

These notes give you information on the procedures involved in buying a residential property and general advice on specific aspects of the transaction.

## A summary of the steps involved

- As your appointed solicitors, Adams & Remers receives details of your proposed purchase from the Estate Agents
- You instruct your Surveyor to carry out a **Survey** of the property
- We receive a **Contract** and detailed information about the property from the Seller's solicitors
- We receive the Home Information Pack
- We make any other relevant searches
- We raise any necessary further enquiries with the Seller's solicitors
- We report to you on all aspects of your proposed purchase and you raise any additional queries
- You sign your part of the **Contract** and agree a **Completion Date** for your purchase
- You ensure all your financial, removal and all other arrangements are in place
- You pay a **Deposit** and we "Exchange Contracts" with the Seller's solicitors

At this stage, the contract is legally binding on both parties

- We provide you with a Statement showing the amount required to complete your purchase including all costs
- You provide us with any money required to complete the purchase
- On the **Completion Date**, we electronically transmit the money to the Seller's Solicitors through the banking system. As soon as they have received this you can take possession of the property. This will usually be around lunchtime.

- Following completion, we send the completed 'Land Transaction Return' to H M Revenue & Customs together with payment of any Stamp Duty Land Tax due. When receipt of this payment is confirmed we then send the Transfer, signed by the seller, to HM Land Registry who register your ownership of the property. The Land Registry issues a "Title Information Document", and we send you a copy of this.

In practice, the actual processes may vary slightly.

## Important points to note

### Local Search within the HIP

It should be emphasised that the Search at the Local Council will only reveal matters relating to the property being bought and nothing relating to any adjoining or other properties in the neighbourhood. If you require more detailed information about the surrounding area, you should contact the Local Authority direct.

### Survey

Unless you are buying a new property, we strongly advise you to instruct your own Surveyor to carry out a full inspection of the property and to provide you with a full Report, **before exchange of Contracts** when you are committed to buy the property.

We advise this for the following reasons:

There may be physical defects which are not readily apparent, or repair work required in the foreseeable future, which may affect your decision to buy the property.

The Surveyor will also give an opinion as to whether the agreed purchase price is close to the market value of the property

There are generally two other types of survey (in addition to a Mortgage Lender's Valuation Report, which will not concern you unless you are obtaining a mortgage):

- **Home Buyer's Valuation and Survey Report** - This may provide sufficient information if you are buying an ordinary suburban property built within the last 75 years. However, this is not a full structural survey and is not an absolute guarantee of the state and condition of the property.
- **Full Structural Survey** - This is a more detailed (and therefore costly) survey and should reveal the true state and condition of the entire property, provided the Surveyor is instructed to investigate all aspects of it.

If the property is not connected to the main drainage system you should consider requesting a separate drainage survey. Similarly, if the electrical wiring has not been inspected and reported on in the last 5 years, you should consider a separate electrical survey.

It may be particularly important to consider a full structural survey where you are buying a Listed Building where the cost of repair or improvement works could be high due to the need to comply with local planning authority requirements.

### Insurance

Unless the property is leasehold, when it is insured by your landlord, you will be responsible for insuring the property from the date of exchange of contracts and you should put these arrangements in place as soon as possible.

Once the policy is ready to go on risk, you should notify the insurance company or broker as soon as contracts have been exchanged.

### Boundaries, etc.

We do not usually visit the property unless there is a specific requirement. It is extremely important therefore that you advise us of any apparent lodgers or tenants in the property.

Please also make a thorough inspection of the garden and boundaries and let us know immediately if there is any uncertainty, or whether there appear to be any rights of way across the property. We will send you a copy of the Land Registry title plan and you should check this carefully to ensure that it accords with your understanding of the extent of the property you are buying.

### Deposit

The Contract provides for payment of a 10% deposit on exchange of Contracts, although it is sometimes possible to agree a figure of 5%. However, please be aware that if you pay less than 10% and then fail to complete your purchase, the balance becomes immediately payable and your Seller may pursue you to recover this debt. If you expect any difficulty in providing at least a 5% deposit, or if you are required to give notice to secure the release of funds, then please make us aware of this in good time.

### Representations made by Seller

Please let us know if you enter into any separate negotiations or financial arrangements with the Seller, so that these may be recorded formally in writing. If you do not do this, these may not be enforceable. You may only rely on representations made by the Seller in writing through his solicitor. Thus if the Seller has made any oral representations to you on which you are relying in respect of your purchase, please let us know so that we may ask for written confirmation.

### Co-ownership

If you are buying a property jointly, or with the help of a loan (other than a mortgage) or a gift of money from another party, it is important that you provide us with specific instructions in this respect, so that we can properly advise you on all the implications.



### **Ownership of adjoining land**

Please let us know if you or the seller are the owner of any land adjoining the property you are buying, and over which you require access or the provision of services to the property.

### **Evidence of Identity**

As required by the regulations governing money laundering, we will need to obtain evidence of your identity and confirmation of your address, before carrying out any substantial work for you.

### **Balance of purchase monies**

You will need to make sure that you have access to the monies required to complete your purchase in time for the completion date, taking consideration of the time involved in providing us with cleared funds for completion. This is particularly important if you have to provide notice under the terms of any savings or investment scheme for withdrawing funds.

### **Taxation**

As in the case of any financial transaction, there may be taxation consequences of your property purchase. These include Income Tax, Capital Gains Tax (CGT) and Inheritance Tax.

Without a thorough appraisal of your financial position it is not possible to advise you fully on all the tax implications of the proposed purchase. However, if the property is not going to be your only or main residence for CGT purposes or you will not have exclusive occupation for the whole of the period that you will own it, CGT is likely to be a consideration and you should discuss this with us.

If you would like separate detailed advice on the overall taxation implications of the purchase we would be pleased to provide it at an additional fee which we can discuss with you.

## **Further Help & Advice**

We have many years' experience of helping people with all types of property transaction - understanding the individual needs of first time buyers and seasoned property owners alike.

If you would like to discuss your requirements in detail, or to obtain an idea of the costs involved please use our Information/costs estimate request form (available online from our website) by filling in a few brief details and we will get straight back to you. Alternatively call our team on 01273 480616 or 01273 304441.

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