



# Guide to Residential Property Transactions

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Witts Moloney Solicitors Ltd



This booklet is designed to explain the stages of a normal purchase and give practical and general legal advice on important aspects of the transaction(s) in which you are involved. Please read this carefully and we will refer back to it at appropriate stages of the proceedings.

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# Contents



## **The Conveyancing Process—Sale and Purchase p.3**

**The Contract Pack p.4**

**Searches p.5-7**

**Repairs p.8**

**Fixtures and Fittings p.8**

**Finance and Mortgages p.8**

**Occupiers p.9**

**Ownership p.9**

**Title Indemnity p.9**

**Joint Ownership p.10**

**Deposits p.11**

**Building Insurance p.11**

**Exchange of Contracts p.12**

**Completion p.13**

**After Completion Notes p.14**

**Post Exchange Checklist p.15**

**Right to Buy p.16**

**Remortgages p.16**

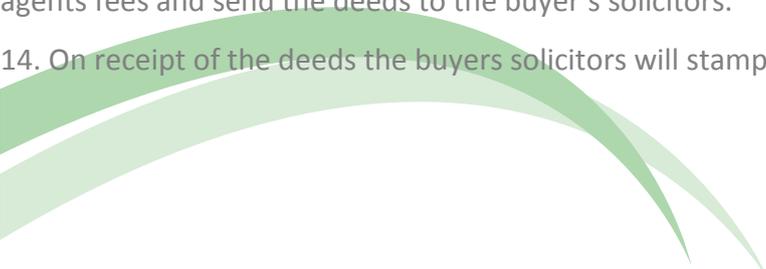
**Transfers of Equity p.17**



# The Conveyancing Process—Sale and Purchase

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The legal formalities usually fall in two parts - those leading up to "exchange of Contracts" and those after exchange up to "completion". The process is set out below:

1. An offer is made and accepted by the seller either through an agent or privately
  2. The parties choose and instruct their own solicitors – please note that it is generally not possible to use the same solicitor as there is a potential conflict of interest and most lenders will not accept this situation
  3. If an Agent is involved they issue a memorandum of sale with details of the transaction to all parties, otherwise each party provides details of the transaction and their solicitor to the other
  4. The seller's solicitors send a contract pack to the buyer's solicitors (see below)
  5. The buyer's solicitors ask questions on the pack and commission searches (see below). Any issues arising must be satisfactorily resolved before exchange of contracts
  6. The buyer must complete their financial arrangements. If arranging a mortgage an acceptable written offer must be issued to them and their lawyers (see notes on mortgages below)
  7. Both parties must sign contracts (see below)
  8. A deposit of 10% of the purchase price is provided by the buyer that is passed to the sellers solicitors on exchange. This must be cleared funds in the buyer's solicitor's account for exchange (see below)
  9. The parties agree a date to complete the transaction (see below) and give their respective solicitors authority to exchange
  10. The solicitors then exchange contracts (see below). The buyer's solicitors confirm to any lender that the title is acceptable and request funds and provide financial statements to the buyer. Any shortfall must be cleared funds in their account the working day before completion and final searches will be carried out to protect the buyer's interest
  11. The seller's solicitors obtain a settlement figure for any mortgage on the property and the agents bill and forward a financial statement to the seller so they are aware of the net amount they will receive on completion
  12. On the day of completion the seller must move out by and give vacant possession by the time prescribed in the contract (see below) and the buyer will be able to collect the keys.
  13. After completion the seller's solicitors will (where applicable repay any mortgages and any estate agents fees and send the deeds to the buyer's solicitors.
  14. On receipt of the deeds the buyers solicitors will stamp and register the buyers title
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# The Contract Pack

This consists of:

⇒A draft contract – this is usually in a standard form and sets out the names of the parties, the details of the property and the price. It incorporates standard conditions which govern the position between the parties between exchange and completion and what will happen if completion does not take place as contracted

⇒A copy of the plan – it is very important that you check that this accords with your knowledge of the layout and extent of the land. Please remember that your lawyer will not have seen the property and cannot verify this for you.

⇒A copy of the title deeds (Official copy of the Register of Title and documents referred to in it). This proves ownership and provides information about any rights or obligations that affect it. You must report to us any rights that you may need for the property or anything that is evident from your inspection that may be relevant (e.g. a shared drive or a right of way)

⇒Property information form (TA6). These are standard questions and answers that the seller must give and provide a comprehensive list of information legally required for all transactions. The seller must give full disclosure of any information that may adversely affect the property and any failure to disclose or misinformation in this form may result either in a claim for damages or a claim to rescind the contract.

⇒Any guarantees, local authority consent or other documents referred to in the TA6. Please note that we will not check the validity of any guarantees and you must check that the Guarantors are still in business, that the guarantee is still in force and any requirements for transferring these into your name.

We cannot comment on the contents of any reports, certificates etc. that relate to the repair or condition of the property or any appliances in it as this is outside our area of expertise and you are advised to take independent specialist advice on these matters

⇒Fixtures and Fittings list (TA10) with what is included and excluded from the sale. Please let us know if you think there is a discrepancy in what has been agreed to be included/excluded

⇒If the property is leasehold (a flat or maisonette) a Leasehold Information Form (TA7) and management information pack will also be provided which gives details about the management and maintenance of the building and/or estate of which the property forms part

Once this is received, we will send you copies for you to go through and any questions further questions we ask. At this stage, you should raise any concerns you have on the paperwork .

## How long will it take?

This is a difficult question as there are a number of matters that could affect the timing of the transaction in particular:

- If there is a chain .i.e. your buyer or seller is also buying or selling etc. In these circumstances everyone in the chain is required to move on the same day and timing will depend on how quickly all of the other members of the chain perform. Please note that we will only be in touch with the lawyers for transactions in which you are directly involved and it may be very difficult to obtain information about timing from the rest of the chain
- There may be legal problems with the paperwork or searches that will need to be resolved either in your transaction or in the transaction of another person in the chain
- There may be a delay or complication in your financial arrangements or others in the chain
- Your survey (or others' in the chain) may reveal defects or repairs that need to be resolved
- It may be difficult to get all parties to agree a moving date

If none of the above complications give undue difficulty the average transaction takes 2 – 3 months.



# Searches



There are a number of searches that can be carried out when you are buying a property. If you are arranging a mortgage, some searches are a compulsory requirement of your Lender. Some searches will depend on location, e.g. Tin or Ball Clay mining searches. We use a search agent to provide our searches. There are other ways of obtaining searches and we do not hold ourselves out as having selected the cheapest on the market but have made an informed decision based on price convenience and reliability.

For the Local Authority and Water searches we always arrange for searches direct from the relevant authority who guarantee the replies. You can elect to commission a personal search that is sometimes cheaper and quicker than the official search. These searches are guaranteed by indemnity insurance but not by the relevant authority. If you wish us to commission a personal search, please let us know. For all other searches, they will mostly be based on generic information and data from a variety of sources and for a geographical area rather than an individual property. This is an unregulated business sector and although we are not aware of any deficiencies in the service of the providers we use we cannot accept responsibility for the information provided. We receive no financial benefit from using any particular agent. There are a large number of informational searches that you may wish to consider. You can see a range on our provider's website <http://www.tmproperty.co.uk/residential-conveyancing>. You may commission your own searches through the internet. Please note that we can only comment on the legal aspect of any search and many of the searches deal with practical and specialist matters that are outside our area of expertise. We will be unable to provide follow up advice and you would need to deal with this yourself either via the search agent or your surveyor or specialist advisor

The main searches that we commission on your behalf are:

## Local searches

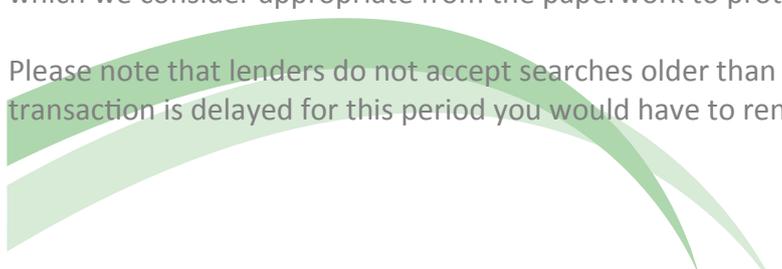
The Local Search which is mandatory for Lenders. Enquiries raised with the Local Authority relate specifically to the property you are buying and will not necessarily reveal development on adjoining land/property. If you require investigations to be carried out as to development on neighbouring property, we can order a specific Planning Search for an additional fee.

If you wish us to commission any additional searches on your behalf, please request this in writing or by email.

The Local Search reveals, among other things, whether the roads are maintained privately or by the Highways Department, whether the Local Authority has any proposals that might affect the property, such as road widening or traffic schemes or compulsory purchase

There are optional enquiries that can be made for an additional fee. This would reveal any public footpath, byway, common land or village green and there may be other questions that you may wish to raise e.g. if you are proposing to develop the land in any way. We will automatically include any optional enquiries which we consider appropriate from the paperwork to protect your interests

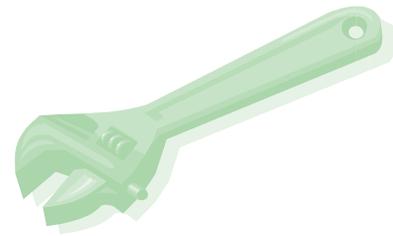
Please note that lenders do not accept searches older than 6 months so in the unlikely event that your transaction is delayed for this period you would have to renew and pay for another search.



# Searches (cont.)

## Drainage

This search will confirm whether the property is connected to mains water and mains sewerage and will include a plan showing the route of the public drains. This is particularly important if you plan to develop or extend the property as there are restrictions on building over or near drains. In this case you should ensure that your own surveyor confirms the position as it is unwise to rely on the search in this regard as the plans they have may not be fully up to date. Where there is no public drainage system close to the property, it is important for you to be in a position to assess the potential cost of future maintenance of the private section of drainage. This search is mandatory for Lenders. Please see the note above in relation to the timing of the search.



## Environmental Search

The Contaminated Land legislation requires all Local Authorities to inspect and identify contaminated sites and to compile a register of contaminated land. If land is identified as contaminated the owners may be required to remedy this. The searches are designed to identify land that may be affected and will also give information about a number of other environmental issues relating to the property or area concerned. This is not a compulsory search but in view of the potential liability you are recommended to have this carried out.

## Flood Risk Search

This is a very current concern for buyers as many more properties which may not have been at risk in the past are at risk of flooding. A property in a flood risk area may be difficult and expensive or impossible to insure. This search is designed to identify if your property is in this category but again is area specific rather than property specific. You are strongly advised in any event to make enquiries about insuring the building before exchange of contract to check this position. This is not a compulsory search.



# Searches (cont.)

## Chancel Repairs



Chancel Repair liability is an ancient interest allowing a Church Council to require owners of former rectorial land to pay for the repair of the Church chancel. The title may show if this is registered but recent legislation has placed Churches under an obligation to register this right. Once a property has been sold after October 2013 and no interest has been registered, the right is unenforceable. Searches can be carried out to check what records the Church has but these are usually inconclusive so we recommend taking out insurance if you wish to cover this risk and the cost is usually £14.95. This is not compulsory.

## Mining Searches

There are a number of these which are usually area specific and designed to reveal workings that might cause subsidence or damage. We are unaware of any such required for the Hertfordshire area but if you are buying in an area that is affected by these issues you may wish to consider this. This is not compulsory but please let us know if you wish us to arrange this.

## Condition of the property

It is your responsibility to ensure that you are satisfied with the condition of the property, all equipment, appliances and services, and have all appropriate inspections, reports and surveys carried out before contracts are exchanged.

If you are arranging a Mortgage, the Lender will carry out a valuation of the property for Mortgage purposes. This is not usually a full survey and we strongly advise you to have your own survey carried out before exchange of Contracts. If anything is found to be wrong with the property after exchange the Buyer will usually have to pay for any necessary repairs, and will not (except in extremely rare cases) be able to make a claim against the Seller.

There are various kinds of survey offering degrees of protection. A "full structural survey" is the most thorough but also the most expensive. Many Buyers will rely on a "House Buyer's Report". The cost of these surveys depends upon the price being paid for the property, but a Surveyor will quote a fee in advance on request.

Central heating systems should be tested by an expert, as it is never safe to assume that a system works. In older properties, it is also wise to obtain specialists' reports on timber, damp and the condition of the electrical installations. In much older properties, you should consider obtaining report from a qualified Roofing Contractor's report on the condition of the roof and supporting timbers. All checks should be carried out before exchange of Contracts.

Please note again that we cannot comment on the contents of any surveys or reports etc. that relate to the repair or condition of the property or any appliances in it as this is outside our area of expertise and you are advised to take independent specialist advice on these matters.

# Repairs/Fixtures & Fittings/Finance/Mortgages

## Repairs



The survey may reveal repairs that are required. In some cases a Lender will insist on repairs as a condition of the Mortgage. You should obtain estimates to ascertain the costs involved. If you wish to renegotiate the price for any repairs, you should contact the Seller or the estate agent. You must tell us if an allowance or price reduction is agreed, so we can amend the Contract. Please remember that where you are arranging a Mortgage, any allowances or price reductions must be reported to your Lender before exchange of Contracts and may affect your borrowing.

## Fixtures and Fittings

It is important that Seller and Buyer know exactly what is included in the sale price and what, if anything, is being bought separately. To avoid any misunderstanding the Seller will normally provide a list detailing those items that are included in or excluded from the sale price. Any negotiations which take place be-

## Finance/Mortgages

If arranging a Mortgage you should tell us when you receive the offer, and confirm that it is acceptable (see notes below). If you do not need a Mortgage, you should confirm the source of your funds to us, and tell us if there are any specific time-scales which will prevent you being able to access the money swiftly, e.g. where you are re-mortgaging an existing property or need to give a notice to draw funds from savings or sale of shares.



If you are borrowing money in addition to a mortgage, you must report this to your Lender and this may affect the borrowing. Where we act for both Lender and Borrower, we are under a duty to pass on to Lenders any information which we receive that might affect your Lenders' decision to lend either about additional borrowing or any other matter relevant to their lending criteria. Because of this by signing our authority to act, we assume that you consent to disclosure of any information we receive to your Lenders. If you are not willing to give your consent, we cannot act for you and your Lender. If you need further explanation, please let us know in writing.

Each Lender has their own lending criteria and conditions of mortgage. You will receive with your offer full details of the terms of the offer and their general conditions. You must read these carefully as they contain continuing obligations which will affect you during the mortgage term. You are of course obliged to repay the loan in the manner set out but there are other obligations particularly relating to your use and occupation of the property. It also sets out the Lender's rights which include the right to take the property and sell it if you default.

# Occupiers/Ownership/Title Indemnity

## Occupiers

If you are arranging a Mortgage, you must tell us if any person other than you will be moving into the property with you. We must confirm details of all occupiers to your Lenders before completion and they may be required to sign a consent to waive any right or interest in the property in favour of the Lender.



## Ownership of boundary walls and fences

As the title is not always clear, it can be difficult to identify ownership of walls or fences surrounding a property, particularly if the position has changed over the years. If there is a plan with the deeds, ownership may be shown by an inward "T". Where the deeds contain no indication of ownership this can sometimes be established by asking the neighbours. You should always check the position before doing anything at all to boundaries or carrying out any building work which may affect them.

## Title Indemnity

In some cases, there is what is termed "a defect in title" which cannot be resolved by the seller. Examples can be the lack a right of way, breaches of covenants affecting the title, lack of planning permission or building regulation consent for alterations. Where the defect is not critical, insurance may be taken out to cover the risk involved. This would usually be paid for by the seller but is a matter of negotiation between the parties.

There are a large number of insurance providers for this type of policy and we select the cover from a limited choice of providers from those we commonly use which we consider to be established and reputable providers who provide a reasonably broad cover at competitive rates. We cannot however guarantee the terms of the policy.

We will provide you with a copy of the policy proposed. You will need to read the draft policy very carefully and note the level and type of cover, and the restrictions on you as the insured. You must you act in accordance with the insurer's requirements so as not to jeopardise the cover. We can provide you with details of alternative providers if you wish to deal with this yourself. We will obtain cover for you equivalent to the current purchase price. This will not necessarily cover any increase in value, and it may therefore be necessary to obtain top up cover from time to time or if you sell

Please note that where the indemnity covers lack of Building Regulation Consent, the cover may only extend to any action taken by the Local Authority to regularise a breach. It will not necessarily cover any defect in the building or building works. Clearly, there is a risk that the work was not done properly and this may cause you problems in the future. You are strongly recommended to seek the advice of a surveyor or other building professional before committing to purchase even if title indemnity is available.

# Joint Ownership



Where two or more people are purchasing property you will need to consider:

- ⇒ What shares you wish to hold the property in
- ⇒ What would happen if one party dies
- ⇒ What would happen if you do not wish to continue live together or own the property together

The law provides two ways for property to be held:

⇒ As Joint Tenants: This means:-

- On the death of one the whole of the property belongs absolutely to the survivor and it will not be necessary to take out a grant of probate etc.
- It is not possible to leave either share of the property in a Will.

It is presumed that the property is owned in equal shares and in the event of a dispute in the future, it would be difficult for one party to argue that it was intended that they owned a larger share

This is the common way of holding properties in the case of married partners. It is possible after purchase to sever the joint tenancy so that the property is held as tenants in common. This, however, should only be done with legal advice.

⇒ As Tenants in Common. This means:

- The shares may be unequal

On the death of one their share can be left by will or will be treated as part of the deceased's estate under the rule of Intestacy.

This is the common way of holding property in the case of a partnership or where the parties finance the purchase in unequal shares

The following should be considered

The possible tax consequences should be considered with your financial advisor

Making wills

Life insurance

In the case of Tenants in common you are strongly advised to consider a Declaration of Trust to record your intentions when entering into the purchase in particular any inequality in the shares. You are advised to raise this issue with us, at an early stage. Our original quote will not include this and we can provide an estimate on request

This does not represent an exhaustive consideration of this subject and you should contact us further to discuss the options. Please consider the above and confirm how you wish to proceed.

# Deposits/Building Insurance

## Deposits and penalties for failure to complete

On exchange of Contracts the buyer pays a deposit of 10% of the purchase price. This must be cleared funds in the solicitor's account. We prefer a bank transfer as cheques take 10 days to clear. If this is not possible please contact us to discuss methods of payment. If you are buying and selling simultaneously your sellers usually accept the deposit offered by your buyer even if it is not 10%. If less than 10% is actually paid on exchange, you will remain liable for the balance of the 10% if you fail to complete your purchase.

If you do not complete on the day fixed for completion (unless it is the fault of the Seller) and notice to complete is served, you may lose any deposit that has been paid. You may also be charged penalty interest at the rate specified in the Contract. Where a deposit of less than 10% of the purchase price has been paid on exchange, you will be required to pay the balance to the Seller and can be sued for this. If you do not complete, you will also be liable to compensate the Seller for any other losses they incur due to the breach of contract. Where there is a chain you may be liable for any losses incurred by all parties in the chain if the failure to complete is your fault.

## Building Insurance

You should make enquiries about building insurance before we exchange and effect cover from exchange as contract provides that the property is at your risk from this date. If you are arranging a Mortgage this will be a requirement of your Lender and your mortgage offer will indicate the type and amount of cover required. You must have cover that complies with their requirements and let us have a copy of the proposed policy prior to exchange so that we can check it and confirm approval to the Lender. Please note that if you have a mortgage we cannot complete without evidence of suitable cover. Please also see notes above relating to flood risk.



# Exchange of Contracts

Both parties will sign a copy of the Contract before exchange takes place and we will ask you to come in to the office to go over the paperwork. We can report to you in writing or by email if you are unable to attend the office. Once the completion date has been agreed and both sides are ready to commit to the contract we will ask for your instructions to exchange contracts. The two solicitors will effect exchange by telephone and post. You will not be required to attend. On exchange, the Contract becomes binding and the sale/purchase and date for completion compulsory.

REMEMBER that if you fail to complete on the agreed date, you may incur the penalties set out above. It is therefore essential that enough time be allowed between exchange of Contracts and completion for money to be collected in (from you and/or your Lenders) and all final documents dealt with. DO NOT AGREE A COMPLETION DATE DIRECT WITH YOUR SELLER OR BUYER without consulting us. A Seller or Buyer may not know of circumstances in the rest of the chain that would affect the completion date.

If you are arranging a Mortgage your Lender will require we give them notice of completion that we can only give once exchange has taken place. They will not guarantee the arrival of the funds unless the appropriate notice is given. Each Lender has their own requirements (usually a week). You should check the Mortgage offer before considering a short completion date as you may risk funds not arriving in time and incurring penalties (see above).

If a completion date is suggested, remember that until exchange this is not binding and it may be altered to suit other parties in the chain. Removals should not be firmly booked, although you may be able to arrange a provisional booking (with no cancellation penalty) with your removal firm. If you make firm removal arrangements before exchange of Contracts we cannot accept responsibility for any cancellation fee you may incur if the completion date is changed.

Please note that the contract provides a latest time for completion on the date that is usually either 1.00 pm or 2.00 pm and completion after that time on the day may carry the penalties (see above).

## After Exchange of Contracts



Once exchange has taken place as buyers solicitors:

- we will certify title to any Lender you have and draw down funds. As many Lenders do not guarantee the arrival of funds before 5.00 pm we will draw down funds for the working day before. This means that you will have to pay interest from that date. If you are completing on a Monday this will be from the Friday before. We will take it that you agree to this unless we hear from you to the contrary.
  - if we have not already done so we will provide you with a financial statement and request any funds necessary to complete the matter to include all fees etc. We must have cleared funds in our account and we will request these by bank transfer. If you are unable or do not wish to do this you will need to give us a cheque at least 10 days in advance to ensure clearance
  - we will carry out Land Registry searches to ensure that no other matters have been registered with them and to protect your position
- if you have a Mortgage we will need to carry out a search to ensure that you are not Bankrupt. If this is a problem you must let us know before exchange.

# Completion

On the day fixed for completion the balance of the purchase price is paid over to the Seller's solicitors in exchange for the legal title and the keys. A time is always specified by the contract by which this should take place usually between 1 and 2 pm. It is not necessary for you to be present at legal completion.

The money will be sent through the bank system to the Seller's solicitors' bank account, and they will confirm to the agents that the keys can be handed to you. Where there is a chain of transactions, money needs to go through various accounts, and it can take some time for transfer of funds through the chain to be completed, so it is unwise to arrange removals too early in the day.

The seller is obliged to give vacant possession once the money has been paid so that they must remove all of their furniture and effects and all rubbish (to include any garages, lofts sheds etc.). to completely clear the property. We are unable to monitor whether or not this is the case and disputes can arise where the seller has not fully cleared the property. They are legally obliged to do so but enforcing this after completion is sometimes problematic and costly so you are advised to check on the morning of completion either with the agents or by inspection that the property is clear. Unfortunately there is no particular requirement that it is cleaned.

## Keys

Unless special arrangements are made direct between you and the Seller the keys are usually handed over by the estate agents on the completion day. Please check the arrangements to be made for collection of the keys with the Seller or estate agents before completion. If you are not able to make suitable arrangements, you should let us know as soon as possible.



## After Completion

After completion we will deal the stamp duty procedure and will register your ownership and any Mortgage with the Land Registry.

Where there is a balance payable to you this will be paid on the day of completion where possible. Our policy is not to send cheques in the post of more than £2,000. For payments of more than this our form of authority will have requested bank details for any funds to be sent to you and our fee for this is £42 inclusive of VAT. You can alternatively arrange personal collection at our offices

# After Completion Notes

## Title Documents

Deeds are not required to prove title and your ownership is evidence by registration of your title at the Land Registry. When registration is completed we will send you and your Lender copies of the new register. Any other documents will be sent to you. These documents may well include guarantees with supporting documents, planning and building regulation consents and leases, if the property is leasehold and may be necessary when you sell your property. Lost documents frequently cause delays and replacement of them invariably causes additional cost. You should also ensure that these and additional guarantees you obtain, planning documents or consents are kept safe. By doing this, you will ensure that the eventual sale of your property runs smoothly, and you will avoid unnecessary expense. Where we receive a large bundle of old deeds from the Seller's solicitors, you will be given the choice of collecting these, paying £25 + VAT for their postage or consenting to their destruction. We reserve the right to send these to you and recover postage fees if you fail to elect or collect within 2 months.

## Stamp Duty Land Tax

A tax return and payment for Stamp Duty Land Tax ("SDLT") must be made by the Buyer to the Inland Revenue on a Transfer of property where the value exceeds £40,000 or where there is a new lease (even if no duty is payable) within thirty days of completion. Revenue may charge penalties for late payment. We prepare the return for your signature, and will lodge it on your behalf following completion. It is however your responsibility to ensure that the form is correct and signed and returned to us in good time to comply with the deadline for lodging the form. Details of the tax and rates can be found at <https://www.gov.uk/stamp-duty-land-tax>.

## Fraud

Regrettably there have recently been instances of fraud where criminals have held themselves out as conveyancing lawyers. It is therefore essential that we make absolutely sure when dealing with lawyers who are not known to us that we check that they are authentic, particularly where we are sending them your money. We have a substantial database of authenticated lawyers and their banking details. However, if we are dealing with an unknown solicitor we will make an internet check and there is a small additional fee which we will add to your fees.

## Wills

You are strongly advised to make a will to ensure that your property and assets pass where you wish them to after your death. If you have not made a Will, the strict rules of inheritance will decide who benefits from your estate, and this may result in your estate going to people you would not wish to inherit or in the wrong proportions. Making a Will is very straightforward and inexpensive and every house owner should make one. Indeed, once you have completed moving house, this is also a good time to review your old Will and make sure it still reflects your wishes and takes into account your increased assets. We will be pleased to discuss this of further and to provide you with an estimate of our fees on request.

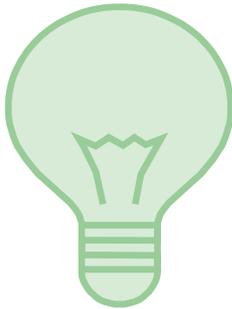
# Post Exchange Checklist

## BOOK:

- ⇒ Removers and make arrangements for packing
- ⇒ Hire van or lorry to move yourself
- ⇒ Qualified gas fitter to connect gas appliances
- ⇒ Qualified electrician to remove electrical fittings



## Services



Contact the relevant authorities in the area you are moving to and arrange for the account at your new house to be transferred to your name for:

- ⇒ Gas
- ⇒ Electricity
- ⇒ Telephone and broadband
- ⇒ Council Tax
- ⇒ Water rates
- ⇒ TV Licensing

## If you are living in rented accommodation:

Tell the Landlord when you are moving out, and arrange to settle all bills. Remember that your lease or tenancy agreement may require you to give notice a specific length of time before leaving. Failure to give the correct notice may mean either moving out before you can move into your new home or having to pay rent for a period after you have left.



## Let them know your new address:

Banks  
Building Societies  
Credit Cards  
Insurance Company (car, life insurance, health insurance)  
Driving licence and car registration documents  
The Post Office Royal Mail - ask for your mail to be re-directed

AA/RAC  
The Inland Revenue  
Doctor, Hospital  
Dentist  
Friends and relative

# Right to Buy/Remortgages

## Right to Buy

If you are buying under this scheme the process is different. Once you have received the Notice of Purchase Price and Right to Acquire form you will need to ascertain whether or not you agree the terms offered. We cannot assist with the valuation as this is outside our area of expertise and you are advised to take independent advice from a surveyor or valuer to ensure that this is the correct price and terms.

You will be asked by the relevant company or authority to nominate a solicitor and will need to notify them of our contact details. They will forward us a copy of the title document to us. We will check the title, raise enquiries and carry out searches and you will need to make your financial arrangements (see Procedure above paragraphs 5 & 6).

Once we have completed our enquiries and searches and you have your mortgage offer (if applicable) we will invite you to come into the office to go over the paperwork and sign the documentation to enable the matter to proceed. We will require at least a week to arrange completion and you will need to pay the rent to the date agreed. A form will be provided for you to present to the Council to receipt. Most Local Authorities require a completion on the rent day (usually a Monday).

Once completion has taken place we will arrange to stamp and register your title.

## Remortgages

For a remortgage the Lender will instruct us to check your title to the property. This will entail checking the title and searches (see Procedure above paragraph 5). Some Lenders are prepared to accept search indemnity insurance rather than commission the searches. This is cheaper than the actual searches (usually £20-£50 depending on the value of the property) and will speed the process up.

Once we are able to certify title we will invite you to come in to sign the paperwork and arrange a completion of the new mortgage. Your Lender will require at least 7 days notice to send the funds. Once the date has been agreed we will obtain a repayment statement from any existing Lender and send you a financial statement to include our fees to notify you of the net amount you will be receiving. Any surplus will be sent to you on the day of completion to the account you notify to us. We will then proceed to register the new mortgage.



# Transfers of Equity

If you wish to change ownership of a property rather than sell it on the open market e.g. a transfer between family members or on divorce or separation the procedure is again different. If the property does not have and will not have a mortgage we will obtain a copy of your title and draw up the appropriate documentation. We must ensure that all parties are either represented by a solicitor or understand and agree with the transfer. For this we will need to ID all parties and if the transferring party is not separately represented meet them, if possible.

If transferring into the names of two or more persons the section below on Joint Ownership will apply.

Please note that all transfers of property are potentially subject to stamp duty. The Inland Revenue will treat as taxable and money actually paid and the assumption of a debt by the person receiving the property

e.g. A & B transfer Property to A. A pays B £100,000 and assumes one half of the joint mortgage of £200,000. Stamp duty will be payable on £100,000 + £100,000 i.e. £200,000. Transfers on or in contemplation of divorce or below the taxable threshold (see Stamp Duty below) are exempt with certain other transactions.

If there is an existing mortgage to be transferred you will need the Lender's consent to the transfer and they will check that the remaining owner is suitable to take on the mortgage. They will issue a consent to the transfer and instruct us to act on their behalf also. Some Lenders however require that you take out a new mortgage and require us to carry out a title check and searches (see remortgages above). You will need to check with your Lender which way they intend to deal with this as the fees and costs will be different.

If you are remortgaging then the Remortgage procedure above will apply.

