mains sewers drain foul drainage away from the property, and again which utility company is involved. For both (water in and waste away!), the search will show who is responsible for the mains pipe work and sewers (ie the utility company or the householder).

## ENVIRONMENTAL

This should reveal any environmental issues in the immediate vicinity like flooding, ground instability, toxic or hazardous waste, and landfill sites.

## CHANCEL

Many houses may be liable to contribute to the cost of the repair of their local church. A recent legal case covered just that where a householder received a bill for over £80,000! The chancel search will establish if such a risk exists against the property you are buying.

## KNOW YOUR NEIGHBOUR

This is not a compulsory search. It's really useful though! It costs around £30 and tells you all sorts of useful things about the neighbourhood you are moving to like schools, hospitals, law enforcement, planning applications (spanning 200 metres +), and it gives you an aerial photo from the millennium map!

# SURVEY

A survey could be one of the best investments you make. Why? Because it will tell you everything you need to know about the fabric of the building you are buying.

## VALUATION

This is not a full survey. It's simply a lender satisfying themselves that the house you are buying is adequate security for the money they are lending you. Your lender will arrange this directly with you. Generally, you will be expected to pay the lender's surveyor's fee.

## FULL SURVEY

Whether you are taking a mortgage or not, we recommend you have a full survey. You buy a property as it stands. A full survey will reveal all unseen problems.

If you do it before exchange of contracts, you can try to negotiate a price reduction with the seller (if appropriate), or even walk away from the deal. After exchange of contracts, you're stuck with the house – whatever comes to light.

The survey does not form part of the legal process. It's simply about you satisfying yourself that the fabric of the house you are buying is in good order. This is a job for you therefore (rather than us!) if you decide you want to get the property surveyed.

**If your survey raises issues that you would like us to query with the seller, please let us know. You must be satisfied that everything is in order before exchange of contracts.**

**Once contracts have been exchanged, there is no turning back and no opportunity to negotiate any reduction in price.**

# FINANCE

A very important part of any purchase! Arranging the finance is down to the purchaser themselves. It's not something we'd be involved in as the acting solicitors.

However, where there is a mortgage, we will also be acting for the lender as well as the purchaser themselves. Our obligations extend to making them (the lender) happy that there are no legal peculiarities that they should know about. We will also be responsible for 'registering' the mortgage against the property once completion has taken place.

Any mortgage money will come straight to us from the lender. We will give you plenty of warning of the money we will need from you, and when!

## DEPOSIT

The standard practice is for a buyer to pay the seller a 10% deposit. It needs to be with us and cleared before we exchange contracts.

The deposit can't come from your mortgage money. You need to find it from your personal finances. We can ask the seller to reduce the amount, but this is entirely their decision.

If you're in a chain, it's sometimes possible for the deposit below you (ie the deposit being taken on the house you're selling) to be used as the deposit for the house you're buying.

## MORTGAGE

Getting the mortgage agreed is something for you to be doing in the early stages of your purchase. It needs to be in place before exchange of contracts can take place.

You are responsible for making sure the terms of your mortgage are as they should be. If you have any queries or concerns about the terms of your mortgage, you should speak to a suitably qualified mortgage broker or financial adviser.

## COMPLETION STATEMENT

Before you complete the purchase of your property, we'll send you a completion statement. It will show all payments made and received by us on your behalf. It will also show any balance due to or from you.

# LEGAL TITLE

We try and avoid legal jargon at Quantick Daley. You can't really with 'legal title'! So, here's a simple explanation of the important bits.

## WHAT IS IT?

Establishing legal title includes making sure that the sellers are entitled to sell the property to you. It also involves us establishing if there are any outstanding mortgages against the property, and finding out what (if any) restrictions or obligations exist over it- for example what you can and cannot do with the property, any unmarked rights or way, and so on.

## LAND REGISTRY RECORDS

Deeds are now a thing of the past! The Land Registry computer lists virtually all property in England & Wales. It includes a plan of the property, details of the owners, and what (if any) mortgages are registered against the property. Once the sale has completed, we will register you as the new owner(s) at the Land Registry. We will also register any mortgage you take out.

## RESTRICTIONS & OBLIGATIONS

Most properties are subject to legal restrictions, or obligations. The legal terms for these are covenants and easements. They generally derive from when the property was first built/purchased. However, they also usually pass from one owner to the next.

## LEASEHOLD PROPERTY

Leasehold property is where a 'freeholder' (ie outright owner) has agreed to give away a property (or more likely a part of it) for a long period of time. The terms of that are contained in a 'lease'. Most leasehold properties have more than one unit in the building – eg flats.

The lease will include additional restrictions and obligations. We need to satisfy ourselves, you, and your lender, that the terms of the lease are acceptable. It is increasingly common for leaseholders to also now own a share of the freehold.

# EXCHANGE & COMPLETION

Now for the important bit! Once we're happy that everything with your 4 key areas is as it should be, we can exchange contracts.

## THE CONTRACT

The seller's solicitors prepare the contract. It contains the terms of the 'deal'. Included with it will be the 'fittings and contents form'. This says what will be staying at the property, and what won't.

We'll send you the contract and fittings and contents form once we've received them. We'll also let you have an explanation of the important bits! Before exchange can take place, the buyer(s) and seller(s) must each sign their contract (there are 2 identical copies of the contract).

## EXCHANGE OF CONTRACTS

Up until exchange of contracts, either party can walk away from the deal. Sadly, this does sometimes happen, and happens at a point where lots of money can have been spent on surveys, searches, etc.

For exchange of contracts to take place, the 4 key areas need to be in place for all buyers in any one chain (ie not just you):

- Searches done and any queries resolved
- Survey done and any queries resolved
- Finance in place (i.e. mortgage and 10% deposit)
- Legal title established and as it should be

The buyer's and seller's solicitors exchange contracts over the phone! That day, the respective parts of the contract are exchanged by post and the buyer's solicitor will send the deposit to the seller's solicitor.

At exchange, the completion date is set. There is no prescribed amount of time that there needs to be between exchange of contracts and completion. It can vary from the same day, to weeks or even months later. It's down to what suits all those in the chain.



## COMPLETION

For most of us, the day of completion means the day we move! It's the day that the balance of money is paid from the buyer to seller and the keys are handed over. If either party fails to complete, they can be sued for breach of contract. They will be liable to pay interest (at a rate set in the contract) and any other financial loss the other person suffers – eg rent for temporary accommodation, storage costs, etc.

## POST COMPLETION

After completion there are some 'legal loose ends' for us to tie up for you. We will:-

- Register you as the new owner(s) at the Land Registry
- Register any mortgage for your lender
- Pay any Stamp Duty Land Tax

## GET IN TOUCH...

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