

BOYS & MAUGHAN
Solicitors

**GUIDE TO
CONVEYANCING**



WELCOME TO BOYS AND MAUGHAN

Our award-winning conveyancing service will ensure that your sale or purchase process is as simple and straightforward as possible.

This booklet explains:

- what is needed to sell or buy a property
- the work that we do on your behalf
- what we need you to do to help and
- who else needs to be involved and why.

Please read this booklet carefully because it may answer many of your questions. Rest assured, however, that we will guide you through each stage and will always be available to talk to you if there is anything you do not understand, **so please do just ask.**

This booklet is designed for general use and some of the points mentioned may not be directly relevant to you.



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CONVEYANCING QUALITY SCHEME

Boys & Maughan is accredited by the Law Society under the Conveyancing Quality Scheme.

The Conveyancing Quality Scheme is designed to speed up and improve the conveyancing system by standardising the process, making conveyancing more transparent and efficient and improving the working practices of everyone involved in it. We adhere to this protocol and will work with you to keep you up to date with any progress.

We have been accredited under the Conveyancing Quality Scheme since it was first introduced. The Conveyancing Quality Scheme is a scheme for accreditation by the Law Society of firms who meet certain high standards of conveyancing.

COMMUNICATION

We will communicate with you by whatever means is most convenient to you.

We will correspond with you as efficiently as possible, including by email and text message, so please ensure that we have both your mobile number and email address.

Conveyancing is not a completely paperless exercise and you will have to sign some original documentation. We will send these papers to you or, if you prefer, you can attend one of our offices.

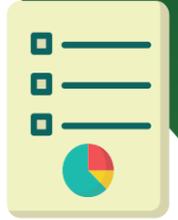
Technical terms

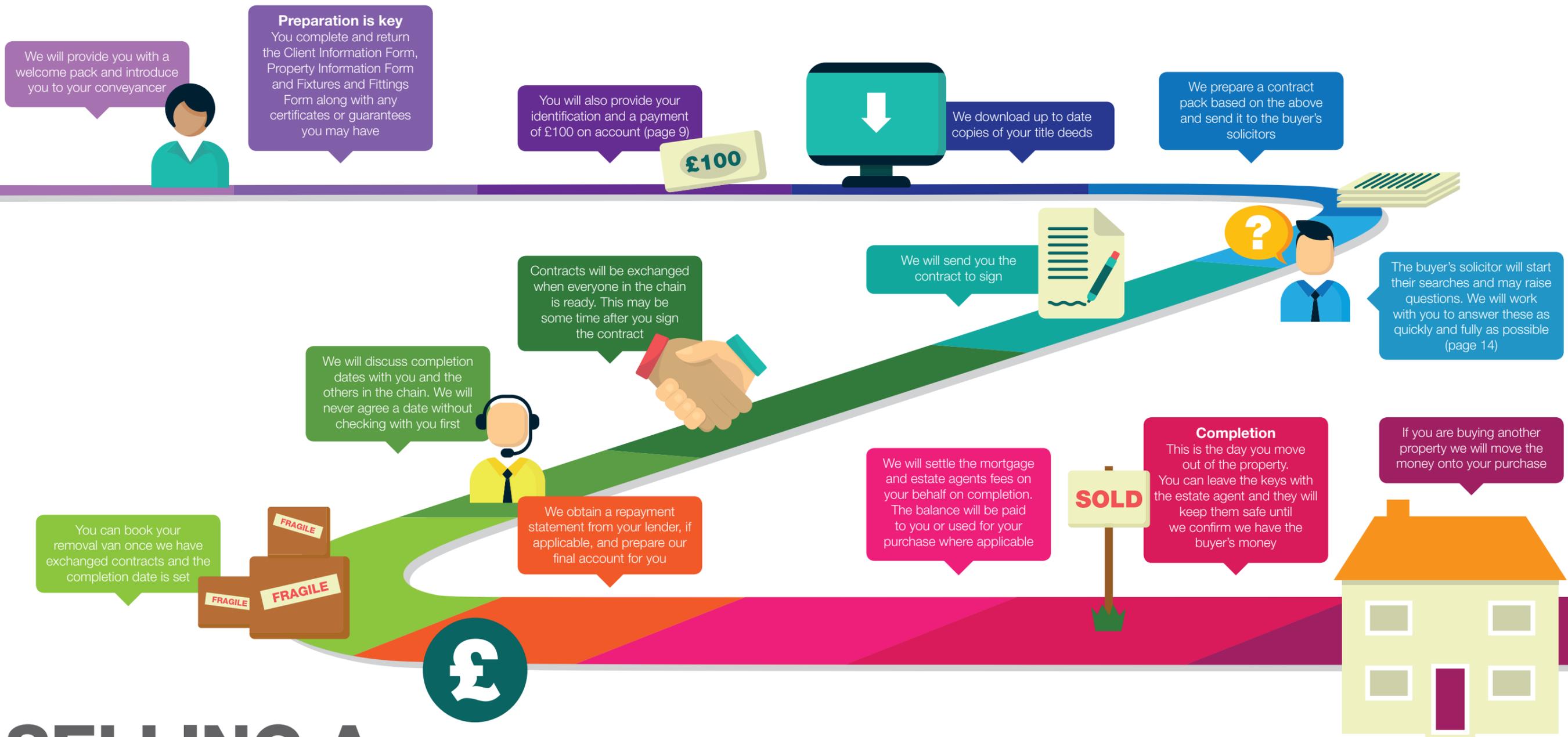
The language used in conveyancing can seem technical or overwhelming and we will do our best to explain everything in plain English. If, however, there are any terms you are not familiar with, just ask or read our jargon buster on our website at

www.boysandmaughan.co.uk/site/library/jargonbuster.html

PURCHASING A PROPERTY

Our 12 step approach to buying a property explains what happens at each stage of the process.

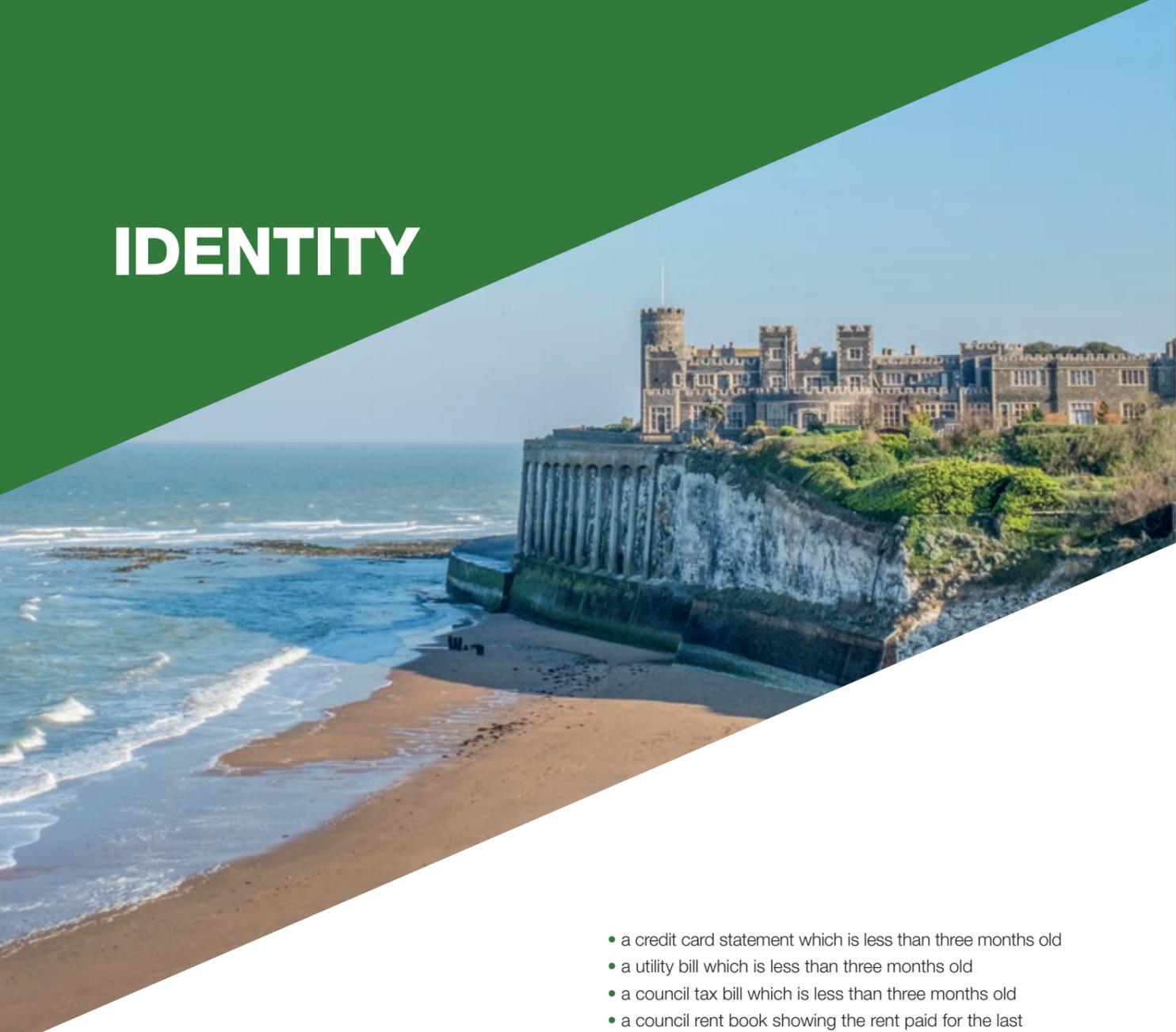




SELLING A PROPERTY

These 14 steps show what happens on the journey to completion.

IDENTITY



We are required to obtain and keep on our file up to date evidence of your identity.

Proof of identity is required for each client. Even if we have acted for you before we may need to ask you for identification documents again.

A

- a valid full passport, or
- a valid driving licence.

B

One of the following

- a bank or building society account statement which is less than three months old

- a credit card statement which is less than three months old
- a utility bill which is less than three months old
- a council tax bill which is less than three months old
- a council rent book showing the rent paid for the last three months, or
- a full UK driving licence.

If you do not live at the property you are selling, for instance if it is let to a tenant, we will need to ask you for additional documents connecting you to the property such as

- a tenancy agreement
- a council tax demand
- a utility bill.

Please bring or send originals of the above to the Boys & Maughan office you are dealing with. We will make copies and immediately return the documents to you.

If you are unable to produce identification please let us know immediately and we will try to assist.

We will additionally need to ask for identification of anyone who may be helping you with the purchase such as a parent who may be helping you financially, or if you are selling on behalf of someone else under a Power of Attorney, we will also need their identification.

SOURCE OF FUNDING

Anti-money laundering regulations mean that we need to know where the money you are using to purchase your new property is coming from. We cannot accept funds until you have provided documentary evidence of this.

We require sight of original documents. If you have any difficulty with producing these please speak to your conveyancer.

Documents we need to see

Unless the money for your purchase is coming entirely from the sale of an existing property which we are dealing with for you, we will need the following.

If the money has come from the sale of another property please provide a copy of the letter and statement provided by the solicitor who acted for you along with a bank statement showing the funds being deposited in your account and still in your account. If you have moved the funds around we will need to see proof of how they have been used.

If the money is from your savings we require sight of bank statements showing the savings accumulating in your account for a period of six months. Please note that it is not sufficient simply to provide a final statement or snapshot and if you do so we will ask for more information.

If a third party is contributing to the purchase we need to know if the money is a gift or a loan. We will write to them explaining the position. If the money is a gift we will need a letter from the person making the gift confirming that:

- the money is a gift
- it is non-refundable and not repayable
- they will not have any interest in the property, and
- they will not be residing in the property
- they are not bankrupt and are not likely to become so as a result of giving you this money
- we will also require identification for the party making the contribution, and
- evidence showing where the money they are providing has come from.

If a third party is providing funds but by way of a loan, they will need to see an independent solicitor for advice and help in drawing up any documentation. We will also need to disclose this to your mortgage lender for approval. It is best to make us aware of this as soon as possible.

Please keep this information for future reference.



CONVEYANCING

Protecting yourself from being a victim of cybercrime.



WARNING

People moving home are at an increased risk of falling victim to cybercrime through identity theft or having their emails with their solicitors intercepted by fraudsters who persuade clients to transfer sums to bogus accounts by impersonating solicitors and banks. Some people have lost large sums of money and usually none of the money is recovered. We want to help ensure that you are not a victim of one of these crimes.

Our bank account details are as follows:

Boys & Maughan client account,
Lloyds Bank PLC, Cecil Square, Margate, Kent
Sort code 30 95 45
Account number 00005670

Our golden rules of cyber security:

- We will **never** send you an email asking you to send money to any other account and we will not re-send our bank account details to you by email
- We will **never** telephone you asking you to send money to any other account
- If you receive a request to send funds to any other account please **contact us immediately** by using the telephone number on our headed notepaper.
- We will **never** ask you to contact us by ringing any other number.

Protect yourself

- **Don't** announce your house move on social media because this will bring you to the attention of criminals
- **Don't** be rushed or pressured into making a decision – a bank or trusted organisation will not rush you or mind waiting if you want time to think
- **Don't** assume an email or phone call is authentic
 - Our addresses start with our staff initials followed by **@boysandmaughan.co.uk** but remember email addresses can be cloned by criminals
 - Fraudsters could also clone any of our telephone numbers, so if a call that seems to be from us is unexpected or unusual, end the conversation and call us using a different telephone or ring us after five minutes because the fraudster may still be on your line
- **Check** your bank statements regularly for unauthorised activity and notify your bank immediately should you find anything unusual
- **Never** disclose security details, such as your PIN or full banking password.

We also recommend that you install anti-virus and anti-malware software on your devices and make sure that you run regular scans.

Above all, listen to your instincts. If something feels wrong then it is usually right to question it.

For further advice on protecting your property from fraud see the GOV.UK page at: www.gov.uk/protect-land-property-from-fraud

Please keep this information for future reference.

SURVEY

Sellers of properties in England and Wales do not give any guarantee regarding the physical condition of the property or any of the services connected to it. You should, therefore, give serious consideration to having the property surveyed by a qualified surveyor.

1

There are typically three levels of survey

A full structural survey – this is the most thorough but also the most expensive.

2

A Home Buyers Report – this is less detailed and is based on a standard format produced by the Royal Institution of Chartered Surveyors.

3

Your mortgage lender may provide a valuation of the property – this provides very little detail. Furthermore, although you will have to pay for this, the valuation is for the lender's benefit and not yours. Indeed you may not even get to read it. The valuation will not necessarily highlight any defects or alterations which require further investigation. It will simply be used to confirm the value to the lender for their lending criteria. **You cannot and should not rely on this as an indication as to the condition of the property.**

We therefore recommend that you arrange your own survey and we can, of course, put you in touch with a surveyor who will explain the differences between the first two options, the costs involved and which survey is best suited for your type of property.

Interaction with your mortgage lender

If you are obtaining a mortgage we will act for both you and your lender. It is important to bear in mind that we are obliged to treat you both as clients of equal standing. This means we have a duty to inform the mortgage lender of any matters that come to our notice, which may affect their security or their decision to offer the mortgage. In most cases your interests will be identical but occasionally a situation can arise where there is a conflict between your respective viewpoints. It is unusual for such a problem to arise but if it does we will notify you immediately and explain the situation in more detail.

Throughout the period of the mortgage you are obliged to comply with the rules and terms and conditions of the offer. **If you do not and, in particular do not make the repayments when due, the mortgage lender is entitled to apply for a court order to force the sale of the property and recover the money owed to them.** If the proceeds of that sale are insufficient to completely pay off the mortgage, along with any costs and expenses incurred by the mortgage lender in selling the property, they are entitled to recover the balance still owing to them from you after the sale.

SEARCHES

Local search

It is important to remember the Local Authority Search is limited to the property you are buying as are our enquiries and not any adjoining land or property.

If you have particular concerns about whether there is likely to be any development in the area of the property you are buying we recommend that you discuss this directly with a local council planning officer before we carry out too much work on your behalf. You can also find details of planning applications for neighbouring properties on the website of the local authority. Please bear in mind there is nothing to prevent an application being submitted the day after you have bought the property.

The council will have a Local Plan which will give an indication of the type of development that the local authority are likely to approve i.e. whether the area is primarily residential or whether a non-residential use might be approved.

Environmental search

If land is found to be contaminated, the owners can, in certain cases, be responsible for the cost of carrying out remedial work to that land, even if they did not cause the contamination.

We are becoming more aware of issues relating to contaminated land and the value of property may be affected if the history of the land shows a previous use which could give rise to contamination, such as factories or landfill sites. It cannot be assumed that simply because a property has been standing for many years, no problem exists. Every situation needs to be assessed on its own facts, history and use.

We will, unless you ask us otherwise, arrange for a report to be carried out on the site history and other environmental factors affecting the property. This will highlight any potential problems and give you the opportunity of referring them to a suitably qualified expert.

Flood risk

The environmental search will also highlight the risk of both surface water flooding and river or coastal flooding. This is particularly important given the increased levels of flooding the UK is experiencing and the difficulties that can arise in obtaining adequate buildings insurance.

If you are concerned about flooding the www.gov.uk website has a free service that will give information on how likely the land or property you are considering purchasing is to flood. When visiting the website type "flood risk indicator" into the search bar.

Plansearch Plus

If you are unfamiliar with the area we can provide a Plansearch Plus. This will give you information regarding development, schools and amenities.

Other searches may be required depending on the location of the property or information which comes to light and we will discuss these with you.

CHAINS

It takes a team to buy a property.

We are all keen to ensure any sale or purchase moves as swiftly and smoothly as possible but delays can occur and this can be frustrating. When this happens it is easy to lose sight of the whole picture.

We rely on a number of parties, including you, to complete the process. It is therefore difficult to measure in terms of time how long it will take. Sometimes information is immediately available and on other occasions it takes time to obtain. There can be mortgage delays, problems with surveys or delays to enquiries of the sellers and their solicitors, for example.

We will discuss each step along the way and will liaise with everyone else to do our best to complete in a time scale agreed with you.



INSURANCE

You must insure the property you are buying from the point of exchange of contracts.



DEPOSIT

A deposit of 10% of the purchase price is payable when contracts are exchanged. This is to provide the seller with protection if you fail to complete your purchase. If this were to happen the seller may be entitled to retain the amount of deposit you have paid, and if less than 10% they could sue you for the balance of the 10% deposit.

If necessary, we may be able to negotiate a reduced deposit on your behalf. If this is accepted, you will be expected to provide as large a deposit as you can.

If you are not going to be in a position to pay a full 10% deposit please let us know the maximum that you will be able to raise as quickly as possible.

If you are selling a property we will usually be able to use the deposit paid by your buyer as the deposit on your purchase. In this situation you will not have to find any deposit money.

Different arrangements apply to investment properties.



If you are obtaining a mortgage, your mortgage lender will specify the amount of insurance cover they require to be taken out, the risks that have to be covered and the maximum amount of any excess under the policy.

We recommend that you shop around for insurance quotes at the earliest opportunity because sometimes the cost of protection is prohibitively high, particularly when the property is in an area at risk of flooding.

You will need to provide us with a copy of the insurance policy on exchange.

Use of property

Unless you tell us otherwise we will assume that you are purchasing the property as a personal residence for you and your immediate family. If this is not the case and you are buying the property:

- as an investment
- for occupation by other people
- for the purpose of a business, or
- you have plans to develop the property

You must advise us in writing so that we can check that there are no restrictions that might prevent you from doing so.

Tax

We do not offer tax advice on property transactions and recommend that you seek assistance from a suitably qualified accountant if you have any concerns.

It is important you are aware of any potential Capital Gains Tax liability which may be payable as a result of your sale and that you take steps to notify HMRC and pay any tax due within their requirement time limits. We will take your instructions in respect of Stamp Duty Land Tax and calculate the amount due. In some circumstances it may be necessary to refer you to a specialist for further assistance.



JOINT OWNERSHIP

There are two ways in which property can be owned by two or more people.

1

Where there is more than one buyer it is important to take some time to consider how you wish to own the property you are buying. There are two options for how joint buyers can own the property together.

Joint tenants means that you each own 100% of the property. You will not have separate shares, regardless of whether or not you contributed to the original purchase equally or unequally. Furthermore, on the death of either of you the property passes automatically to the survivor irrespective of any Will that may have been made by the deceased. This is how most married couples would choose to hold a property unless, for instance, they had children from a previous marriage who they wish to pass their interest in the property on to.

2

Tenants in common means that each of you will have a separate individual interest in the property which **does not** automatically pass to the survivor on the death of either of you. Instead the interest of the owner who dies will pass in accordance with the terms of their Will made or if they have not made a Will under the government rules known as the rules of intestacy.

You can decide what shares you wish to hold the property in and this need not be 50:50. You may contribute different amounts to the purchase and should give consideration to what proportion each of your shares should be, such as 60% to 40% or 90% to 10%.

It may be advisable to enter into a declaration of trust. This is an agreement between the two of you clearly setting out your shares in the property and stipulating how those shares are to be divided upon any future sale or dispute. We can discuss this with you.

Cohabitation agreement

Where people are not married or have not entered into a civil partnership under the Civil Partnership Act 2004, they may wish to record their agreement as to who will be responsible for the various expenses associated with the ownership of the property. This can be done in a cohabitation agreement, which can also cover a wide range of other financial matters such as ownership of furniture and other goods, liability for debts, joint accounts, use of credit cards and contributions to living expenses. It can also be referred to and help reduce disputes should the relationship break down.

Our family department is happy to provide further details of the matters usually covered in a cohabitation agreement and the costs involved.

COMPLETION

This is the day the buyer receives the keys for their new home.

The completion date is fixed when contracts are exchanged, so be certain you will have the funds needed to complete and be able to move on the date before agreeing to it.

Typically there would be a minimum of five working days between exchange and completion and sometimes more if time is needed to drawdown a mortgage advance.

There is no set time for completion but often it occurs around lunchtime. That said a completion day can be a long day if there are a few properties in the chain. We will keep you posted throughout the day as and when money is transferred and keys can be released.

If you are selling you should leave your keys with the estate agent once you have left the property. If you are buying you will collect the keys from the estate agent.



BUYING A LEASEHOLD PROPERTY

It is important to check whether the property you're looking at is freehold or leasehold.

Freehold means you own a property and the land it occupies.

Leasehold means you own the right to occupy a property for a fixed number of years, typically 99 years or more.

Share of freehold is a phrase that can be used to describe some situations where the property is leasehold but you can also acquire a share in a freehold title. You may find the freehold is owned by a company in which you will take a share or membership. Alternatively, a group of leaseholders may also own the freehold between them.

Generally speaking, houses are freehold and flats are leasehold but there can be exceptions to this.

Leasehold is a type of long-term tenancy and it is not the same as outright ownership

When you "buy" a leasehold property, you do not become the owner of the property. Instead, you acquire the right to occupy it for the amount of time that is remaining on the lease.

It is important to establish early on how long is left on the lease as this could have an impact on your ability to get a mortgage or the price you pay.

If you are not sure you should speak with your solicitor sooner rather than later as it may be possible to obtain a lease extension. How long is left on the lease can be quite crucial in negotiating a lease extension. Leasehold properties are assets that lose value over time and it can cost a considerable amount to extend a lease, particularly once the remaining time falls below 80 years.

COMMON PHRASES ASSOCIATED WITH LEASES

Ground rent

This is a sum that the leaseholder pays to the landlord. The lease will state how much the ground rent is and when it is due to be paid. The ground rent will be fixed when the lease is first granted but there are usually provisions for it to be increased. The amount varies from one lease to another and in some cases may not be payable at all. This is known as a peppercorn rent.

Service charge

This is what you pay to the landlord towards the cost of the services they provide, such as repairs, gardening or cleaning of common areas. It can also include building insurance. The charge varies from one property to another and is set by the landlord. The services covered will be listed in the lease and we will let you have this information as soon as we can.

Notice or registration fees

These are charges set by and payable to the landlord or management company and are paid by the buyer on completion. The fee covers the landlord's cost in registering the change in ownership, the buyer's contact details and mortgage details. It means that the landlord is aware that there is a new leaseholder. The charge can vary greatly and range between £50 and £150 per notice. We will advise you as soon as we know what the charge will be.

SELLING A LEASEHOLD PROPERTY

Landlord/management company enquiries

If you are selling a leasehold property you will be required to provide the buyer with replies to a standard set of enquiries raised of the landlord or management company. You may hear this called a leasehold pack or LPE1 pack.

The landlord or management company will charge for providing this and the cost can vary. The fee is payable upfront. Furthermore, if the landlord and management company have different functions, you may need to pay for two packs. We will make contact with them on your behalf and let you know the fee as soon as we are able to.

Documents required to sell your flat

If you are planning to sell your leasehold property, it will help if you could provide as much documentation as possible.

In particular, we will need copies of the following:

- 1 The lease if you have it.
- 2 Any correspondence with the management company or landlord.
- 3 Any recent bills or statements that you have received.
- 4 Any notices regarding planned works.
- 5 Any guarantees or letters of consent.
- 6 A copy of the current insurance policy for the flat.
- 7 Your share or membership certificate.

FAQS

How long will my move take?

A standard freehold purchase will normally take 12-14 weeks. However, this depends on a number of factors such as:

- The number of parties in the chain
- If somebody in the chain does not want to proceed as quickly as the others
- The complexity of the transaction, for example it will take longer if the property is leasehold, and
- If the searches or enquiries reveal something unexpected.

Can I complete at the weekend?

No, because the electronic banking system only works from Monday to Friday and most law firms are closed on a Saturday and Sunday.

When should I book my removal firm?

You can make enquiries of the removal company at any time but wait to formalise your booking until we have exchanged. Until contracts are exchanged, the date is not fixed and changes could mean you incur extra charges.

When should I cancel my direct debits to my existing mortgage lender?

Do not cancel direct debits until you have been advised by us that completion of the sale has taken place. If you have made an overpayment the lender will refund this to you following completion.

What should I do with the keys to my existing property?

They should be left with the estate agents who will only release the keys to the buyer once completion has taken place. If there are no estate agents you should arrange to give the buyer the keys directly. Please do not hand the keys over to the buyer until you have received confirmation from us that we have received the purchase monies.

How do I get the keys to my new property?

Please make your own arrangements with the estate agents as they will normally hold the keys. If there are no estate agents you should arrange to collect the keys from the seller.

What and when do I have to pay?

We will ask you to pay money on account when you first instruct us; £100 for a sale and £350 for a purchase. We will ask you for your deposit when we report to you with papers for signing. Just before completion we will ask you for the remainder of the money, including stamp duty land tax, land registry fees and our fees.

How do I contact you by email?

We prefer where possible to correspond by email and of course, we will talk with you over the telephone. There will be some documents you actually need to sign and occasionally we may ask you to attend the office to meet with us.

Do I need a survey and if so, will you arrange it?

We always recommend you undertake a survey. This is your way of finding out as much as possible about the property before committing to it. We will not arrange this for you but if you ask we can give you details for a number of surveyors.

My parents are helping me buy the property, will you need anything from them?

Yes we will need identification for your parents or anyone else helping you financially. We will also need to see where the money they are providing has come from and will ask them to confirm in writing on what basis they are providing the money and if it is a gift or a loan.

Can I exchange and complete on the same day?

It is preferable to exchange in advance of completion. Time is needed to set up completion and carry out the relevant legal work, and it is best to do this knowing everyone is legally committed. If, however, there are circumstances which mean the two must take place on the same day we will prepare for this and ensure you are fully informed of the risks. Proceeding in this way can leave you exposed to costs if completion does not take place and you cannot look to anyone else to recover these costs.

How do I know which boundary I will be responsible for?

In some cases, not all, the title deeds will confirm which boundary you will be responsible for. However, not all titles contain this information in which case it is best to speak to the seller and the neighbouring owners to see who has assumed responsibility for which boundary in the past.

Does the seller have to have the boiler serviced?

There is no obligation on a seller to have either the boiler or electrics tested. There may be an existing service report and if so we will endeavour to obtain a copy for you. However, the onus is on you to ensure you are content with the boiler and property. If you are concerned you should arrange to have these tested.

Do I need to be present for exchange to take place?

No, we will already be holding your signed contract. We will, however, need to speak to you to obtain your authority to exchange and agree the completion date. Even if we have spoken with you previously and you have agreed the date we will always contact you before actually exchanging contracts. It would be helpful if you keep your mobile phone handy to avoid delays in contacting you.

BOYS & MAUGHAN

Solicitors

Contact our local offices

For further information about any of the subjects discussed in this booklet or to discuss your house move please contact one of our local offices.

Margate

India House, Hawley Street CT9 1PZ
01843 234000

Birchington

83 Station Road, CT7 9RB
01843 842356

Broadstairs

99 High Street, CT10 1NQ
01843 868861

Canterbury

32 St George's Place, CT1 1UT
01227 207000

Ramsgate

57 Queen Street, CT11 9EJ
01843 595990

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