

Conveyancing – What's it all about?

If you've never moved before (or even if you have) all this talk of *local search*, *contract*, *exchange* and *completion* may be rather baffling. Of course, some people might like to keep it that way so they can justify their fees but we believe it makes life easier for everyone if you know what we're doing. So, if you want to know what it's all about read on.

Overleaf we have tabulated the steps taken in a routine conveyancing transaction. Of course, every case is slightly different but the basic principles will apply to nearly all cases. The steps are broadly in chronological order with those which have to occur at the same time blocked in bold. It is impossible to avoid jargon so some 'technical' terms are explained first in the glossary.

Glossary

Additional Enquiries	Questions the buyer's solicitors ask when they have reviewed the seller's preliminary papers. Besides dealing with technical matters about ownership of the property and its history, they also address more practical matters such as services and Council Tax
Completion	In practical terms, the day everyone moves. In legal terms the day ownership of the property is transferred from the seller to the buyer.
Contract	Unlike everyday agreements, arrangements to buy or sell land are only binding if they are in writing. The contract, prepared by the seller, sets out the terms on which the property is to be sold. The full terms of the contract are lengthy so as to cater for all eventualities. Most technical terms are universally accepted by solicitors but the contract will also fix key matters such as the price and the completion date.
Exchange	Strictly, an agreement about land must be signed by both parties. The exception is where identical copies of the contract are signed by each party and then physically exchanged. Solicitors work to a specified code to agree by telephone 'exchange' has taken place and then actually exchange the contracts by post. It is important to remember nothing is binding until exchange has been agreed between solicitors even though you will have signed the contract before that happens.
Fixtures, Fittings & Contents	To avoid any misunderstanding, sellers must confirm exactly what is or is not included in the sale price. The amazing antics of people in the past (or excess cynicism from lawyers) means the normal list a seller must complete suggests they might like to take the central heating system or the loft insulation!
Land Registry & registered	Since 1925, the process of proving ownership of land has been simplified through the gradual implementation of state guaranteed ownership which is administered by the Land Registry. Once a property has been registered (by proof of ownership being produced) the Land Registry certifies ownership and it is no longer necessary to go through bundles of old deeds. Instead, ownership is established by reference to Land Registry records copies of which are issued to enable proof to be held by owners and lenders.
Local Search	A set of enquiries sent to the local council covering matters such as liability for road charges and road construction plans as well as other matters which could affect the value of the property.
Office Copy Entries	Official copies of the Land Registry records which are the only legal proof of ownership of registered property. To sell land, a seller must produce these to the buyer's solicitors.
Property Information Form	A series of questions about the property being sold intended to supply the buyer with considerable information about the property. The version you will complete if you are selling is more detailed than those you may get if you are buying as we have designed our own form to offer greater help to buyers and speed up the transaction
Report on Contract	A detailed and comprehensive report we prepare about the property you are intending to buy. Hopefully it is not too technical but is intended to explain all the information we have managed to obtain about the property and other relevant matters e.g. your mortgage.
Stamp Duty	A tax you must pay based on the price of your new home. The Government takes 1% of the entire price of properties bought for more than £120,000, 3% of the price of those costing more than £250,000 and 4% where they cost more than £500,000.
Transfer	The legal document which has to be supplied to the Land Registry so that the record of ownership may be changed to show you as the owner. Unlike the old deeds many of which were beautiful documents, transfers are creatures of modern technology which do not need to be preserved. As a result, they are both unimposing and unattractive but are still crucial as without them, ownership cannot be changed.

Selling

Ask you to complete *property information form* and *fixtures, fittings & contents list*.

Obtain your Deeds either from your lender if you have a mortgage. If you don't, we will need you to drop them in to us or tell us where they are.

If title to your property is *registered* obtain *Office Copy Entries*

Draft the *contract* and send this with the completed property information and fixtures, fittings & contents forms and Office Copy Entries to the buyer's solicitors.

Contact you to deal with any additional enquiries raised by the buyer's solicitors

When approved by the buyer's solicitors, ask you to sign the contract.

Buying

Receive the seller's contract, property information form, fixtures, fittings and contents list and office copy entries.

Send you copies of the property information form, the fixtures, fittings and contents list and a plan of the property so you can check everything is as you thought it should be.

Go through all the papers and prepare *additional enquiries* to ask the seller's solicitors. We also check the contract and negotiate any amendments we feel are necessary to protect your interests.

Receive your mortgage offer and check for any specific requirements your lender has. If you are not borrowing, we like to see your own survey in case your surveyor wants us to check anything.

Commission the *local search* and any other searches which may be needed.

When we have replies to the additional enquiries and the results of all searches, prepare your *Report on Contract*.

Meet you to clear up any questions and arrange for you to sign the contract and the mortgage deed if needed.

Exchange of Contracts

The deal is done and a *completion* date is fixed. No one can back out without paying heavy damages.

Send the contract you signed to the buyer's solicitors, receive a copy signed by the buyer in return together with the buyer's deposit

Ask your lender, if any, for details of the amount needed to repay the mortgage.

Check the *transfer* prepared by the buyer's solicitors and, if it is in order, arrange for you to sign it before completion.

Send the contract you signed to the seller's solicitors together with your deposit and receive a copy of the contract signed by the seller.

Report to your lender to certify we have investigated title on their behalf and to ask them to send us the money they are lending you in time for completion

Prepare the purchase transfer and send this to the seller's solicitors for approval. We also finalise arrangements for the legal aspects of completion and payment of the purchase price.

Check no last minute changes have been made to the seller's title and, if you are borrowing money, make sure you are not bankrupt!

Completion

Receive the money your buyer is paying and let you and your estate agent know when the money is received so your buyer can have the keys.

Send what were your Deeds to the buyer's solicitors.

Repay your mortgage, pay your estate agent and send you whatever is left!

Send the buyer's solicitors evidence that your mortgage has been repaid

When we have your mortgage money, if any, and have received your buyer's money, we pay the purchase price to the seller's solicitors and let you know when you can collect the keys.

Receive and check your new Deeds and pay the *Stamp Duty* due on the transfer.

When the transfer has been stamped and we have evidence your seller's mortgage has been repaid, apply to register your title at *Land Registry*

Check registration has been completed properly and send the Deeds to your lender. If you did not borrow any money we'll keep them for you.