



BUSS
MURTON
LAW

A Guide to the Legal Process of
Purchasing a Property

Information on Purchase Procedure

This is a guide to the conveyancing process for the purchase of freehold and leasehold properties. Please note that it is intended to be a very basic guide to the main stages of the process and is far from being a complete overview. The stages set out below are based on a standard residential transaction. Please note that the stages do not always follow the same sequence.

Conveyancing Quality Scheme

Buying or selling a home is one of the biggest investments that most of us will ever make. We want to make it as easy for you as we can and will do all we can to make sure that everything goes smoothly. The Law Society has set up a new quality scheme for solicitors who deal with buying and selling property known as the Conveyancing Quality Scheme (CQS). We are a member of the CQS, which means that we meet the high standards the Law Society sets to ensure that we give clients a professional and quality conveyancing service.

What you can expect from us

- When you contact us to discuss your purchase we will explain clearly the steps in the process and what you can expect from your solicitor
- We will tell you what the costs will be
- We will keep you informed of progress in your purchase
- We will work in line with the quality standards of the Law Society's CQS

We will:

- Treat you fairly
- Be polite and professional
- Respond promptly to your enquires
- Tell you about any problems as soon as we are aware of them
- Ask for your feedback on our service

As a result of being members of the scheme we are required to act in accordance with the Law Society Conveyancing Protocol (“the Protocol”) and by instructing us you confirm that you agree to us adopting the Protocol. Some of the core obligations we are required to follow are:

1. Obtain your agreement and instructions to enable us to act in accordance with the terms and spirit of this Protocol.
2. Where acting for a lender as well as for a buyer, the duties owed to the lender are no less important than they are for any buyer, subject to the nature of the instructions.
3. Endeavour to maintain vigilance to protect and guard against fraudulent or other illegal behaviour encountered in the conveyancing process and as a result we must satisfy money laundering requirements.
4. Maintain high standards of courtesy and deal with others in a fair and honest manner.
5. Share information with others to assist in the efficient management of each transaction or chain of transactions. If the buyer consents to the disclosure of information about the transaction, other transactions in the chain or any change in circumstances, this information should be disclosed. The buyer should not be encouraged to withhold authority to disclose information unless there are exceptional circumstances. This means that if, for example, you wish for us to withhold carrying out searches until you have a survey carried out then we must disclose this to the seller’s solicitor.
6. Respond to all communications promptly or in accordance with agreed timeframes. Where something is to be addressed in a different order or by different means, this should be notified to those who are affected as soon as reasonably possible. Steps required by the Protocol should be carried out as soon as reasonably possible.

For a complete version of the Law Society Conveyancing Protocol please visit www.lawsociety.org.uk/support-services/advice/articles/conveyancing-protocol/

The Conveyancing Process

Stage One

1. An offer is accepted by the seller via estate agents (or privately) from the buyer for sale of the property.
2. Both parties instruct a solicitor to act on their behalf.
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 solicitor applies for a copy of the deeds, including the lease, if the property is leasehold, from the Land Registry and sends the seller various forms/questionnaires to complete such as a fixtures fittings and contents form.

Stage Two

1. Once the seller's solicitor has received the copy deeds from the Land Registry and completed forms from the seller, they send the contract package to the buyer's solicitor.

Stage Three

1. The buyer's solicitor reviews the contract package.
2. The buyer's solicitor will submit local searches and will also submit any other required searches usually environmental search, water and drainage and commons registration search.
3. The buyer's solicitor may request additional information about the property, the legal title or the surrounding area from the seller's solicitor. If the property is leasehold, additional leasehold enquiries will also be sent to the seller's solicitor to be answered by the landlord or their agents. Amongst other things, such enquiries are to ensure that any rent/service charge arrears are paid by the seller on or before completion, whether there are any plans for major works, that the property is adequately insured 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. The buyer's solicitor may need to request further information from the seller's solicitor regarding any entries revealed in the searches, which could in the future have an adverse effect on the property.
5. The buyer's solicitor will send a letter to the buyer enclosing the Land Registry plan of the property and a form indicating items to be included in the sale.

Stage Four

1. The buyer's solicitor receives the buyer's mortgage offer and deals with any points that the Lender requires to be satisfied.

Stage Five

1. The buyer's solicitor will send a report to the buyer on the property including a report on the terms of any mortgage, the search results and any other information elicited during their enquiries. The contract and mortgage deed will be enclosed and a deposit requested in order to exchange.

Stage Six

1. Once the buyer's solicitor has received satisfactory replies to Additional Enquiries, satisfactory search results, a mortgage offer (if required), signed Contract documentation and a clear deposit, the buyer's solicitor is then **READY TO EXCHANGE CONTRACTS**.

Stage Seven – Exchange

1. The buyer's solicitor contacts the seller's solicitor to advise they are ready to exchange contracts and to suggest a completion date if one has not already been suggested.
2. The seller's solicitor then contacts the seller to check if the proposed completion date is agreed. If not agreed the seller's solicitor will negotiate with the buyer's solicitor (or via the estate agents) for a completion date acceptable to all parties.
3. Once a completion date is agreed the buyer's solicitor and seller's solicitor exchange contracts via telephone.

4. BOTH PARTIES ARE NOW LEGALLY BOUND TO BUY AND SELL THE PROPERTY FOR THE AGREED PRICE ON THE AGREED COMPLETION DATE. THE PROPERTY IS AT THE BUYERS RISK FROM THE DATE OF EXCHANGE AND YOU THEREFORE NEED TO HAVE BUILDINGS INSURANCE IN PLACE FROM EXCHANGE.
5. Prior to completion the buyer's solicitor will provide a completion statement setting out the balance due to complete. Cleared funds must be received at least one working day prior to completion to ensure that funds are received by the seller's solicitor on time.

Stage Eight – The 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 complete the purchase of the property.
2. Once the money is received the seller's solicitor will authorise the release of the keys to the buyer either via the estate agents or via the seller direct.
3. THE PURCHASE IS THEN COMPLETE.

How long will the process take?

The average process takes between 4 and 12 weeks. It can be quicker or slower, depending on the parties in the chain. For example, if you are a first-time buyer, purchasing a new build property with a mortgage in principle, it could take between 6 and 12 weeks. However, if you are buying a leasehold property that requires an extension of the lease, this can take significantly longer, between 3 and 5 months. In such a situation additional charges would apply.

Please note the following:

- 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.
- If the transaction fails to proceed to completion then this firm's charges will be such sum as is reasonable having regard to the amount of work done by that stage in the transaction together with VAT and any disbursements incurred. Depending upon the amount of work done this may be a small proportion of the charges estimated or may be almost the full amount. In some unusual and rare occasions if there has been considerable work done outside the scope of work covered by our estimate then our charges could exceed the estimate which has been given.
- Where we hold any money for you in our client account we shall pay interest on that money at the rate our bank would pay interest to us for a deposit in that sum unless the amount of interest payable is less than £20.00.
- 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.

- Please note that it is standard practice to request mortgage funds one working day prior to completion in order to avoid delays on the day of completion and you should therefore note that you will incur one day's additional interest.

On the day of completion:

- It is essential that before completion you let us have a telephone number where you can be contacted 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, PLEASE NOTE that the seller is not obliged to release the keys to you until the purchase monies have been received by the buyer's solicitor.
- Please note that 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 lunchtime.

- Take meter readings and notify the relevant utility companies as soon as you move in.

Matters likely to affect the level of our fees

We feel that it would be to your advantage for us to set out some of the matters which in our experience are extremely likely to increase your costs and some of these are:-

1. Completions on very short notice less than 14 days
2. Dealing with second mortgages or other loans or agreements
3. Dealing with lenders where separate solicitors are acting for the lender
4. Giving undertakings to banks or other third parties
5. Investigating delays in the chain of transactions
6. Agreeing completion dates particularly when dates are frequently being changed
7. Negotiating variations in the purchase price
8. Negotiating access to the property following exchange
9. Dealing with negative equity situations
10. Deeds of Covenant relating to flying freeholds
11. Indemnity policies are required
12. Unregistered titles
13. Consent of Landlords to assign leases for leasehold properties
14. Planning requirements where there are breaches
15. Deeds of Covenant
16. Personal inspection of the property by us
17. Attending clients outside our offices
18. Dealing with defects in the property's title including defective leases
19. Declarations of Trust relating to joint ownership of the property
20. Licences to alter in relation to leasehold properties
21. Deeds of Variation in relation to leasehold properties
22. Powers of Attorney

Should any of the above apply, we will confirm our additional fees with you. The process of buying a property is complicated and carries risk with it.

During the process we will explain to you what we have discovered as we make our searches and enquiries. We will report to you before contracts are exchanged.

It is really important for you to understand that regardless of how thoroughly we do our job there are some risks from which we cannot protect you, either easily or at all. These risks include (but are not limited to) the following:

- Misrepresentation by the seller.
- Boundary disputes. Neighbourly conflicts over property boundaries are not uncommon as title plans do not accurately record boundaries and the width of the boundary outlines on your plan represents half a metre on the ground.
- Breach of planning permission or Building Regulations which may result in enforcement action from the local Council. We will make enquiries that are reliant upon accurate and honest information from the seller.
- Mortgage fraud and identity theft which sadly affects so many home owners each year. You may fall victim to professional mortgage fraud at any time during the ownership of your property.
- We have our own insurance for the (extremely unlikely) event that we make a mistake. It is important to stress that our insurance will not protect you if any of these risks occur which are not our fault.
- You do have the option of purchasing your own insurance to protect you against these risks and such a policy can insure you for a wide range of legal ownership risks. They can provide unlimited legal expenses insurance and relocation/rental cost insurance if you cannot use your home whilst the insurer fixes the problem.
- The insurance can be a relatively inexpensive, single premium 'no fault' policy and there is no policy excess payable in the event of a successful claim. This insurance could be beneficial to you but it is only an option.

This firm does not receive any kind of commission or fee from the insurance company. We are recommending it because your property purchase is usually your largest financial commitment and as such we believe you should be fully informed of all the risks to your ownership and use of your property and the options for reducing or removing the risks.

Please confirm whether you would like us to arrange for an insurance quotation from a provider of such a policy.

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