

STEPS INVOLVED IN SELLING YOUR HOME

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CLIENT GUIDE IN CONVEYANCING MATTERS

1. Introduction

We have provided this Guide in the hope that it may explain some of the terms used in conveyancing, the steps which are usually taken (and the reasons for them), and the factors which dictate when these steps are to be taken.

A short written explanation like this cannot cover all the points which may arise. We hope you will discuss worries of any kind with us, so that we may try to remove the cause of the worry.

2. Conveyancing - What is it?

Transferring the ownership of land is not like transferring the ownership of, say, a piece of furniture or a car. Land is always there, and in the course of time many rights and obligations may be created in relation to it. They are often not evident on an inspection of the property. For example, someone may have a right to occupy part of it, but not be there when you call; a neighbour may have a right to enter the property and dig up the drains in order to inspect or clean his drain.

The public, too, may have claims - perhaps there is a public footpath across the property; the council could have rights in respect of, for example, compulsory acquisition or unpaid charges for making up the road. The planning authority or the highway authority are perhaps considering schemes which would affect the environment of the house you are thinking of buying.

Then there is the question: Does the seller really own it and, if so, is he free to sell it? If he inherited the property, were the correct steps taken to transfer legal ownership to him, or is it still outstanding in someone else's hands?

These are only a very few of the snags which arise and which is your solicitor's duty to discover, if they exist, and advise you about. Conveyancing is the name given to the process of transferring ownership of land from one person to another, the solicitors for the seller and buyer each being obliged to safeguard their client's interests.

3. What happens in a conveyancing transaction?

There are three main areas to consider and we shall briefly look at each. They are:

- (a) The work carried out after agreement in principle is reached, but before the seller and buyer are bound by contract to proceed with the matter.
- (b) The stage between "exchange of contracts" (when the parties become contractually committed) and "completion" (the day on which money changes hands in return for the keys and transfer of ownership, i.e. the day on which you are entitled to move in).
- (c) The conclusion of the formal side of the transaction, when documents are submitted to the Inland Revenue for payment of stamp duty land tax and to the Land Registry for "registration of title".

4. **Pre-contract**

- (a) Whether you are the Buyer or Seller, if you are a new client to the practice and not known personally to a partner, as a first step we are required to ask you to produce evidence of identity e.g. such as production of your passport.
- (b) The Seller: Having found a buyer, you will instruct us to send a draft contract to the buyer's solicitors. To do this we shall need the deeds, to check the nature of your ownership and the existence of any rights or burdens which must be revealed and passed on to the buyer. At this stage we will send you two forms to complete, one about the house itself and the other dealing with the fixtures and fittings.

When we have the deeds, (due to the replacement of Land Charges Certificates and Charge Certificates by the Land Registry, for registered land, sometimes your mortgage company or solicitor may not have the majority of deeds) we shall prepare a draft contract and related documentation and send it to the buyer's solicitors, who will in all probability raise some additional enquiries designed to discover from your own knowledge of the property whether any of a number of possible disadvantages actually affect this property. Once the buyer's solicitor is satisfied, he will approve the contract and we shall ask you to sign it. Contracts will be "exchanged" and a date fixed for moving and payment: "completion".

Having decided to sell, the sooner you instruct us the better. In order to provide an up to date service we do offer in conjunction with Chamberlains Estate Agents of Newton Abbot and Kingsteignton we are providing an early form of a Home Information Pack. In any

event we would always advise our clients to instruct us before they instruct an estate agent to sell the property so that we can get together the package of information and documents which will be required by the buyer's solicitors so that no time is wasted once a buyer is found.

5. **Between contract and completion**

In this period the buyer's solicitors check the title with the Land Registry and request the funds from the mortgage company and the buyer. As a seller you will be asked to take readings of your electricity, gas, water meter etc and provide details to the various suppliers. We on your behalf will obtain redemption statements from any mortgage company so that we know the amount payable on completion together with any estate agents account. On the day of completion the buyer provides the purchase price in return for the signed Transfer Document and title deeds and documents. At that time the buyer will be entitled to occupy the house and take possession of the keys.

6. **After completion**

As seller's solicitors we shall account to you, the seller, for the balance of the purchase price after paying off any mortgage, estate agents fees and our own bill.

7. **Glossary of terms used**

"exchange of contracts"	literally, the exchange of one copy signed by the buyer for another signed by the seller. At this point both parties become committed to proceed.
"completion"	the date fixed for transfer of ownership, on payment of the price. Normally between two and four weeks after exchange of contracts.
"registration of title"	ownership of unregistered land is proved by showing its recent history as recorded in the "deeds". A sells to B, who dies, leaving it to C, etc. In all areas of the country title to land now has to be registered in one

of the registries maintained by the Land Registry on completion of a purchase. The Register records ownership and all important details of rights and liabilities.

"local searches"

the search is in the registers maintained by the district council in relation to such matters as road charges and planning decisions. The expression includes the enquiries made of different departments of the council to do with a wide range of other matters which may affect the property. Apart from road proposals affecting land within 200 metres of the property, the local authority search will only give information about the property itself. The search will give no information about other property, for example, the development of neighbouring land. If, therefore, you are concerned about the possibility of development or any matter relating to other property in the neighbourhood, you should make enquiries of the local authority before you consent to exchange of contracts on the purchase.

"preliminary enquiries"

a series of questions addressed to the seller, who is expected to answer from his own knowledge about such matters as disputes with neighbours, or work done on the property needing building regulation approval, or rights enjoyed over the property.

"deposit"

part of the purchase price paid at exchange of contracts, normally 10%.

"mortgage"	document recording loan of money secured on the property. If payments are not maintained, the lender may have the right to take possession and sell the property.
"transfer"	the document transferring ownership.
"overriding interests"	these are rights to which the property is subject but which may not appear on the title as registered at HM Land Registry. These include a lease of any part of the property for more than 3 years, a person in occupation, rights of way or drainage in favour of a third party.

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