

Shepherd & Co

**GUIDE TO
BUYING & SELLING
YOUR HOME**

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**This information is for guidance only and there may be variations in your transaction.
If you have any concerns please speak with the person responsible for your matter.**

Typical Stages when Buying

WHAT SP LAW WILL DO	WHAT YOU NEED TO DO	WHAT YOUR LENDER (IF ANY) WILL DO
<p>We will send you:</p> <ul style="list-style-type: none"> ❖ our initial letter setting out your instructions. ❖ our Terms of Business. ❖ a Summary of Instructions Form for you to complete. 	<p>You must return/provide:</p> <ul style="list-style-type: none"> ❖ completed Summary of Instructions Form. ❖ payment on account as detailed in our initial letter. ❖ evidence of your identity, address and source of funds. 	<p>If you have not done so already, contact your mortgage lender or mortgage broker to discuss the arrangements for the financing of the purchase of your new home.</p>
<p>Contact the seller's conveyancer to request:</p> <ul style="list-style-type: none"> ❖ Contract of Sale. ❖ Deeds of the Property. ❖ Seller's Information Forms. 	<p>Consider whether you wish to have a survey of the property and consider making arrangements for the testing of services e.g. boiler, electrics etc. (see FAQs)</p>	<p>Carry out a valuation of the property for their lending purposes.</p>
<p>Carry out appropriate searches as required by you and your mortgage lender.</p> <p>Check the search results and report to you on our findings.</p>	<p>Consider Buildings Insurance. (See FAQs)</p> <p>Raise any concerns with the relevant authority in relation to any planning matters affecting the property or area that are of concern to you.</p>	<p>Check that you are eligible for the mortgage.</p>
<p>Receive mortgage instructions from your chosen mortgage lender (subject to panel approval).</p>	<p>Ensure that all the necessary papers are signed and returned to your chosen mortgage lender</p>	<p>Send you the mortgage offer and instruct us to check:</p> <ul style="list-style-type: none"> ❖ legal title to the property. ❖ conveyancing searches. ❖ their specific instructions to us.
<p>Raise with the sellers conveyancer any questions, concerns or issues arising from the documentation detailed above.</p>	<p>Contact removal companies for estimates for costs. Remember not to make any firm bookings until the moving date is known or preferably once exchange of contracts has taken place.</p>	<p>The mortgage lender will require us to report any matters of concern to them in accordance with their instructions for their approval.</p>
<p>Prepare reports to you on the documents received and enquires raised. Together with the documents that will require your signature.</p>	<p>Read all reports that we send to you, raise any concerns with us and return signed documentation.</p>	
<p>We will send you a draft completion statement setting out the financial aspects of the transaction. It will detail the estimated amount which we require from you to complete.</p>	<p>Provide us with sufficient evidence of the source of your funds if you have not already done so.</p> <p>Pay your deposit (or the estimated balance to complete) in readiness for exchange of contracts.</p>	
<p>Subject to receiving your signed documents and you agreeing a completion date, to prepare file for exchange.</p>	<p>Provide us with your buildings insurance policy (if not already done so) and agree a completion date with the seller.</p>	
<p>EXCHANGE CONTRACTS AND PAY DEPOSIT TO SELLER'S CONVEYANCER</p>	<p>PUT BUILDINGS INSURANCE COVER ON RISK (SEE FAQs)</p>	
<p>Conduct final pre-completion searches.</p>	<p>Confirm removal company booking.</p>	
<p>Request mortgage funds from your mortgage lender.</p>	<p>Book any utilities connections and agree arrangements for handover of keys with the estate agents.</p>	<p>Receive a request for mortgage funds from us detailing the date of completion.</p>
<p>Receive mortgage funds and balance from you at least one day before completion.</p>	<p>Provide balance of money to complete to us at least one day before completion.</p>	<p>Mortgage funds paid out to us (usually prior to the day of completion to ensure no unnecessary delays on the day, but not all lenders permit this).</p>
<p>PAY PURCHASE MONIES TO SELLER'S CONVEYANCER</p>	<p>COLLECT KEYS AND MOVE IN TO YOUR NEW HOME</p>	
<p>Receive deeds and documents from seller's conveyancer. Pay any stamp duty land tax</p>		
<p>Register your ownership of the property with Land Registry (and freeholder if leasehold).</p>	<p>Receive a copy of your new deed.</p>	
<p>Arrange the closure of your file</p>		

Typical Stages when Selling

WHAT SP LAW WILL DO	WHAT YOU NEED TO DO	WHAT YOUR LENDER (IF ANY) WILL DO
<p>We will send you:</p> <ul style="list-style-type: none"> ❖ our initial letter setting out your instructions. ❖ our Terms of Business. ❖ a Summary of Instructions Form for you to complete. ❖ various forms to complete relating to the property. 	<p>You must return/provide:</p> <ul style="list-style-type: none"> ❖ completed Summary of Instructions Form. ❖ payment on account as detailed in our initial letter. ❖ evidence of your identity and address. ❖ completed Property Information and Fittings and Contents Forms with enclosures where required (e.g. planning permissions etc). 	
<p>Obtain title deeds from Land Registry. If your property is leasehold we will request an information pack from the freeholder or managing agent.</p> <p>Write to your existing lender to request a mortgage redemption statement and release of any deeds that they hold.</p>	<p>Provide us with payment in order to request the information pack if your sale is of a leasehold property.</p>	
<p>Issue a contract package to your buyer's conveyancer.</p>	.	<p>Prepare a mortgage redemption statement and send this to us together with any deeds they hold.</p>
<p>We will send the contract to you for signature together with any further documentation that we require from you.</p> <p>Inform you of enquiries (if any) received from buyer's conveyancers and forward your replies.</p>	<p>Return signed contract to us together with reply to the buyer's conveyancers enquiries (if any).</p>	
<p>Check redemption figures on your existing mortgage (if applicable) and send you a draft completion statement setting out the financial side of the transaction.</p>	<p>Allow buyer's surveyor access.</p> <p>Investigate removal companies.</p>	
<p>Confirm completion date.</p>	<p>Agree a completion date with the buyer.</p>	
EXCHANGE CONTRACTS AND RECEIVE BUYER'S DEPOSIT	CONTRACTS EXCHANGED	
<p>Request final settlement figures from your mortgage lender.</p>	<p>Book the removal company.</p>	<p>Provide final mortgage redemption statement</p>
<p>Approve transfer deed (legal change of ownership document) and send to you for signature (if not already done so).</p> <p>If leasehold agree any rent and service charge apportionments.</p>	<p>Ensure signed transfer deed is returned prior to completion.</p> <p>Clear the property of your belongings and anything stored there.</p> <p>Notify the Council, banks, DVLA etc of your new address following completion.</p>	
RECEIVE SALE MONIES FROM BUYER'S CONVEYANCER	MOVE OUT OF PROPERTY & HAND OVER KEYS	
<p>Pay outstanding mortgage.</p> <p>Pay Estate Agent and others.</p> <p>Provide you with the net proceeds of the sale.</p>	<p>Stop future direct debits to the mortgage lender.</p> <p>NB: If you have stopped your monthly mortgage payments too soon, you will be required to pay any additional sums that the mortgage lender requests before they release their charge.</p>	<p>Release their charge secured on the property, provided all sums due to them have been repaid.</p>
<p>Pass deeds to your buyer's conveyancer.</p>		
<p>Arrange the closure of your file.</p>		

Frequently Asked Questions (FAQs)

How long will it all take for to get the keys?

Typically, transactions can take between 12 to 16 weeks, but can be quicker. Timescales depend on the number of people in your chain, their conveyancers and mortgage finance. You should not make any financial commitments or arrangements until contracts have been exchanged and a definite completion date agreed.

Do I need a survey? What is the difference between a survey and valuation?

We would recommend that you do have a survey in order to properly investigate the condition of the property. .

A survey is not the same as a valuation. A surveyor will value the property for the benefit of the lender. The valuation will not cover the condition of the property in detail.

It may be possible, for an extra fee, to arrange for the lender's surveyor to also prepare a survey report for you. Please speak with your lender to find out if the lender is able to arrange this. Otherwise, instruct your own surveyor to carry out a survey for you. You should also consider getting the electrics, boiler, central heating etc inspected to make sure that these are all in order.

Is a deposit necessary?

When contracts are exchanged, a deposit is paid to the seller's conveyancer. The standard conditions of sale state that the deposit should be 10% of the purchase price, however, a lesser amount may be accepted generally with a provision that the buyer will still be liable for 10% if they breach the sale contract. Please inform us if you have agreed a lesser deposit. Where your purchase is dependent on a sale, we will endeavour to use your buyer's deposit on your related purchase.

If the buyer fails to complete the purchase on time, the seller can keep the deposit as part-compensation and pursue the balance of the 10%.

What does 'exchange' & 'completion' mean?

Exchange and completion are two key stages in the conveyancing process.

At the start of the conveyancing process, two identical contracts are prepared. One contract will be signed by the seller and the other contract will be signed by the buyer. When both sides are ready to commit to sell and buy, the two signed contracts are dated and 'exchanged' between the conveyancers. This usually takes place during a telephone conversation. At this point the contract becomes legally binding and there is no turning back without significant penalty on the defaulting party.

A date for 'completion' is inserted on the contract. This is the date when the keys and deeds are handed over in return for the purchase money and the buyer can move in.

What does local authority search tell me?

A local authority search reveals important information about a property, such as planning permissions and building regulation consents, proposals for road schemes, environmental and pollution notices and whether any part of the property is registered as common land or as a town or village green. A local authority search only reveals matters that affect the property being searched against. It will not disclose matters that affect neighbouring properties and if you have concerns in this respect, you should contact the Local Authority Planning Officer for advice.

Do I need a written mortgage offer?

Before you legally commit to buying the property (by exchanging contracts) you should have confirmation that your lender will provide the funds you require to complete the purchase of the property. There are usually conditions in the mortgage offer that need to be satisfied before your lender releases funds. Importantly, you need to be happy with what your lender is offering you and have the opportunity to take advice prior to committing to buying the property and taking the mortgage. We would recommend that you do not exchange contracts until all your mortgage lender's requirements are satisfied.

What do I do about building insurance?

A buyer should insure the property from exchange of contracts. Leasehold flats are different as the insurance is usually arranged by the landlord. You should be able to arrange buildings insurance through your mortgage adviser or your lender. Please obtain quotes for insurance early in the process to understand the cost and availability of cover, particularly in areas with a potential flood risk. You should make sure that the insurance meets any specific requirements of your lender.

Can I transfer an existing secured loan to my new property?

All secured loans outstanding on a property (e.g. a business overdraft facility, legal aid charge or personal loan) must be paid off unless the lender concerned agrees to secure the loan on your new property. This may take some time for the lender to organise, and if you want to do this you should contact the lender for consent as quickly as possible. When the lender gives their approval, they should be asked to send written confirmation to us.

When are the estate agents paid?

If you are selling, the Estate Agents will send their invoice to us after exchange of contracts and we will settle the amount on completion from your proceeds of the sale. Prior to completion we will require you to provide sufficient funds to settle all fees and expenses (e.g. your Stamp Duty Land Tax liability).

Why does completion have to take place on a working day?

Purchase monies are transferred between conveyancing lawyers by same day telegraphic bank transfers. Legal firms are generally only open on weekdays and require banks to be open to arrange the telegraphic transfers of money. Therefore, completion cannot take place at the weekend or on a Bank Holiday.

How do I sort out the keys?

Unless special arrangements are made, the keys are handed over on the completion day in exchange for the purchase monies (the seller having previously handed them to the Estate Agent). It frequently happens that this is not convenient and the seller will hand them direct to the buyer.

It is important that you find out and agree the arrangements for the keys.

If you still have questions...

Please email the person dealing with your matter directly and they will do their best to help to get you the answers that you need. Alternatively, please email legal@shepherdandco.com or call the office on 01327 350185 and ask to speak to the person dealing with your matter.