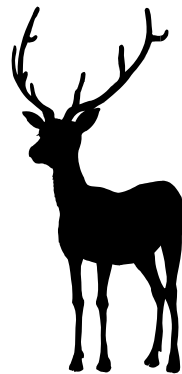


# ANTHONY HARRIS & COMPANY

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## **Conveyancing Information Leaflet**

This information leaflet is designed to give our clients a greater understanding of the conveyancing process.

The last few pages of this leaflet contain a section entitled 'Frequently Asked Questions' which are a few of the questions that are asked by clients on a regular basis.



## **Understanding the process**

Listed below are the stages of a typical conveyancing transaction for both a sale and purchase:-

### **Sale**

- You accept an offer from your prospective purchaser and instruct us to act for you
- We will send you an estimate with forms for you to complete, request your title deeds (if necessary) and obtain a statement from your lender (if applicable)
- Once we have received your completed forms and title deeds, we will draft the Contract and send it to the solicitors acting for the buyers together with any other relevant documents
- The buyers solicitors consider the draft Contract and accompanying paperwork, raise enquiries, request searches and approve the Contract (this is usually the most lengthy stage of the process)
- Once approved by your buyers solicitors, we will forward a copy of the Contract to you for signature
- When all enquiries have been dealt with and the buyers solicitors have received a copy of their clients mortgage offer (if necessary) then completion dates will be suggested and confirmed in preparation for exchange of contracts
- Contracts are exchanged and the contract becomes legally binding on both parties, with a fixed completion date
- An up to date redemption statement is obtained from your lender (if any) calculated to the completion date and the estate agents commission account is obtained
- A Transfer Deed will be drafted by the solicitors acting for the buyers and forwarded to us for approval
- We will forward one copy of the Transfer to you for signature together with a completion statement showing the balance that will be forwarded to you on completion
- Completion takes place
- Title deeds are forwarded to your buyers solicitors

## **Purchase**

- Your offer is accepted by the sellers and we are instructed to act for you.
- We receive the contract papers from the sellers solicitors and submit searches.
- We will check the contract documents and raise enquiries on the papers and any other relevant issues once search results are received.
- Once all enquiries have been dealt with satisfactorily we approve terms of draft contract.
- Receive mortgage offer (if any) and instructions from lender and deal with any conditions.
- We ascertain your intended buildings insurance arrangements.
- Prepare stamp duty land transaction return (SDLT).
- We then send you a written report on the property title letting you know of any issues that you should particularly bear in mind, requesting a cheque for the deposit and asking you to sign and return one copy of the Contract.
- Once we have cleared funds for the deposit and a signed copy of the Contract we will then discuss completion dates with you and exchange contracts.
- We will then ask you to put adequate buildings insurance in place.
- We then prepare a draft transfer deed for approval by seller's solicitors.
- When the transfer deed has been approved we will ask you to sign the completion papers and the SDLT form. At the same time we will let you know how much will be required from you to complete the purchase.
- We will write to your mortgage lender requesting release of the mortgage advance (if applicable) and carry out pre-completion searches.
- Complete.
- The SDLT form is submitted to the Inland Revenue with payment of the tax due.
- Title deeds are received by us from the sellers solicitors.
- Apply for registration of your title at HM Land Registry.
- Deal with Notices of Assignment and Deed of Covenant (leasehold only).
- Copy of title forwarded to you showing that your purchase has been registered at HM Land Registry with a copy to your mortgage lender (if any). The original title deeds will be kept in our strongroom for safekeeping, for which there is no charge.

Please remember that this is only a short guide to the process and each transaction is different. Some may take longer than others depending on the complexity of the sale or purchase or external factors – e.g. delays in associated “chain” transactions.



## **Legal phrases explained**

### **Completion**

This is the moving date.

- a) Sale – We receive the money from your purchasers Solicitors. Your keys will normally be lodged with the Estate Agents during the morning of completion. Please bear in mind that you should be ready and able to vacate your current property by 12 noon on the day of completion.
- b) Purchase - On completion you will receive a telephone call from us to tell you that the sellers solicitors have received the money and that you may collect the keys from the estate agents (or the sellers themselves in the case of no estate agents). It is a good idea to let the estate agents (if any) have your mobile telephone number prior to completion so you can be notified immediately the keys are available for you to collect. Delays can occur (usually within the Banking system) and sometimes keys are not released until mid-afternoon.

### **Completion Statement**

Before completion takes place we will let you have a completion statement calculated to the completion date. This will detail all the payments in and out and will give you a net figure that will be required from you or sent to you upon completion.

### **Covenant(s)**

This is a term for legal obligations affecting a property. They may be positive in nature (requiring you to do something) or negative in nature (restricting you from doing something). Enforceability of covenants is quite technical and we will advise you further should the need arise.

### **Deed of Covenant**

Sometimes the title documents require a new owner to enter into a deed stating that they will comply with covenants. There may be a fee payable to the landlord/management company which varies.

### **Deposit**

A 10% deposit is normally paid upon exchange of contracts although a reduced deposit may be acceptable if the seller agrees beforehand. Cleared funds must be

available in order for exchange of contracts to take place. Frequently the deposit on a sale is used for a related purchase.

### **Drainage Search**

This search establishes whether the property has mains drainage and mains water. Plans are also supplied indicating the approximate location of the relevant mains pipes.

### **Easements**

These are rights, typically for services (e.g. drains, pipes and wires) or alternatively rights of way.

### **Engrossment**

After all amendments have been made to the draft documents a final top copy will be prepared incorporating the amendments for signature and this is termed the engrossment.

### **Environmental Search**

The local search provides information on contamination where it is a known problem. An Environmental Search details (so far as is known) past industrial activities in the area, including tanks, mineral extractions, and potential flooding data. In the event that contamination is found, the clean-up costs could be borne by the current owner / occupier of the property.

### **Exchange of Contracts**

The Contract commits both seller and buyer to the transaction. Upon exchange of contracts the completion date (moving date) is fixed. The completion date cannot normally be changed once exchange has taken place. We will contact you by telephone before exchange of contracts to ensure that you are still happy with the suggested completion date, and to proceed.

Please note that if you are obtaining a mortgage to fund your purchase, five working days' notice is usually required between exchange of contracts and completion to allow drawdown of the mortgage funds.

### **Fixtures and Fittings (in relation to Stamp Duty Land Tax)**

When purchasing a property additional sums may be paid for chattels - that is moveable items which are not permanently fixed to the property. Stamp Duty Land Tax is not chargeable on such items. However their value must be considered carefully and independent valuations of such items will probably be required.

HM Revenue & Customs may challenge the amount paid under a contract in respect of chattels. If HMRC can demonstrate that the figure attributed to chattels was

incorrect, a demand for further Tax may be made and both the purchaser and seller (and perhaps both firms of solicitors) may face criminal proceedings.

## **Insurance**

Building insurance on flats is usually dealt with under Service Charge.

For freehold properties the Buyer should arrange for cover to be in force from exchange of contracts.

## **Joint Ownership - Joint Tenancy and Tenancy in Common**

There are two ways in which a property can be co-owned. The terminology has nothing to do with tenancies.

If you own as "joint tenants" you will each own an undefined share in the whole property, although there is a presumption of equality. On death, ownership automatically passes to the survivor irrespective of the deceased owner's Will.

If you own as tenants in common, you can own in equal or other defined shares. On death, the share of the deceased owner will pass under the terms of his/her Will or the Law of Intestacy if no Will has been made.

## **Lessee**

In the case of leasehold properties, this is another term for the leaseholder or tenant.

## **Lessor**

In the case of leasehold properties, this is another term for your landlord.

## **Local Search**

A local search covers a wide variety of matters, including the following:-

- Adoption of roads
- Noise abatement notices
- Planning charges/conditions
- Tree Preservation Orders
- Conservation Areas
- Listed Building Status

Please note that the search does not give details on planning applications for neighbouring properties.

## **Notice of Assignment**

Leasehold properties only. A notice is sent to the landlord on completion informing them of the change of ownership and / or mortgage. There is usually a fee payable to the landlord for this which varies and will be included in our completion statement.

## **Pre-Contract Enquiries**

Pre-Contract Enquiries are raised by purchaser's solicitors following receipt of the Contract paperwork and search results.

If there are any specific enquiries that you would like us to make on your behalf please let us know.

## **Redemption Statement**

If you are selling a mortgaged property, we will write to your lender upon exchange of contracts to ask for a "redemption figure" in order that we may repay your mortgage on completion.

## **Stamp Duty Land Tax**

This tax is payable to the Inland Revenue following completion of your purchase. The amount payable to the Inland Revenue will be detailed in your initial quote and will be calculated according to the purchase price of the property. Please note that in leasehold transactions the rent is also brought into account in calculating the tax where the new leases are created. Current thresholds are as follows:

First time buyers	0% - up to March 2018
£125,001.00 to £250,000.00	2%
£250,001.00 to £925,000.00	5%
£925,001.00 to £1,500,000.00	10%

If the purchase results in you owning more than one residential property a surcharge of 3% will be added. The rules are complicated in relation to joint purchases.

## **Transfer Deed**

This is the legal document that transfers the property to the buyer on completion. We must be holding the signed transfer deed before we are able to complete a sale (or sometimes a purchase) on your behalf.

## **Frequently Asked Questions**

**I need to get some money to you quickly and a cheque will take too long to clear. How can I make sure that the money arrives with you faster?**

It is possible to transfer the money direct to our bank account and our bank details are as follows:-

HSBC Bank plc, 87 Station Road, New Milton  
Sort Code: 40-34-25  
Account Number: 13061299  
Account Name: Anthony Harris & Company

There are two types of transfer:

BACS - this takes around three working days to appear in our account.

CHAPS - this type of payment is usually on the same day.

When sending money to us electronically by either of the above methods, please let us know beforehand.

**How long will my cheque take to clear?**

Cheques take six working days (from receipt by us) to clear so please bear this in mind if we are approaching exchange of contracts. If there is not enough time, please follow one of the above electronic transfer methods, whichever is most appropriate.

**How will I receive the net proceeds of sale after completion?**

Payment of the net sale proceeds will be sent to you electronically. There is a charge for this service of £36 (including VAT). We shall ask for your bank account details in writing. Where more than one person is selling we shall take specific instructions on how payments are to be made.

**How long does a conveyancing transaction take?**

This is one of the most commonly asked questions and it really is impossible to say as each transaction is unique. There are several factors that determine the length of time involved but we would expect a straightforward conveyancing transaction to take approximately 8 weeks from receipt of the contract papers to completion.

**Where will I collect my keys from on completion?**

The keys will usually be available to you from the Estate Agents once the funds have reached the sellers solicitors. We will arrange to send the purchase money to the seller's solicitors as soon as possible and once they have received this you will be able to pick up the keys. This does not usually happen until early or mid afternoon. Please be aware that Fridays and especially the Friday before Bank Holiday weekends are particularly busy and you may not be able to pick up the keys until late



in the afternoon if there are delays with the banking system.

Please make sure that we and the Estate Agents have your mobile telephone number prior to completion.

### **How do I agree a completion date?**

Once the pre-contract work has been concluded (including receipt of mortgage funding where applicable) you will need to agree a date with your sellers either directly or through the Estate Agents. You should bear in mind that we will try to meet this date but this is not always possible. Please do not book time off work, removal companies or give notice on any temporary or permanently rented accommodation unless Contracts have been exchanged and we have confirmed a completion date to you.

### **What are your opening hours?**

Our opening hours are 9am until 5pm Monday to Friday, closing for lunch between 1pm and 2pm.

### **What is your email address?**

Anthony Harris	-	convey@harrisco.uk
Daniel Ratcliff	-	convey@harrisco.uk
Reception	-	reception@harrisco.uk
Accounts	-	accounts@harrisco.uk