

Buying Your Home

These notes have been prepared to provide information you may find useful when buying your home. Please contact Peter Giblin on 01689 887 803 or Sheetal Bahal on 01689 887 825 if you need any further advice.

TRANSACTION

CWJ operates the National Conveyancing Protocol known as *TransAction*. This is a voluntary procedure designed to streamline the conveyancing process.

THE PROPERTY

Please advise us immediately of any unusual features about the property or its surroundings and to which you would wish to pay particular attention and/or make further investigations. Please be clear about any fixtures or fittings included in the purchase price or for which you have agreed to pay an extra sum. We will receive a full inventory of items to be left as part of the protocol package for you to check.

SURVEY

It is strongly advised that a full structural survey be carried out on all properties. If you are obtaining a mortgage, the surveyor who values the property for the mortgage lender should be able to undertake the survey. Inform your mortgage lender of this when making your application. As well as disclosing possible defects in the property, the survey may also provide grounds for asking for a reduction in the purchase price.

JOINT OWNERSHIP

Where two or more people buy a property, there are two types of joint ownership; 'Joint Tenancy' or 'Tenancy in Common'. When two or more people buy a property as joint tenants, there are no divided shares. If one of the owners passes away, their interest in the property is passed to the other joint owner or owners. This type of joint ownership is not affected by marriage or whether the deceased leaves a will or not. When two or more people buy as tenants in common, the owners have defined shares in the property. On the death of one tenant in common, their share can be left to someone by a will, or will be inherited under the intestacy rules (rules which decide who inherits when someone dies without making a will). This form of joint ownership can be used when the money to buy the property is provided in unequal shares, or by relatives, or where joint buyers are not married. If, you, are making or revising your will at the time of buying your property, holding the property as tenants in common can be tax efficient for your estate.

We will need to know as soon as possible how you will want to own the property.

DEPOSIT

Before exchange of contracts, you will normally be asked to provide a cheque or arrange a bank transfer for a deposit. This sum can be up to 10% of the purchase price. The deposit is paid over to the seller's solicitor when exchange of contracts takes place. The sum may be lower than 10%, but this is dependent on prior negotiation by us on your behalf with the seller's solicitor. If you do not have the deposit available, please let us know. If you are also selling a property, we should be able to use the deposit provided by your buyer. The contract relating to the property you are buying will enable your seller to use the deposit in connection with any property they are buying. If your seller defaults on the contract with you, it may be more difficult to recover your deposit money. Please advise immediately if you are not satisfied with your deposit being held in this way.

BUILDINGS INSURANCE

Once contracts are exchanged, the property will be at your risk and you should insure. The seller is not required to insure the property but would be well advised to do so. If you are buying a leasehold flat, insurance is likely to be the responsibility of the landlord or management company under the terms of the lease.

LIFE INSURANCE

If you are obtaining a mortgage linked to an endowment or pension policy you should arrange for the relevant policy to be put in force as soon as contracts have been exchanged. Could you please inform us when this has been done. We will require the policy details, including the policy number and start date. Alternatively, you can give us the name, address and telephone number of the brokers so that we can obtain these details. It is important we have these details as your mortgage lender may not release the mortgage monies if we are not in a position to let them have this information.

COMPLETION

If a chain of transactions occurs, a slight delay may occur on the day of completion. Purchase money to buy the property involved has to be sent from solicitor to solicitor. The exact time of completion is therefore not known in advance. You will be able to collect keys to the property once the purchase money for it has reached the seller's solicitors bank account. Mortgage lenders may not send mortgage money to us until the day of completion. If possible, we will ask for the money the day before completion to avoid delays.

LEGAL TERMS

The conveyancing system can appear to be full of confusing jargon. CWJ aims to keep the use of such jargon to a minimum. Below are some explanations of frequently used terms in purchase transactions:-

The Chain

Whether you are part of a chain of transactions depends upon individual circumstances. If you fall into the category of a first time buyer purchasing a property from a developer, there is no chain. If on the other hand, you are buying a property and selling another, there will be a chain. The person you are buying from may also be buying another property. Sometimes, the chain may be lengthy and this can delay exchange of contracts. Unfortunately, the process can only proceed as quickly as the slowest person in the chain.

Contract

The terms upon which you buy and sell a property are contained in the contract. Two copies are prepared. One copy is signed by each party. Most property transactions are subject to the Standard Conditions of Sale, which are the detailed conditions which apply to the contract. When the terms of the contract are agreed, you will be asked to sign your part of the contract. It may be that it is still too early to discuss moving dates at this point.

Overriding Interests

You will buy the property subject to any overriding interests affecting it. Overriding interests are interests to which a property is subject, even though they do not appear on the title deeds. They are binding both on the owner and on a person who acquires an interest in the property. Examples of disclosable overriding interests include legal easements such as rights of way over the property or rights for neighbours to connect to drains or pipes under it or wayleave agreements with any of the utility companies.

Searches

When buying your property, we will do a variety of searches depending on the location of the property. This will include a chancelcheck, drainage and water, environmental and planning and local authority search. These searches provide necessary information about the property you are about to buy. However, the scope of the searches is limited to the property being bought.

Exchange of Contracts

When exchange of contracts is imminent, moving dates will be discussed. The date will be agreed by negotiation between you and your seller. Remember that in a chain of transactions many people may have to agree to the date. Although the parts of the contract signed by you, as the buyer and your seller are physically exchanged, the actual process by which you become contractually bound will usually take place during a telephone call between solicitors. A deposit of up to 10% of the purchase price is paid to your seller's solicitors at this point. We can then confirm the date on which you will be able to move.

Completion

This is the date upon which ownership of the property transfers and you can move in. On this date the balance of the purchase money is transferred to your seller's solicitors and you will be given the keys to the property.

Registration

Following completion, we will send the necessary documents to H M Land Registry to register you as the new owner of the property. This can take a number of weeks but once the deeds to the property are returned to us we will forward them on either to your mortgage lender, if applicable or you.