

Conveyancing What Happens Next

1. Initial stages

- Once you have instructed a solicitor and told them that you wish to use their services you should then receive a Letter of Engagement or confirmation of Terms of Business. You should sign and return this as soon as possible together with your identification so that they can commence work. Funds will also be requested to cover the cost of search fees which, depending upon the area in which you are purchasing, will usually be around £200-£300.
- At this stage if you are buying the property jointly, you should also let your solicitor know how you wish to hold the property. Many people buy houses in joint names and, as such, need to be aware of an important decision to be made in relation to joint ownership. There are two ways in which you can jointly own a property:
 - Joint Tenants – this is where both parties have an equal interest in the property and if one of you dies, the survivor automatically owns the property.
 - Tenants in Common – this is where you each hold a specific share of the property and can leave that share by Will in the event of your death.
- You will need to inform the Estate Agent which solicitor you intend to use so that they can send a “Memorandum of Sale” and “Property Particulars” to all parties.
- Your solicitor will then write to the seller’s solicitor to confirm that they are instructed and to request the draft contract. This should arrive with a pack that includes information on the title to the property and standard forms and questionnaires completed by the sellers. If the property is leasehold a copy of the Lease will also be included.
- You will also need to let your solicitor know if you have a related sale and instruct them in connection with that if required.

2. Pre-Contract Stage

- Once the draft contract pack has been received, your solicitor will examine the contract, the title deeds and the forms completed by the seller, and if necessary raise any enquiries with the buyer’s solicitor.
- Your solicitor will also then put in hand the searches which can take 2/3 weeks to receive depending upon the Local Authority and their current workload.
- If the property you are buying is leasehold, your solicitor will send a standard Managing Agents Questionnaire to the seller’s solicitors which will in turn be sent to the relevant Landlord/Managing Agents/Residents Association for completion and return.
- If you are taking out a mortgage, your solicitor will receive a copy of the offer and go through the conditions. Your solicitor will normally undertake legal work on behalf of your lender as well.
- Once all searches have been received and answers to all enquiries have been answered satisfactorily, you will be invited by your solicitor to sign the contract papers including your mortgage deed. You will also be asked to transfer your solicitor the deposit monies for exchange of contracts which is usually 10% of the purchase price (unless the deposit being used is that coming up from your sale).

3. Exchange of contracts

- Before exchange of contracts your lender will require you to have your buildings insurance in place.
- All parties involved need to agree on a completion date.
- Once contracts are exchanged between the respective solicitors (usually over the telephone) you are legally bound to buy and the seller bound to sell the property. Should either party pull out, the other will be entitled to claim compensation for breach of contract.
- At the point contracts are exchanged, your solicitor will send your deposit monies to the seller's solicitor. This acts as security for the seller in the event that you change your mind or for some reason are unable to pay the balance on completion. If this does happen the seller will be entitled to keep your deposit monies and may take you to court if the deposit is not enough compensation for breaching the contract. In the same way, if the seller' breaches the contract and refuses to complete for whatever reason, you could apply to the court for an order to force the seller to complete or else get your deposit back and sue the seller for compensation. It is therefore very rare that a sale does not complete once contracts have been exchanged.

4. Between Exchange and Completion

- Your solicitor will draw up the Transfer Deed so that the property can be registered in your name after completion. Your solicitor will also carry out some final searches on behalf of your lender at the Land Registry.
- During this period you should, if you have not done so already, receive a final statement from your solicitor showing all expenses and giving you a final figure which you will need to make sure is cleared in their bank account before the day of completion. If you are buying with the assistance of a mortgage, your solicitor will order the mortgage monies in time for completion however in most cases a minimum of 5 working days' notice is required for this by most lenders.

5. Completion (Moving Day)

- Completion takes place when the seller' solicitor confirms that they have received the balance of the money that is due. Once this has happened the keys should be released to you either direct by the seller's, or via the Estate Agents.

6. Post Completion

- Your solicitor will then pay any Stamp Duty Land Tax due, and upon receipt of the title deeds and documents and Transfer signed by the seller', register your ownership with the Land Registry.
- Once the registration has been received back from the Land Registry, if you purchased with the assistance of a mortgage, your solicitor will send a copy of the registered title to your lender as evidence that their charge has been registered, which will remain until such time as you pay off the loan.

What next

Contact the team at Try Financial on:

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Or

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