

## **Purchase of a freehold residential property**

### **Objectives**

We intend (subject to your instructions) to:-

- advise on any covenants rights or reservations;
- ensure that the title to the property you are purchasing is good and marketable;
- advise on the terms of the contract and that:-
  - it complies with your instructions;
  - is fair and reasonable;
  - and places no abnormal obligations on you;
- to complete the purchase and register your ownership with the Land Registry with Absolute Title, if possible, subject to the mortgage.

### **Main Issues**

The main issues involved in a purchase include:-

- checking that the contract for the purchase are fair and reasonable and accurately reflect your instructions and advising you on them;
- advising on and submitting appropriate searches and advising you of the results;
- checking and advising on the seller's title (i.e. ensuring that the seller has the right to sell the property and advising of any rights benefiting and any obligations or restrictions which affect the property);
- raising appropriate enquires before contract and advising you on the replies;
- agreeing a completion date and exchanging contract on the purchase, which commits you to the purchase of the property at a specific price on a specific date;
- to consider the planning history of the property for the last 12 years. Please note that unless specifically requested will not carry out any investigations or obtain planning permissions for any works carries out before then
- preparing a transfer document and arranging for it to be signed;
- ensuring that the title of the property complies with the requirements of the mortgage lender; submitting a Certificate of Title to the mortgage lender; and, obtaining the mortgage money to enable completion of the purchase to take place;
- preparing a Completion Statement and advising you of the balance required from you to complete the Purchase;
- preparing the form for submission to the Revenue along with the Stamp Duty Land Tax due.

### **Extent of Retainer**

We will only deal with the legal aspects of the purchase. We do not advise on any other matters relating to the property.

We are not:-

- qualified to give investment advice;
- independent insurance advisors or brokers and where we offer to obtain an insurance policy this is solely based on the legal requirements and no advice is given in respect of the premium or whether cheaper policies are available elsewhere;
- accountants and we cannot advise in respect of the tax implications;
- generally able to visit the property unless specifically requested to do so (for which we will charge an additional fee). It is therefore for you to check that the plans provided by us in respect of the property accurately reflect the property on the ground;
- able to confirm that the structure of the property is safe and satisfactory and complies with all planning permissions and building regulation consents;
- able to advise you as to whether the purchase price of the property is fair and reasonable;
- surveyors and cannot advise on both general and specific issues coming out of your survey;

- going to transfer the utilities, phones, council tax etc, for you. You must do this directly with the relevant authority or utility providers;
- removal experts.

### **Stamp Duty Land Tax (SDLT)**

We are not accountants and we are therefore unable to give detailed advice as to your SDLT liability. In order to complete the registration at the Land Registry, (and to comply with any Mortgage requirements), we are, however, required to submit a SDLT form to the Inland Revenue and obtain a receipt from them. In order to achieve the completed registration, we will (unless you would prefer to complete the form yourself):-

- Complete the form and submit it based on the full purchase price, taking into account any additional properties you have disclosed to us;
- Assume that your interest in the property is solely residential and we will not advise as to any potential reliefs or exemptions.

We therefore recommend that you take advice from an Accountant as to the level of SDLT liability prior to exchange of contracts.

### **Timeframe**

Property matters can sometimes reach exchange of contracts quickly and if parties are willing and able be completed likewise, but based on our experience normally we would hope to be able to:-

- report to you on the contract, title and searches within 2 weeks of receiving satisfactory replies to enquiries before contract and results of the searches (which in this area normally take between 1 to 2 weeks to come back);
- be close to exchange of contracts within 6 to 10 weeks of receipt or submission of the contract papers;
- deal with the Stamp Duty Land Tax within 2 weeks of completion;
- deal with the registration of the property within 2 to 6 weeks of completion.

These timescales are not fixed as they depend on other parties being prepared, willing and able to work to them. Completion dates are normally a matter of negotiation between the seller and the buyer shortly before exchange of contracts.

### **Funding your Purchase**

Our charges will be based on the time we spend on your behalf, and there may also be expenses we incur directly on your behalf (disbursements); which include things such as search fees and Land Registry fees. Value Added Tax, at the current rate, has also to be added to our costs. A sample estimate is provided below by way of illustration.

Fees and disbursements relating to an average purchase of an existing residential dwelling house which is registered at the Land Registry and worth £200,000.00; where the buyer is not a first time buyer.

#### **Our fees**

- Fees for purchase: £700.00 to £1000.00 + VAT
- Electronic money transfer: £25 + VAT per transfer

#### **Fees paid to others (disbursements)**

- Search fees: £250 to £410 depending on which searches are required\*
- HM Land Registry fee: £100.00
- Stamp Duty Land Tax: £0.00

This example estimate assumes that the transaction proceeds smoothly. Certain issues may result in our having to revisit the estimate as the matter proceeds. These could include things such as:

- Problems with the title of the property;
- Problems with the boundaries of the property;
- Unexpected issues raised in searches;
- Problematic or incomplete documentation supplied either by your seller or by you;
- Mortgage issues.

The above list is not intended to be exhaustive, but should any such issues arise we will provide you with a revised estimate at that stage and explain the reasons why the estimate has needed to be revisited.

If your purchase or other property matter does not proceed for whatever reason, we will still charge you fees and disbursements for the work we have carried out.

**Work which falls outside the above quote**

If instructed, we are able to advise on a number of other property matters including:-

- variations on the conveyancing process;
  - assist in negotiating terms before the contract is prepared;
  - variations on terms of contract;
  - variations on searches on a purchase;
  - tax advice;
  - option agreements;
  - clawback agreements;
  - private mortgages or loans;
  - bridging loans;
  - wills;
  - declarations of trust;
  - beneficial interests in property;
  - joint ownership;
  - co-habitation agreements;
  - licences;
  - leases;
  - tenancy agreements;
  - boundary issues.

\*The search fees used are based on the current fees for North Norfolk District council. Fees for other areas will vary.