

Conveyancing Terms explained

Completion Date

This is the date when the purchase becomes final and the Purchase Price is paid by the buyer's solicitor and received by the seller's solicitor. The seller must move out of the property on this date. The keys are released to the buyer and they may move into the property.

Contract

The legal document that confirms the sale/purchase of the property. This is prepared in a draft form by the seller's solicitor and sent to the buyer's solicitor. Once all queries are answered it is then approved and the seller and the buyer each sign their own copy.

Deposit

The buyers pay this on exchange of contracts and it is usually 10% of the purchase price. If deposit is paid by personal cheque, your solicitor will require this 5 working days before exchange as can only exchange with cleared funds, another option is to arrange a banker's draft.

Exchange of Contracts

The buyer's solicitor and the seller's solicitor "Exchange Contracts" on the telephone. If there is a chain the solicitors for everybody in the whole chain "exchanges contracts" at the same time using a Law Society formula. Once contracts are exchanged the sale/purchase is legally binding

Contract Documents

This comprises of a property information form, fixtures and fittings form, contents form, copy of title deeds and the draft contract.

Local Authority Search

This is a search made by the solicitor on behalf of the buyer or in the case of a re mortgage on behalf of the Lender. The search covers Local Authority issues relating to the property. The search will either be sent to the Local Authority to answer and return to the solicitor or the solicitor may use a Personal Search Agency or an Online Search Provider to collect the information from the Local Authority.

Property Information Form/ Fixtures and Fittings and Contents Form

This is a standard form that is completed by the seller giving details about the property. The form is legally binding on the seller.

Preliminary or Pre Contract Enquiries

This is a set of questions that is sent to the seller's solicitor by the buyer's solicitor relating to the property. Typically these questions will consist of enquiries relating to boundaries, easements, persons living at the property etc.



Guide to Conveyancing



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The Process

When it comes to buying and selling your own home, ignorance is NOT bliss. It can be a stressful time, and not knowing what happens next only adds to the worry. To help with this we always make a point of keeping you informed throughout the transaction. This guide should help some more by giving you an overview of the main steps in a sale and purchase.

Conveyancing is the legal name given to the transfer of a property from one person to another. The property can be freehold or leasehold. Most houses are freehold and most flats are leasehold. In the UK conveyancing is usually dealt with by either a conveyancing solicitor or a licensed conveyancer.

The solicitor/conveyancer acting on behalf of the buyer must ensure that he or she obtains a “good title” to the land - i.e., that the person selling the property has the right to sell it and there is nothing that would prevent the buyer from obtaining a mortgage or re-selling the property at any time in the future. Under English and Welsh law an agreement for the sale of land is not legally binding until “exchange” of contracts. This is the point where the transaction becomes legally binding. Before this both parties have the advantage of being able to withdraw from the transaction but also the disadvantage of wasted time and expense in the event that an exchange of contracts does not eventually take place.

The normal practice is for the buyer to negotiate and agree a price with the seller. The buyer usually then arranges a survey and the buyer’s solicitor subsequently carries out searches and **pre-contract enquiries**. The seller's solicitor also collects from the seller the information necessary to prepare a **property information form** which he or she then sends to the buyer's solicitors. It usually takes approximately 10-12 weeks to complete a conveyancing transaction but this can be affected by many factors such as personal, social and financial.

When **contracts** are **exchanged** the buyer and seller legally commit themselves to going ahead with the purchase on the agreed terms. This is the most important stage in the home buying process and at this time the buyer will also normally pay a **deposit** of up to 10% of the purchase price.

Completion is the date when the buyer’s solicitor hands over the balance of the purchase price and the buyer takes ownership of the property. At this time the buyer’s solicitor will also send to the Inland Revenue any stamp duty payable in respect of the purchase. Legally completion is effected by way of a transfer deed which passes ownership of the property from the seller to the buyer. After completion the signed and dated transfer deed is sent to the Land Registry which then changes its records to show the new buyer as the owner of the property.

