



As part of our series of YVA Guides, we detail below a précis of the house buying process taking you along the five steps to your haven ...

Step One

- This is the most time consuming stage. Your solicitor contacts the seller's solicitor. Once the sellers have accepted your offer, you exchange solicitors' details with them. The Estate Agent usually deals with this and sends each party a memorandum of Sale. Your solicitor will then contact the seller's solicitor and receive the draft contract.
- Your solicitor receives and negotiates the draft contract. The draft contract contains details of prices, the two parties, other information about the transaction such as deposits, and information from the seller's title deeds.
- Your solicitor makes pre-contract enquiries.
- Your solicitor should send you a property information form or a copy of the draft contract for you to check. A property information form may be included if the solicitors are operating what is known as the Law Society's TransAction Protocol. This is a Law Society scheme which is used by many solicitors in the conveyancing process. If your solicitor is operating this scheme, the seller's solicitor provides a package at the beginning of the process which includes:
 - the draft contract.
 - Official Copies evidencing the Seller's title.
 - a property information form, giving key property information.
 - fixtures, fittings and contents form, telling you what fixtures, fittings and other items are included in the price and which will be removed. You should agree with the seller what is to be included, and make sure everything that should be included IS in fact included.
 - Your solicitor will check the draft contract and negotiate it with the seller's solicitor. Help your Solicitor by giving them as much information as possible it is a good idea to check through the draft contract yourself in case anything has been missed out, such as any agreements you had made with the seller.
- Your solicitor applies to local council for local searches, checks the title, contract and papers, and raises enquiries with the seller's solicitor. It is the solicitor's job to make all the necessary enquiries to ensure that there is no reason why you might want to change your mind about buying the property. For example, it is vital to guarantee that the seller really owns and has the right to sell it.

The main standard searches are:

Local Authority Searches

Enquiries are sent to the local authority such as whether there are any plans for a major road to be built nearby, or whether there are any problems with the property which you would need to rectify. Your solicitor should also get checks done on nearby buildings or empty land - do they have planning permission for more buildings or development?

Other Searches

A set of standard questions is also sent to the water authority, and an environmental search. There are other searches depending on the area in which you live. Chancel Repair Searches will no longer be required from 2013.

Enquiries To The Seller's Solicitor

Your solicitor will send a set of enquiries to the seller's solicitor which will include:

- **Disputes:** whether there are any disputes relating to the property, such as disputes with neighbours.
- **Boundaries:** what exactly are the boundaries of the property and who has responsibility for the maintenance of hedges and fences. Arguments over boundaries sometimes even escalate to court cases between neighbours, so it is important to establish this now.
- **Planning constraints and permissions:** whether any additions or alterations that have been made to the property have met local planning requirements and that building regulation consent was received.
- **Rights of way:** checking that there is no right of way or footpath through the property, and on shared rights of access with a neighbour such as a garden or driveway.
- **Restrictive covenants:** whether the deeds specify that certain things are forbidden, for example keeping pets, or specifying that the house cannot be painted a different colour from other houses on the street.
- **Guarantees or insurance policies:** for example whether the property is covered by the NHBC guarantee or the damp and timber treatment guarantee.
- **Services:** whether the property's utilities (gas, water, electricity) reach it via a neighbour's property or are shared with a neighbour.
- **List of contents included in the sale:** you must make sure that you have reached a clear understanding with the seller about what is and what is not to be included and listed it clearly.
- If you are buying leasehold flat, they will ask who the managing agent is, who the freeholder is and whether the seller is up to date with ground rent and services charges.
- You may want to consider asking your own additional enquiries via your solicitor, these might include questions such as whether the property has been burgled, additional questions about the neighbours or more information about any known building works.

Your solicitor will then check through the draft contract and send anything that needs changing to the seller's solicitor.

- The contract is negotiated and agreed. A completion date is targeted.
- There is often a fair bit of correspondence between the two solicitors so finalising the draft contract can take some time. Make sure your solicitor knows about any agreements you have made with the seller.
- You get a formal mortgage offer (if you are getting a mortgage) on this property, not just an agreement in principle. Your solicitor will arrange for you to sign a mortgage deed.

The formal mortgage offer for this particular property which you obtain at this stage is distinct from an agreement in principle (which you should have obtained earlier). At this stage you also need to have received the results of your survey if you are having one done, and accepted these results. If you are not satisfied with the results of the survey, you need to address any problems at this stage, not after the exchange of contracts when you are legally bound to buying the house. Make sure that the two parties have agreed all the terms of the contract and that any disagreements or any matters that are unclear have been resolved.

Step Two

- Exchange of contracts: You hand over a deposit (usually 10% of the purchase price) to your Solicitor which is non-refundable if you withdraw from the sale.

Once you and your solicitor are satisfied that all is in order, you sign a copy of the contract and your seller does the same. The two Solicitors agree an exchange of contracts over the telephone. Once contracts have been exchanged both parties are legally bound to follow through with the transaction. You can no longer change your mind - if you pull out it is likely that you will lose your deposit, and you could be sued for breach of contract and if the market falls and the Seller sells for less than the price. You also now have no need to worry about gazumping.

Step Three

- Your solicitor draws up a transfer document and sends it to the seller's solicitor.
- This document transfers the title of the property from the seller to the buyer. Once both parties have agreed on the draft, it is signed by the Seller and sometimes by the Buyer.
- Your solicitor arranges finalisation and signing of your mortgage documents.
- Your solicitor will also deal with the finalisation and signing of documentation relating to your mortgage, and will arrange for the money to be available on completion of the sale.
- Your solicitor carries out final searches and enquiries.
- Land Registry checks are carried out by your solicitor, to make sure that nothing is registered against the seller (or at the Land Charges Registry if the property is not registered). Problems such as undisclosed mortgages or disputes could be uncovered at this stage.
- Your Solicitor will supply you with a financial statement detailing what monies need to be paid including Stamp Duty Land Tax, Land Registry fees, Legal fees and disbursements.
- You also need to be arranging all the practical matters related to moving house.

Step Four

- Your Solicitor sends the monies needed to complete the purchase, being the balance due to the Seller's Solicitor. They confirm receipt and release keys and your purchase is formally completed. You receive the keys and the seller is obliged to move out usually by 2pm and you move in. You should ensure that all meters are read and the readings phoned in to the Utility provider.

Step Five

- While you are happily decorating, your Solicitor deals with the SDLT declaration and payment of Stamp Duty to HMRC and will then Register your interest and that of any mortgage company at the Land registry having obtained the Transfer and supporting papers from the Seller's Solicitors as well as ensuring that any mortgages granted over the property by the Seller have been discharged and arrangements made for them to be removed from the title.

Since October 2003, the Land Registry process became paperless and there are no "Deeds" as such, but you will be sent a copy of the Entries made at the Land Registry showing you as the Proprietor and details of the Mortgage you have granted to your lender. These are known as Office Copies. Most Lenders no longer keep documents such as original leases and your Solicitor may keep these for you or send them to you, but Office Copies of such documents are as valid as the original.

Please contact YVA's conveyancing team for further information or assistance ...