



Buying & Selling Residential Property: a guide

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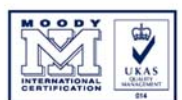
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ISO 9001:2000 LawNet Quality Standard

Buying

What are the first steps?

When thinking about buying a property you should firstly ensure that you can afford it. Obtain quotes/estimates for mortgage installments; life cover premiums and solicitors charges and disbursements.

Establish how much you can borrow by way of mortgage and make sure that you have a deposit which will be required just prior to exchange of contracts.

If the property is leasehold, find out what the rental and service/maintenance charge payments are.

You should then

Instruct a solicitor. Legal advice can be given from the outset and your solicitor should give you a clear idea as to the likely costs involved; the possible timescale and the conveyancing process generally.

Shop around for a mortgage which will suit you. All building societies, banks and mortgage brokers must give you detailed information and everything must be clearly explained to you.

Arrange to have the property surveyed. This should be done even if you are not getting a mortgage. There are several types of survey which you can have carried out – the more detailed the survey, the more expensive it is.

Then what?

Once your solicitor has received the contract documents from the seller's solicitors, (s)he will make various searches and enquiries on your behalf before approving them in order to protect your interests as well as those of your mortgage lender.

As soon as your mortgage offer is issued; your solicitor has the results of all searches and enquiries, you should make an appointment with your solicitor to go through the papers, sign the contract and discuss anything of which you are unsure.

Go equipped to pay the deposit and produce some means of identification to your solicitor – (s)he will need to check this to satisfy legal requirements and the conditions of your mortgage.

Your solicitor should be in a position to exchange contracts once a completion date has been agreed by everyone involved in the chain.

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After Exchange of Contracts

Your solicitors need to carry out some final searches in time for completion. They will also request the mortgage monies from your Lender and the balance to complete from you.

You should ensure that your life policy and buildings insurance policy (if you are arranging this yourself) are both placed on risk immediately. You should arrange removals and advise the gas, electricity, water and telephone companies of the completion date. You must also register for Council Tax.

And finally

The day of completion arrives. This is the date you are entitled to move into your new home but only once the monies have been transferred to your seller's solicitor's account.

You should ensure that contents insurance has been arranged for the day of completion.

After Completion

Your solicitor will register the property in your name and, if you have a mortgage, will forward the title deeds to your lender who will keep them as security. If you do not have a mortgage, then the title deeds can either be sent to you or retained at your solicitors office.



Selling

What do I do first?

Once you've decided to sell your property there are several steps to take in order to start the ball rolling.

Ask an Estate Agent to carry out a valuation of your home. Even if you are selling privately, you should have the property valued so that you sell at a realistic price.

Please be aware that a Home Information Pack is required for every home that is placed on the market from 4th December 2007. The Home Information Pack must be commissioned by the person or organisation marketing the property before marketing commences.

If you require our assistance in either obtaining a quotation for a HIP or arranging a HIP on your behalf through our approved HIP provider, we will be very pleased to help you.

Appoint an Estate Agent on a 'sole agency' basis or instruct several firms to market the property for you on a 'multiple agency'.

Instruct a solicitor. Your solicitor will need to apply for your title deeds and will request some general information from you regarding the property. Supply the details (s)he needs promptly so that the contract papers can be drafted for sending to your buyer's solicitors.

Your buyer's solicitors may raise various enquiries regarding the property which your own solicitor will refer to you. Deal with the questions as quickly and fully as possible.

Then what?

Advise your solicitor on what date you would like to move. This must be agreed with your buyers and their solicitors must have received replies to all their enquiries; the results of the searches and a copy of a satisfactory mortgage offer before they will be in a position to proceed to exchange of contracts.

Provided there is nothing outstanding, your solicitor should then be ready to exchange contracts. Remember, if you are also buying a property, everyone in the chain must be ready to exchange at the same time.

You now have a completion date which is the date on which you must vacate the property.

Is there anything else I must do?

Advise the gas, telephone, electricity and water companies of the date on which you are moving and arrange for final meter readings. Also remember to tell the Council Tax Department of the local Council and arrange to cancel any direct debits/standing orders and other regular payments in relation to the property. It may also be handy to re-direct your post.

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On the day of completion

Move out of the property ensuring that you leave behind all the items are supposed be included in the sale. Leave the property in a clean and tidy state and ensure that all rubbish is removed. Arrange to leave the keys with the estate agent or pass them to your buyers direct but only once all of the monies have been received by your solicitor.

Why use Gepp & Sons?

An Assurance of Quality

Working to the exacting standards of the ISO 9001 : 2000 LawNet Quality Standard, the Domestic Conveyancing Unit at Gepp & Sons aim to provide the definitive 'Quality Service'. We offer advice and service of the highest calibre, from experienced, approachable and knowledgeable staff. You receive practical help and speedy results.



Computer Technology

Property transactions are inevitably stressful.

We are committed to a 'Client Friendly' legal service and we have invested in new computer technology so that you have ready access to up-to-date information on your sale and/or purchase. Transactions are dealt with efficiently and we are quietly confident that we can cut down the time and stress normally associated with the conveyancing process.

Cost

Our friendly staff will be more than happy to provide you with a full written estimate of charges and disbursements. Gepp & Sons recognize that you will need to budget for legal fees in the same way as other costs and having all the information in front of you well in advance of the matter commencing should help you considerably.

Costs and disbursements are required approximately four days before completion.

Guidance Notes on Conveyancing Transactions

Apart from paying legal fees and Value Added Tax, there are other payments that must be made during the sale, purchase or re-mortgage of a property. These are known as 'disbursements' and you will see which ones apply to your transaction from the Estimate provided.

The following list is designed as a guide to help you understand why disbursements have to be paid. The majority are payments made to the Government.

Sales and Re-mortgages

If the property is registered at the Land Registry, we need to obtain Office Copy Entries of your title from the District Registry. These cost between £8.00 and £24.00 depending on what is required.

If alterations have been carried out to your property within the last ten years, we may need to provide your buyer's solicitors or your new Lender with a copy of the planning permissions/building regulations consents. If there are none held with your title deeds and you no longer hold copies at home, then the Local Authority can issue copies for a charge. The charges vary from Council to Council but we will always ask your permission before obtaining them.

Most Lenders charge a 'Deeds Production Fee' when the title deeds are sent to solicitors. If the matter does not proceed to completion, the deeds must be returned to the building society or bank. The charge is either payable at that time or it is added to your mortgage account.

If you use the services of an Estate Agent when selling your property, we can discharge the commission account on your behalf on completion provided there are sufficient funds available. We will always send a copy of the account to you for approval before it is paid.

If you are selling a leasehold property – rent, maintenance charges and insurance premiums must be paid up to the date of completion. If these have not already been paid in advance, a proportion will be required on completion. A note of these charges will be provided as part of the Completion Statement sent to you after exchange of contracts.

Purchases and Re-mortgages

A Local Authority search is required so that you and your Lender become aware of matters affecting the property. These might include planning proposals, previous alterations that may have been carried out, future road proposals, highway maintenance and enforcement action for breach of planning control.

The search fees vary depending on the Local Authority involved. It appears that, the nearer to Central London the property is, the higher the search fee is. They are normally between £100 and £200.

Stamp Duty is payable to the Inland Revenue on both freehold and leasehold property valued at over £120,000. It is currently:-

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- 1% of the value of the property between £175,000 to £250,000;
- 3% of the value of the property between £250,001 and £500,000;
- 4% of the value of the property over £500,000.

It is also payable on the rent when the property is Leasehold and a new Lease is being granted. We will be happy to provide you with a note of the duty payable once we are in receipt of the documentation from your seller's solicitors.

Once the purchase or the re-mortgage has been completed, the transaction must be registered at HM Land Registry. The Land Registry fee payable is based on the purchase price of the property, any annual ground rent (if the property is leasehold and a new lease is being granted) or on

- (a) the value of the new mortgage if you are re-mortgaging a property registered at HM Land Registry, or
- (b) the current market value of the property if it is not registered at HM Land Registry. The fee scales are subject to change but the current fees are shown below to give you an idea of the charges involved.

Land Registration Fees as at 6th July 2009
(extracts from Land Registration Fees Order 2009)

Scale 1 - For a Purchase including a new mortgage or for a new mortgage (unregistered land)

| Value or Amount £ | Fee Payable £ |
|---------------------|---------------|
| 0 – 50,000 | 50 |
| 50,001 – 80,000 | 80 |
| 80,001 – 100,000 | 130 |
| 100,001 – 200,000 | 200 |
| 200,001 – 500,000 | 280 |
| 500,001 – 1,000,000 | 550 |
| 1,000,001 and over | 920 |

Scale 2 - For a New Mortgage only (registered land)

| Value or Amount £ | Fee Payable £ |
|---------------------|---------------|
| 0 – 100,000 | 50 |
| 100,001 – 200,000 | 70 |
| 200,001 – 500,000 | 90 |
| 500,001 – 1,000,000 | 130 |
| 1,000,001 and over | 260 |

As in the sale of a leasehold property, rent, maintenance charges and insurance premiums maybe payable from the day of completion up to the date they next become due. You will also have to pay Landlord's Registration fees under the terms of the Lease. This notice is required so that the Landlord knows to whom future rent and maintenance charge demands and any Notices should be sent. The charges vary but are normally around £50.

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General Charges Lenders Solicitors Fees

Gepp & Sons is on the solicitors' panel for the majority of building societies, banks and other lenders. Therefore, you will not need to have two separate firms acting for you and your lender which would significantly increase your costs.

Bank Transfer Fee

If you are buying, a charge of £30 plus VAT will be made for transferring all the completion monies to your seller's solicitors on the day of completion.

If you are selling or re-mortgaging and have a mortgage with a lender who requires the redemption monies to be remitted on the same day as completion, a Bank Transfer Fee may be payable.

Bankruptcy and Land Registry Searches and Enquiries

A Bankruptcy Search is necessary if you are obtaining a mortgage to ensure that you are not Bankrupt before entering into a mortgage. The charge is currently £2.00 per name. We may need to carry out two of these searches if the first one expires prior to completion. A Land Registry search is carried out between exchange of contracts and completion and ensures that the title deeds have not changed since the contract documentation was received. The current charge for this search is £6 per title. If the property is unregistered, an Index Map Search will be required. There is no fee for this search.



Gepp & Sons Solicitors

Disbursements

In addition to our fees, your total costs may include payment to third parties (such as experts, barristers, the Land Registry etc). We will normally require you to place us in funds before we incur any disbursements on your behalf. Please respond quickly to our requests so that we can deal with the matter promptly. Where disbursements are relatively small we may exercise our discretion and make the payment without your specific instructions. If you prefer we will not make any such payments without reference to you although this may cause delay.

Payments on account

It is our standard practice to request payments to be held by us on account of our fees and disbursements and we may make the receipt of such payment a condition of accepting instructions.



Money laundering

This firm operates an Anti-money laundering policy. We require that whenever our clients provide us with funds in excess of £500, that these funds take the form of a cheque, banker's draft or telegraphic transfer from a UK clearing bank.

In addition, we are required to ascertain the identity of the source of funds for any transaction and you may, therefore, be asked questions relating to this. Further you will be required to prove your identity by means of driving licence or passport and a recent utility bill. These are measures that the Government has stipulated should be used to assist in the battle against money laundering in this country.

Under the Proceeds of Crime Act 2002 we may be obliged, without reference to you, to make a disclosure to the National Criminal Intelligence Service (see www.ncis.co.uk) unless it is information received so that advice may be given about it or unless it comprises the advice itself (privileged information). We therefore reserve the right to give such NCIS notices we deem appropriate without notice to or discussion with you.

We expressly exclude liability for loss or damage as a result of compliance with the Money Laundering legislation and regulations.

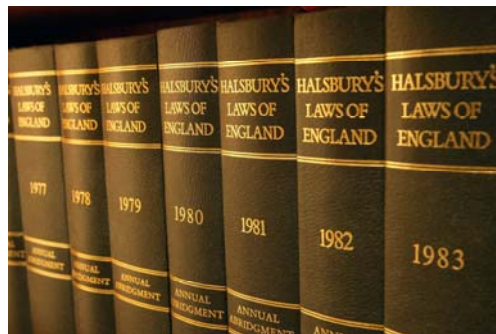
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Clearance of funds

Where payments are to be made to third parties on your behalf, five working days must be allowed for clearance of any cheques deposited with us for the purposes of making such payments. We would recommend that telegraphic transfers are used wherever possible.

Standards of service

If you are unhappy with any aspect of our work you should firstly discuss the matter with the person responsible for the day to day conduct of the case. If you are not satisfied thereafter you should contact Roger Brice, the Partner with particular responsibility for client care.



Useful and interesting web sites for home movers

www.homecheck.co.uk

This is a good site for purchasers to visit. It provides a free environment report against the postcode of the property. It must be stressed that this is not a full environment search but it will provide basic information such as to whether a property is in a flood risk area or on contaminated land etc.

www.streetmap.co.uk

Lost or just unsure where the property is? This site will give you quite an accurate indication of location based on postcode, place name or even STD phone code.

www.environment-agency.gov.uk

Flooding, contaminated land or other environment issues can be sourced through this site.

www.naea.co.uk

National Association of Estate Agents site giving updates and useful information to those in the industry.

www.rics.org.uk

Royal Institute of Chartered Surveyors. Again providing list of surveying firms and updates relating to both the residential and commercial markets.

www.lawsoc.org.uk

The Law Society site giving legal updates and providing detailed information and links to all solicitor firms in England and Wales.

www.cml.org.uk

The Council for Mortgage Lenders. Definitive directors to the CML hand book part 1 & 2 giving such details as to whether a specific lender is prepared to accept personal searches.

www.inlandrevenue.gov.uk

Downloadable documents in pdf format and helpful leaflets on such topics as Stamp Duty, etc.

www.landreg.gov.uk

HR Land Registry providing a wide range of interesting information including property prices on line for each quarter of the year based on the first 5 digits of any postcode.

www.landregisteronline.gov.uk

This is an excellent site to find out if either your property, or the property you wish to purchase, is registered. With a credit card, you are able to request Office Copy Entries which includes a plan showing the extent of the title. There are over 19 million registered records.

www.neighbourhoodwatch.net

Crime prevention for your new home and neighbourhood

www.arla.co.uk

Should you be looking to purchase a 'Buy to Let' property or move into rented accommodation, this site will show if the letting agent is part of a recognised regulatory body.

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www.ncis.co.uk

This site covers aspects of criminal activities such as money laundering regulations etc which play a very important part of the buying and selling of property. The importance of 'Knowing your Client' and having copies of client's identification.

www.odpm.gov.uk

The Office of The Deputy Prime Minister covering new legislation, for example the latest moves for The Sellers Pack

www.housingcorp.gov.uk

Covering the funding and regulations relating to all aspects of housing grants.

www.tradingstandards.gov.uk www.offt.gov.uk www.voa.gov.uk

Three sites giving information regarding Property Misdescription Act, The Estate Agents Act 1979 and The Valuation Office where Tax Bands can be checked.

www.imagesofengland.org.uk

This site provides detailed information from the National Monuments Records regarding the Listing of commercial and residential properties. You can check via a property address whether a property is Listed or not (some even have photos).

www.essexcc.gov.uk

Essex County Council's web site with good links through to the education department where school lists can be downloaded. All county councils have similar sites.

www.chelmsfordbc.gov.uk

Local authority site where recent planning applications and decision notices can be viewed. Most local councils have similar sites.

www.ofstead.gov.uk

The Government's official site for performance targets and results for schools

www.royalmail.com

Provides information on mail redirection to your new address.

www.british-history.ac.uk

Used in conjunction with Images of England web site, this is a useful tool for researching the history of the property you are buying or selling.

www.bt.com

Information on changing or taking a telephone number with you when you move.

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Financial

Moving checklist

- Accountant
- Bank
- Council Tax
- Insurance
- Credit Cards
- Employers
- Building Society
- Pension

Health

- Doctor
- Dentist
- Vet
- Hospital
- Medical insurance
- Opticians

Domestic

- TV licence
- Cable/Satellite
- Electricity
- Gas
- Water
- Oil
- Telephone
- Car insurance
- Home insurance
- Subscriptions
- Milk deliveries
- Newspaper deliveries
- Driving licence
- Landlord

Education

- School
- College
- University
- Nursery/Playgroup

Social

- Friends
- Family
- Clubs (e.g. golf/gym)

A modern approach to law for over 200 years

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