Price & Son Solicitors

Key stages and timescales in the procedure involved in purchasing a property

1. Initial Instructions and Searches

After receiving your instructions to act on your behalf, we will immediately write to the solicitors acting on behalf of the seller and request the contract package. This consists of the draft contract, completed property information forms and copies of the relevant title deeds or registered title for the property. Once we have received this package we will be in a position to put in hand the necessary searches and enquiries on your behalf. Accordingly, we will have asked you to provide us with a sum on account of the search fees we incur.
The time taken for us to receive the results of the searches varies from time to time and area to area but is generally around four weeks from submission

2. Mortgage

If you have not done so already, you should let us have the details of your proposed lender as soon as you can together with confirmation that you have applied for your mortgage. You should also provide your lender with our details. After receiving your application, the lender will process it and will forward a mortgage offer both to you and to us. You will of course need to have your mortgage offer in place before proceeding to exchange of contracts. A mortgage offer usually takes around four weeks to be sent to us but again this is variable

3. Contract

When we have received satisfactory results to our searches and enquiries we will report to you on them and proceed to exchange of contracts. We will either ask you to come in to the office to sign your part of the contract or we will forward it to you by post. When you come in, or return the contract to us, we will also require a deposit from you ideally by bank transfer to our client account.

4. Deposit

The deposit amounts to 10% of the purchase price. If you are not able to provide these funds (for example if your lender is providing 95% of the purchase price) please speak to us as soon as possible to enable us to ascertain whether or not the seller is prepared to accept a reduced deposit. If, through your own default, you do not complete the transaction after contracts have been exchanged, the seller can forfeit the deposit and you could also be liable for additional damages.

If you are selling a property at the same time as purchasing, it may be possible to utilise the deposit from your sale as all or part payment of the deposit on your purchase.

5. Survey

The seller is not generally liable to you if it turns out that the property is structurally defective. It is therefore very important that you satisfy yourself that the property is sound. If you are purchasing with the assistance of a mortgage, your lender will arrange a valuation but please note that this is a basic valuation and is normally only for the benefit of the lender. It will not afford you any protection. You should therefore consider commissioning at the very least a Homebuyers Report and valuation or a full structural survey of the property prior to exchange.

6. How long will it take to exchange?

The answer to this depends mainly on the circumstances. Even when the search results have been received and enquires have been dealt with, you may still have to wait because, for example, your seller is in a chain and has to tie in his own purchase with his sale or because we have not received a mortgage offer for you. If there is no chain and your mortgage offer is received quickly, you could be looking to exchange within three to four weeks of us receiving the contract package. Obviously the time scale could be considerably longer than this if there is a chain or there is a delay with your mortgage offer.

7. Exchange of contracts

Up until exchange of contracts neither you, nor the seller, are bound to proceed with the transaction. Once contracts are exchanged both you and the seller are legally bound. Once we are in a position to proceed to an exchange of contracts we will advise you and will ask you to sign your part of the contract. The seller will himself sign his part of the contract and the solicitors will then formally exchange both parts.

At exchange of contracts we will need to know from you the agreed completion date which is the date when the balance of purchase monies is handed over to the seller's solicitor and we, in turn, receive the title deeds. At the completion date the seller will of course, have to vacate the property and pass the keys to you.

8. Property Insurance

The fire risk and other associated perils pass from the seller to the buyer on completion and not exchange of contracts. However, we do recommend that you ensure that cover is effected from the date of exchange of contracts as this can avoid difficulties in dealing with an insurance company whose indemnity is to the seller and not to you and also provides you with certainty that the property is insured.

9. Between exchange and completion

Prior to completion we will have been in correspondence with your lender and submitted our report to them together with the request for funds. Lenders usually require at least a week's notice that we require funds. If there is a balance of money due from you then we will send you a completion statement outlining the amount required prior to completion. This statement will include the amount of Stamp Duty Land Tax due and our costs. This balance will, of course, need to be received by us in sufficient time to enable personal cheques for example to clear.

Between exchange and completion we carry out further searches relating to the property. Additionally, if you are purchasing with the assistance of a mortgage, we are required to carry out a bankruptcy search on behalf of your lender. It is therefore vital that you advise us at the outset of the transaction if, at any time, bankruptcy proceedings have been instituted against you, even if they have been settled. This is because bankruptcy entries can remain on the register at the Land Charges Registry and these will need to be cleared before your lender will release funds to complete the purchase. The lender can also withdraw their offer in such circumstances and that would of result in your inability to complete the transaction and, of course forfeiture of the deposit.

We will also prepare the transfer deed for the property prior to completion and, if applicable, we will ask you to sign that in readiness together with the mortgage documentation.

10. Stamp Duty Land Tax/Land Transaction Tax

Within 30 days of the completion date a Stamp Duty Land Transaction Return (in England) or Land Transaction Tax Return (in Wales) must be submitted even when no duty is actually payable. If the return is not submitted within that timescale then a penalty of £100.00 becomes payable provided it is submitted within 3 months and £200.00 thereafter. We will complete the necessary form for you (unless you wish to do so). To assist us with completion of the form please let us have your National Insurance number and date of birth as soon as you can.

After submission the Inland Revenue provide us with a certificate which is needed in order to register the property.

11. Registration

After we receive the certificate we will proceed to register you as the new owner of the property at H M Land Registry and pay their fee. In due course the Land Registry will provide what is known as a 'Title Information Document'. This document equates to the old title deeds to a property. It proves your ownership and, in the normal course of events, your title is guaranteed by the state.

Some lenders require the Title Information Document to be sent to them after registration but in any event we will forward a copy to you.

12. Overall Timescale

This can vary considerably but in a straightforward case could be between 12-16 weeks.

We hope that this guide has answered many of the questions you may have relating to the procedure involved in buying a property. However please do not hesitate to contact the person dealing with your transaction if you have any queries.