

THE CONTENTS OF THIS INFORMATION SHEET ARE IMPORTANT – IT HAS BEEN DESIGNED TO HELP ANSWER QUESTIONS AND FOR YOU TO PROVIDE INFORMATION WE REQUIRE - PLEASE READ IT AS SOON AS POSSIBLE AS IT MAY SAVE DIFFICULTIES LATER

THE TRANSACTION IN RESPECT OF YOUR SALE

In order that we can proceed with your sale/purchase/or sale and purchase we give the following information and also, we should be grateful for your assistance in respect of the following:

TITLE DEEDS

- 1 If you have these at home, please let us have these. Also, if your property is mortgaged to a bank or building society, please let us know the name and address of the lender and your mortgage account number.
- 2 We enclose some questionnaires for completion and return which will enable us to anticipate the buyer's solicitor's pre-contract enquiries. We will be pleased to help and discuss any of the answers to the questions with you, but you should note that the answers you give will form part of the contract with the buyer and accordingly should be frank and accurate. Also please let us have any guarantees or reports or any other documents/information you feel should be disclosed to the buyer.

REDEMPTION OF YOUR MORTGAGE(S)

- 1 Some mortgages will be the subject of early repayment penalties. It is imperative that you check with your mortgagee at the beginning of your sale transaction whether you will have to make any such payments as this could increase your redemption figure considerably. It is also possible that even if you transfer your mortgage to the same Society, a penalty could still be payable dependant upon the specific product that you elect to use on the new mortgage.
- 2 If you have any Second Mortgages or Charges on the property including any overdraft facilities, which will have to be repaid on completion of the sale, please let us have full details.

LEASEHOLD PROPERTIES

If the property is leasehold, we shall require the following:

- (a) the last three years service charge accounts, if appropriate together with receipts for the service charge.
- (b) a ground rent receipt for the last rent paid.

- (c) a copy of the insurance schedule which should be supplied to you by the Landlord.

If any further payments become due during this transaction for any of the above it is important that you make the payments and obtain receipts which you should send on to us and please obtain receipts for any payments already made if you do not already hold them.

THE TRANSACTION

A broad outline of the work involved in the sale is:

- a) Supplying information to your buyers and agreeing the terms of the contract for sale.
- b) When everyone is ready and the moving date is agreed, contracts are then exchanged, and the agreed completion date is inserted into the contract. At this stage you are legally committed to sell and move on the completion date (the moving day).
- c) On the day of completion, you should endeavour to vacate by lunchtime at the latest. If you think you may have any difficulties in meeting this deadline, you must discuss this with us before exchange of contracts. Please do not forget to leave all the keys with the estate agents (if there is one).
- d) If you have a mortgage this will be redeemed from the proceeds of sale. Although we will obtain an up-to-date figure for redemption of your mortgage (if you have one) it would help if you would let us know immediately if you have sufficient funds from the sale to redeem the whole of the borrowings on the property (including any second or additional charges or overdraft facilities which will have to be paid on completion of sale) and please let us know immediately if you will not.

THE TRANSACTION IN RESPECT OF YOUR PURCHASE

A broad outline of the work involved:

- 1 (a) To apply to the local authority to carry out the local search against the property. The fees for the search varies depending on the area in which the property is situate and would you therefore please let us have a cheque for £700 to be held on account for the necessary searches to be made.
- (b) Obtaining a draft contract and information from your sellers.
- (c) Checking the sellers have good title and if the property is leasehold, checking and reporting to you on the terms of the lease.
- (d) Agreeing the terms of the contract for the purchase.

(e) When everybody is ready and the moving date is agreed by you with the sellers, exchanging contracts on your sale and purchase if you are having a linked transaction. At this stage you are legally committed to sell and buy on the agreed completion date and because of the irrevocable nature of this commitment you will appreciate that all other matters must have been satisfactorily resolved by that time, i.e. building society requirements including life and buildings insurance cover etc.

(f) Making the pre-completion arrangements and checks.

(g) If you are obtaining a mortgage to request the money from the lender and the balance (if any) that we require from you.

(h) On the day of completion (the moving day) paying for the new property and sending any surplus to you (if applicable) as soon as practicable thereafter.

(i) The completion date is a date agreed between all parties involved in the chain and must be a working day during the week. It is normally a minimum of about a week after exchange of contracts but can be longer by agreement with the other parties involved. On the day of completion itself, you must move out of your existing property and will of course be entitled to move into the new property. It is impossible at this stage to be precise as to the actual time of completion on the day, but as a rough guide you must be able to move out of your existing property by 1.00 pm in order that your buyers may move in. If you foresee any difficulty with this, it is essential that you let us know before exchange of contracts.

(j) If you have a mortgage and if we are instructed by the lender, to act for you and them in ensuring both your interests are fully protected.

(k) Submitting the Stamp Duty Land Tax return to the Inland Revenue and paying any stamp duty due in respect of the transaction and then registering your ownership at the Land Registry which may take some weeks, but this will not affect your ownership of the property.

(l) We will then receive the deeds to the property and provide copies of the up to date title showing you registered as proprietor of the property and any mortgage to which the property is subject to you and if applicable your lender.

2 **SURVEY**

The property you will be buying will be sold in its present condition. In the absence of any fundamental misrepresentation from the seller, you will have no recourse should any problems be discovered with the property after you exchange contracts. For this reason, we strongly recommend that you have a private survey carried out by a qualified chartered surveyor. Any survey carried out by your bank or building society (if you are obtaining a mortgage) is more of a valuation than a

survey and it is only designed to protect the lender's interest generally leaving you with no remedy against the lender or valuer should any problems be overlooked. It may be that the lender's surveyor could carry out a private survey for you at the same time as carrying out the lender's valuation and in some cases this may be cheaper. You do, however, must clear this in advance with your proposed lender.

3 MORTGAGE OFFER

If you are obtaining a mortgage a written offer will be required from your lender before we can exchange contracts. Please also let us know if you propose to obtain a top up mortgage (i.e. a Second Charge). We will leave you to make the necessary application to your lender and when the mortgage offer arrives you should check it carefully to ensure that the lender is prepared to lend you the amount you have applied for and on terms acceptable to you. You should also check that the terms and conditions of the offer do not contain any onerous provisions.

4 LIFE INSURANCE

Please let us know if your mortgage is to be linked with any form of life insurance or other policy, for example a pension plan. If so, it will be your responsibility to make the necessary application for such policy and to ensure that the cover can be commenced on exchange of contracts. This is of the utmost importance because if this is not done, the lender may not release the mortgage advance to us on completion. Before we can exchange contracts, we need to receive from the insurance company in question a letter of acceptance confirming the policy details and confirming that they are prepared to issue a policy on terms acceptable to you and the lender. Please arrange to let us have the original or a copy of such letter as soon as you receive it. Also please remember that most insurance companies insist that the policy be commenced within certain time limits after issuing the letter of acceptance. If you do not do this, then a fresh application and possibly medical reports etc. may be required so please check the terms and conditions of the letter of acceptance very carefully.

5 PROPERTY INSURANCE

On exchange of contracts, it is the buyer's responsibility to insure the new property from that date. However, leaseholds may be covered by the landlord's insurance, and you should discuss this with us before exchange of contracts. It may be that your lender will be able to do this automatically or if not, you may be making your own arrangements. In the latter case please remember that your lender will want to check the terms and conditions of the insurance policy that you are arranging yourself and you should therefore ensure that you have all the policy details available to submit to the lender for its approval. This must be done in good time prior to exchange of contracts.

6 CONTENTS INSURANCE

As a general reminder please remember to make arrangements to insure the contents of your new

property.

7 DEPOSIT

On exchange of contracts the contract provides for a non-returnable deposit of 10% of the purchase price to be paid to the seller's solicitor. This deposit has to be found from your own resources and if this is likely to cause any problems, please let us know as soon as possible. If you are selling a property it may be possible to utilise the deposit paid by your buyer against the property you are purchasing. It may also be possible to arrange for a smaller deposit of say 5% to be paid on exchange but this will have to be agreed with the seller. If none of these options are possible then we should discuss the alternative arrangements at the earliest opportunity.

8 LOCAL AUTHORITY SEARCH

We must stress here that the search results will only provide information about the property itself and not about the neighbouring or surrounding properties or the area generally or indeed matters which are not yet definite proposals and are in the "pipeline". For example, no information will be provided about neighbours planning to build extensions to their property. The only exception here is road widening or construction proposals within a radius of 200 metres from the property. If you do require further information about these matters which are not covered in the search, then we will be pleased to discuss with you ways of obtaining additional information. It may well be appropriate for you to visit the local authority and to speak with them directly. The planning, highways and environmental health departments would be pleased to assist if you have any points of concern. We can always write to them directly if you make us aware of any points of concern to you. Please also note the search will not disclose any information regarding contaminated land.

You will appreciate that it is very important that we draw your attention to the inherent limitations of the local authority search procedures as some people believe information is revealed by the searches which, in fact, is not.

9 JOINT OWNERSHIP

If you are buying the property in joint names, then there are two alternative types of ownership for you to choose between:

- (a) Joint Tenants - This is a technical term for the system of joint ownership which means that on the death of one of the joint owners the survivor automatically inherits the other persons share regardless of what is set out in that persons Will or the laws of intestacy. This has the advantage of simplicity but this automatic transmission of the property on one person's death may not be appropriate in every case. Generally, in the absence of any evidence to the contrary, it is likely to be assumed that each such joint owner would have an equal share in the property.

- (b) Tenants in Common - In this instance each joint owner owns separate and distinct shares in the property, and these do not pass automatically to the survivor on the death of the joint owner. The deceased person's share in the property will pass in accordance with that person's Will or the laws of intestacy if there is no Will. It may be assumed in the absence of any contrary intention or evidence that these are in equal shares. However, where one person has made a greater contribution than the other, it is essential that each joint owner makes provision for the transfer of his or her share following their death by making a Will. It is also advisable to record these separate legal shares in the property in a document known as a Declaration of Trust and we would be happy to discuss this with you as we would in the making of a Will, in more detail. Both the Will and the Declaration of Trust would be charged separately over and above our fees in connection with the conveyancing and we would be pleased to give you estimates on request.

Please let us know if there will be anyone living at the property after completion who is aged 17 or over and who will not be a legal owner of it.

10 **GUARANTEES**

If the property has the benefit of any guarantees which will continue after your purchase, it will be your responsibility to contact the appropriate company to arrange the transfer of the benefit to you which should be dealt with as soon as possible after completion as many companies will not agree to this after about a month. Transfer of guarantees are not a legal matter and are outside the scope of our retainer.

We hope the above information will be of assistance during your transaction, but obviously if there are any further points on which you require clarification, please let us know.

NICHOLS MARCY DAWSON
Solicitors