



**PSR Solicitors Ltd.**

Personal Injury &  
Conveyancing Specialists

**Conveyancing Specialists**



## GUIDE FOR CLIENTS ON PURCHASING A PROPERTY

This is for your retention and reference purposes as the purchase proceeds.

## Introduction

- 1.1 This is intended as a general guide only but it does contain points of advice relevant to the purchase of a Property.
- 1.2 If you own an existing property, or your purchase is dependent on any other financial transaction, but have not yet advised us please do so as soon as possible, as it is important that we have full instructions on all matters affecting your move.
- 1.3 Our job is to ensure that your interests are protected and that the agreements that you make, in relation to what is likely to be your biggest financial commitment, are in your favour so far as can be achieved.
- 1.4 **Please note that a moving date i.e. "Completion date", cannot be agreed for your purchase until you are ready to exchange contracts, i.e. once all pre-contract information, searches, survey, and, any mortgage matters (if applicable), have been dealt with satisfactorily.**
- 1.5 Until exchange has taken place no party to the Contract has any contractual obligations with the other party and is free to withdraw from the transaction without payment for any compensation to the other party in the Contract for any resulting loss.
- 1.6 Please note that the amount of work required involves dealing with a number of different people or institutions. We estimate the time usually taken from initial instructions to exchange of contracts to be between five to six weeks on a standard transaction. Please advise us of any urgency with the transaction at the beginning of the transaction and we will do all we can to try and expedite.
- 1.7 If you are buying a Property which forms part of a chain of property transactions it will not be possible to exchange for you until all parties in the chain are ready to exchange also. This could affect the eventual timescale.

## Initial steps

- 2.1 You will have received from us a Purchase Information Questionnaire. Please complete it and return it to us as soon as possible, with a cheque payable to PSR Solicitors for any funds requested (if any) to cover the initial searches required.
- 2.2 **Do not** agree to pay any deposits direct nor enter into any written agreements with your Seller or anyone seeking to represent your Seller without discussing the same with us first, as you could be putting yourself into a position of being bound by a contract that may be contrary to your interests.
- 2.3 If you need finance to assist in the purchase you should take steps to obtain your mortgage offer as soon as possible.
- 2.4 You must not rely on any information given to you by the Seller or the Seller's agents. You must ask us to obtain specific confirmation in writing directly from the Seller's Solicitors on any matters affecting your purchase. Please check any estate agents details carefully to ensure they are accurate and represent the agreed terms of the purchase, and, let us know straight away if there are any discrepancies.

## Checking the physical condition of the property & utility/heating equipment

- 3.1 It will be your responsibility to satisfy yourself directly as to the physical state and condition of it before committing yourself to exchange – **Caveat Emptor (i.e. let the Buyer beware)** – If you do not have any relevant survey or tests carried out and do not find out about any physical problems with the Property until after exchange of contracts, it is too late to do anything about it and any expenses incurred as a result thereof will be your sole responsibility.
- 3.2 We strongly advise you to obtain an independent Full Structural Survey Report and Valuation on the Property you wish to buy prior to exchange, whether or not you are to obtain a mortgage. Only an independent Surveyor will be responsible to you and take your particular requirements into account. An independent Surveyor will cost you a little more but when compared with the investment being made and the potential risk involved this extra expenditure is extremely worthwhile. You must then take note of any recommendations made by the Surveyor (e.g. seek electrical or central heating system tests) and decide if you wish to make further enquiries.
- 3.3 It is important to remember that if your Lender arranges a Valuation, this is undertaken for the benefit of the Lender only. It is NOT a detailed survey or structural report and must not be relied upon to identify issues with the condition of the building.
- 3.4 Once you become aware of any potential problems in such matters, you will be able to negotiate further with the Seller before committing yourself to contract.

## Insurance

### 4.1 Buildings Insurance Cover

This, and, its cost, will become your responsibility from the date of exchange and not the completion date. If cover is not dealt with by your Mortgage Lender, or, Landlord (in case of a leasehold property), then you will require your own policy. Where you are obtaining a mortgage, you must make your own arrangements, perhaps through your Mortgage Broker, and, ensure that you arrange to have forwarded to us the insurance quotation which would be acceptable to your Mortgage Lender, and, that your Mortgage Lender is added to the Policy as an interested party. Once exchange has taken place you must ensure that buildings insurance cover is commenced from the date of exchange.

You must make sure that buildings insurance cover can be obtained for the property on acceptable terms to you and any mortgage lender before exchange of contracts. It is therefore advisable to obtain buildings insurance quotations at the earliest opportunity.

### 4.2 Contents Insurance Cover

This is a separate issue, though it may be offered as an extension of the buildings insurance policy. It must be for you to determine the amount of cover required and to ensure that the policy has commenced.

### 4.3 Life Insurance Cover

It is for you to ensure that you arrange sufficient life insurance cover to repay your mortgage (if any) fully in the event of your death during the mortgage period. Further should you choose a mortgage whereby you only pay interest to the Lender you need to ensure that you arrange a suitable investment policy to repay the capital borrowed from the Lender at the end of the mortgage term as well. As there are numerous types of mortgages on the market now days, you must enquire with your Mortgage Broker as to the type acceptable by you and ensure that all necessary arrangements are made via your Mortgage Broker on your application for mortgage.

4.4 You must ensure that your Mortgage Broker forwards to us insurance cover details for approval **before** exchange. Many mortgage Lenders require us to ensure the correct type of cover has been arranged before we are able to proceed to exchange.

4.5 Upon receipt of the mortgage instructions from your Lender we will advise you of the type of mortgage issued and the Lender's requirements as to insurance.

## Legal work prior to contracting to buy

### 5.1.1 Before you can contract (i.e. Exchange) the following steps must be completed:

5.1.1. We must receive satisfactory draft contract from the Seller's Solicitors.

5.1.2. We must receive satisfactory replies to all enquiries on the Property.

5.1.3. We must receive satisfactory results of searches which will cover.

a. Planning, Building Regulations, Road Schemes and Charges, Drainage and Sewerage connection and Water Supply, Notices and Orders of Local Authority, Public rights of way.

b. Additional Searches as required depending on the nature and location of the Property (e.g. Coal Mining, Mineral, or Environmental Searches).

**N.B.** Such searches do not disclose any development proposals on neighbouring land or buildings, and, you would need to inspect plans at the relevant Planning Authority personally to satisfy yourself as to this aspect before you commit to contract.

5.1.4. Unless the Property has been transferred for full value and the title registered post October 2013, we will procure a Chancel Liability Indemnity Policy on your behalf to protect purchasers and lenders against any Chancel Repair Liability which may affect the property. This offers a less expensive cost to purchasers and negates the need to pay for a Chancel Liability Search and Chancel Liability Indemnity Policy should a potential risk be discovered. If you are obtaining mortgage finance to assist with your purchase we must obtain the policy as the mortgagee will insist upon it as a pre-condition to drawing down the mortgage advance.

We would advise that Chancel Liability obligation's stem from medieval times where land previously owned by the church to fund the local rector had been sold and a new owner took on the repairing obligation attached to the land. This means that any property located within the boundaries of a parish where such a liability exists could be required to pay for a proportion of the costs associated with the upkeep of the Chancel of the local medieval parish church. It is our policy that an indemnity policy is taken out for all relevant transactions as it is considerably cheaper than obtaining a specific property search and any subsequent insurance policy to cover this risk. Details of the policy itself will be included within the package of search results we will obtain as part of the process referred to in 5.1.3 above.

- 5.2 Receipt by you of a satisfactory survey, or otherwise.
- 5.3 Receipt by you of a satisfactory mortgage offer.
- 5.4 We must receive mortgage instructions from your Lender and ensure that all special mortgage conditions are complied with.
- 5.5 We will report to you as the above arise (please though advise us when you are in receipt of your written offer of mortgage). Should you have any queries on any matter at any point above please contact us immediately as we will not proceed to exchange until you are satisfied with the same.
- 5.6 Once the matters in 5.1 above are satisfied we will arrange for you to sign the Contract. We will send you a Completion Statement and request a deposit from you which is required by the Seller on exchange. Please note that we will require the deposit from you via a Bank to Bank transfer. All types of cheques including Bankers Drafts take 8 days to clear which will delay the exchange.
- 5.7 **IMPORTANT – Stamp Duty Land Tax (SDLT)**  
You must file an SDLT return immediately following completion. We can do this for you BUT you MUST provide us with all the details required by HMRC on the Purchase Information Questionnaire & before exchanging contracts. You must ensure you pay us the amount of SDLT due otherwise we cannot complete the purchase. You will not then be able to move and will remain contracted to any related sale and may be in breach of contract.

## **Joint ownership**

- 6.1 If you are buying a property in two or more names then please make sure you carefully read and complete section 4 of the Purchase Information Questionnaire. If you do not understand this or are unsure then please ask your conveyancer to explain them to you.

## **Our responsibility with your mortgage lender**

- 7.1 If we are instructed by your Lender to complete a mortgage offered to you, then we will also be acting on behalf of such Lender independently of you, and, as explained in the Lenders terms and conditions you will be responsible for the Lender's separate legal costs.
- 7.2 We are under an obligation to ensure that a Lender's interest is looked after. We are required to advise the Lender if there are any legal problems disclosed in our investigations and obtain the Lender's approval to proceed. Further, if we become aware of any inconsistency in instructions received from you and your Lender on any issue, we will endeavour to resolve the same, but, as a measure of last resort only, and in accordance with the Law Society practice guidelines, we would have to decline to act for both you and your Lender if differences in instructions are irreconcilable.

- 7.3 **Your Lender will require us to obtain documentary proof of your identification before authorising us to exchange. If you will not be able to provide your current Passport as proof, please contact us to discuss alternative proof which will satisfy your Lender.**
- 7.4 Your Lender will also require us to ensure that all special conditions of the mortgage offer issued to you are complied with prior to exchange. We will not be aware of such conditions until we are in receipt of formal mortgage instructions from your Lender.
- 7.5 Your Lender will wish to know whether there are any persons over the age of 17 years living in the property from the date of completion who will not be a joint owner with you. If there are to be any such persons it is essential that you notify us immediately of their names, ages, occupation, and address, in writing on the Purchase Questionnaire sent to you.

The reason for the above is that any such Occupier could be treated at law as being eligible to claim an interest in your Property, possibly in preference to your Lender and, your Lender would therefore require any such occupier to sign a form postponing any such possible right until the Lender has first been paid back all money owed to the Lender. Such Occupier is required to obtain independent legal advice on his/her position before signing the form and have his/her signature witnessed by his/her independent Solicitor and we will need to write to such occupier as to this effect on receipt of formal mortgage instructions and will require the signed form back in our possession before exchange. It would be helpful if you also show any such intending Occupier this section at this stage to make him/her aware of the steps he/she will need to take in order that you are able to proceed with your purchase.

- 7.6 It may well be a condition of your mortgage offer that a life policy or policies are made available for assignment or deposit with the Lender upon completion. If so, the policy/ies, or, acceptance forms must be in place before proceeding to contract.

This is because we will need to check the same and arrange to have any new policy on risk from exchange. We may also have the responsibility of obtaining the original policies for placing with the title deeds after completion if required by your Lender.

- 7.7 Please note that if you are going to mortgage the Property, you will be required to observe the rules and conditions of your Lender, which will include keeping the property in good repair and condition, making no structural alterations or allowing anyone else to obtain rights of occupation with your Lender's written consent. You will of course have to keep mortgage payments up to date. date.



## Signing your contract

- 8.1 You will be asked to sign the Contract when you are satisfied with our investigations.
- 8.2 Signing a Contract and paying a deposit to us does **not** bind you to buy. You will be legally bound to purchase once exchange has taken place.

## Exchange of contracts

- 9.1 Once all parties in the chain are ready to commit to contract and have agreed a moving date (i.e. completion date) exchange of Contracts can proceed. At this stage the completion date is fixed and neither party can alter the transaction, back out, or, delay completion without suffering financial loss.
- 9.2 Completion must take place on a working day (i.e. not a Sunday, Saturday or Bank Holiday). You will not be entitled to possession of the Property until completion has taken place.
- 9.3 Financial loss could include a) interest for late completion, b) the deposit you have paid c) a claim for the balance of the 10% of the purchase price if the deposit is less than 10% of the purchase price, and d) damages to compensate the Seller and any other parties involved in the chain suffering loss.
- 9.4 **It is vital that you are satisfied that you can meet the completion date before you instruct us to exchange Contracts.** Further note that during busy times of the year like Christmas or Easter for example you should ensure that removals are available on a required date before authorising us to exchange for such date.
- 9.5 Please note that completion is usually two to four weeks after exchange, in order that additional work between exchange and completion can be undertaken. If you are buying a property in the course of construction completion will be subject to the Builder's timescale.

## Between exchange and completion

- 10.1 We will undertake completion searches to protect the purchase and mortgage (if any).
- 10.2 The Deeds are signed to transfer ownership to you and to complete your mortgage (if any).
- 10.3 We will request the release of the net mortgage money from the Lender (if applicable). Please note that a Lender will normally require a notice period of approximately seven days to release the money (different Lenders have different notice periods though).
- 10.4 Any money due from you to complete your purchase as set out in our Completion Statement to you must be received by us via a Bank to Bank transfer. All types of cheques including Bankers Drafts take 7 full working days to clear which will delay the completion.
- 10.5 You must make sure that you have clear arrangements for the transfer of the key. Check with us if you have not been able to deal with this either through the agents or the Seller direct.
- 10.6 You must make sure that you give sufficient notice to the suppliers of services (e.g. Gas, Electricity etc.) to transfer accounts, read meters etc. on the right day.
- 10.7 You must book your removals in plenty of time.
- 10.8 You must check that property and life assurance cover are on risk.

## Completion

- 11.1 Providing that completion is able to take place, we will ensure that the completion money is paid on the day of completion and keys released by the Seller's Solicitors. **Please note that you will not be entitled to the keys for the Property until your Seller's Solicitors have physically received the balance to complete the transaction from us and telephoned us to confirm the keys have been released. We will then telephone you to confirm you can collect the keys.**
- 11.2 We will confirm to you and your Lender in writing that completion has taken place.
- 11.3 On your behalf, we will deal with payment of Stamp Duty Land Tax, if applicable, and apply for registration of your ownership and the Lender's mortgage with H.M. Land Registry.
- 11.4 Once registration has taken place, we will send you a copy of your registered deeds for you to keep, and send the original deeds and documents (including any original guarantees received) to the Lender as security for your mortgage. If you have not taken out a mortgage or other secured loan then we will forward the original deeds to you or your Bank, or retain them ourselves, for safekeeping, as you may direct.

## Conclusion

We will do all in our power to comply with your reasonable requirements and timescale. Should there be any points you wish to discuss please contact us. We will be pleased to help.

Please be aware that we are instructed to ensure you have a good and marketable title to the property you are buying. We cannot advise you on valuation or survey issues nor any other matter that does not relate to the legal process.



## GUIDE FOR CLIENTS ON SELLING A PROPERTY

This is for your retention and reference purposes as the sale proceeds.

## Introduction

- 1.1 This is a general guide only but it does contain points of advice which are relevant to your sale. If you are in any doubt concerning any specific issues please do not hesitate to contact us for further advice.
- 1.2 If you are buying another property but have not yet advised us please do so as soon as possible.
- 1.3 It is our job to ensure that your interests are protected and that the agreements you make are in your favour as far as can be achieved.
- 1.4 **Please note that a moving date i.e. “completion date”, cannot be agreed for the sale until the Buyer is ready to exchange contracts i.e. until all pre-contract information, searches, and, any mortgage matters have been dealt with satisfactorily.**

## Initial steps

- 2.1 You will have received from us a Seller’s Property Information Form, and, Fixtures Fittings and Contents Questionnaire. Please complete them fully and return them to us as soon as possible to enable us to issue the full contract documentation to the Buyer’s Solicitors for approval to enable the sale to progress.
- 2.2 If you have agreed any other matters with your Buyer which are not within the scope of the standard Seller’s Property Information Form please advise us immediately.
- 2.3 **Do not** enter into any written agreement with your Buyer or anyone seeking to represent your Buyer without first discussing the matter with us, as you may otherwise put yourself into a position of being bound by a contract contrary to your interests.
- 2.4 If an estate agent is involved in the sale of your property you will receive a copy of the agents details. Please check the details very carefully to ensure they are accurate and represent the agreed terms of the sale. If there are any discrepancies please let us know immediately.

## **Legal work prior to contracting to sell**

- 3.1 When we have received the title deeds to your property and your completed Seller's Property Information Form, Fixtures Fittings and Contents Questionnaire, we can produce the full contract documentation. These, together with a supporting package of documents dealing with title, planning, guarantees or similar applicable to your property will be sent to your Buyer's Solicitors for approval.
- 3.2 We may be asked further questions concerning your Property when the Buyer's Solicitors have received the contract documentation, necessary searches, and mortgage instructions, or, when the Buyer has received the results of the survey. We will advise you and reply as soon as we are able to do so. Please ensure that you deal with any further requests made to you promptly in order to avoid any undue delays in progress.
- 3.3 The Buyer is entitled to place reliance upon the information we supply on your behalf. You must make full disclosure to your Buyer of all relevant facts about the Property and its history, in order to avoid any misrepresentation to the Buyer, however innocent or unintended.

## **Reporting to you up to exchange of contracts**

- 4.1 As you will appreciate there are a large number of matters which need to be investigated to ensure that your interests are fully protected. We will keep you advised of progress by letter or by telephone.
- 4.2 Should you have any queries on any matter at any point please contact us as soon as possible.
- 4.3 We will ask for your instructions in writing to any information you supply so that we can all be clear on what further steps are to be taken.

## **Financial charges on your property**

- 5.1 We will obtain estimates of the amount required to redeem any mortgage on your Property so that we can ensure there will be sufficient funds available to allow the sale to proceed.
- 5.2 Please ensure that you disclose to us all loans secured on your Property. It is important to establish at an early stage whether there are any further mortgages, loans or Local Authority charges, that may be secured upon the Property. All secured lending must be repaid on or before completion of the sale.
- 5.3 If we are instructed by your Lender to repay a mortgage or loan secured upon the Property, then we will also be acting on behalf of your Lender independently of you. Your Lender will also be our client and as explained in the Lender's terms and conditions you are responsible for the Lender's costs.
- 5.4 Your Lender will normally charge a deeds production fee which is added to your mortgage account when the deeds we request are forwarded to us.

## **Signing your contract**

- 6.1 Once the Contract has been approved by your Buyer's Solicitor we will send a report of the transaction to date and ask you to sign the Contract in readiness for exchange of Contracts. You will also need to sign a Transfer Deed which will be sent to you when received from the Buyer's Solicitors and which will need to be back in our possession duly signed before completion can take place.
- 6.2 Signing a Contract does not bind you to sell. It is only when all parties are ready that a completion date is agreed and exchange takes place. At that stage the Contract will be dated and become legally binding.

## **Exchange of contracts**

- 7.1 When all parties are ready and completion date is agreed, we will commence the exchange procedure.
- 7.2 Once exchange has taken place we will advise you. You will upon exchange be legally bound to sell to the Buyer based on the information provided on the Property. If either party backs out after exchange there can be a claim for damages for losses arising from such decision which can be substantial. Such losses could include a) interest for late completion b) damages to compensate any innocent party in the chain of transactions suffering financial loss which can be substantial and would need to be redressed via the Court system which would take a long time.

## **Between exchange and completion**

- 8.1 Completion is usually two to four weeks from the date of exchange.
- 8.2 Completion must take place on a working day (not a Saturday, Sunday, or Bank Holiday).
- 8.3 Vacant possession of the Property must be given by the date of completion and by the time specified in the Contract. You should aim to give vacant possession by 12 noon on the day of completion.
- 8.4 We will obtain details of any Estate Agents account, final redemption statements for all secured charges disclosed, and forward copies to you for your approval.
- 8.5 You will need to notify any suppliers of services to the property directly of your move (e.g. Gas, Electricity Companies, Telephone Company, etc.).
- 8.6 You will need to advise us where the Buyer can collect the keys to the Property on the day of completion (we recommend you leave them with the estate agents if any). We will confirm by telephone that keys can be released once we receive the balance to complete the sale from the Buyer's Solicitors.
- 8.7 Please also bear in mind that the property must be left clean and tidy, and, that any items not included in the price must be cleared from the property, to include items and rubbish if any in the loft, garage, garage, shed, gardens (where applicable).



## **Some practical points for you on completion**

- 9.1 Do not forget to ensure meter readings are taken.
- 9.2 Do not forget to notify Suppliers of Services.
- 9.3 Do not forget to cancel any direct debits or standing orders for the Property.
- 9.4 Do not forget to move! You agree to sell with vacant possession.
- 9.5 Insurance risk on the building should be retained until completion. You agree to transfer the Property on completion in the same physical condition as at the date contracts are exchanged.
- 9.6 Ensure you make arrangements to transfer your contents insurance to your new Property.
- 9.7 **Do not forget to leave all keys to the Property where they can be collected by the Buyer and that you have notified us of the collection point (again we recommend they are left with the estate agents if any).**

## **Completion day**

- 10.1 We will receive the sale proceeds, pay off any secured charges (including mortgages) disclosed, pay the Estate Agents if any, and, any other relevant parties, in accordance with the Financial Statement which we will send you. We will also send the title deeds and Transfer Deed to your Buyer's Solicitors.
- 10.2 We will account to you for any balance of moneys due after payment of our costs and payments made on your behalf.

## **Conclusion**

- 11.1 We will do all we can to comply with your reasonable requirements and timescale. Should there be any points you wish to discuss please contact us. We will be pleased to help.