

Key Stages of a Residential Purchase Transaction

Once we are instructed on the purchase of your property, we will provide you with:

- ✓ **Client Care Letter** - a preliminary letter which confirms your instructions, sets out the procedure involved and indicates who will be dealing with your case.
- ✓ **Statement of Anticipated Costs** – a statement which sets out all expenses (including our fees) which you are likely to incur in relation to the transaction and any payments required from you at the outset on account of costs and disbursements.
- ✓ **Terms of Business** – our standard terms of business which, together with our Client Care Letter, form the basis upon which our services will be provided to you.
- ✓ **Due Diligence Request** – details of the preliminary documentation required from you in order to confirm your identity. We will also undertake online verification of identity. This is necessary so as to enable us to comply with relevant rules and regulations.
- ✓ **Source of Funds Questionnaire** – a questionnaire which we need you to complete, again, in order to comply with relevant rules and regulations. This requires you to confirm and provide evidence as to how you are funding the transaction.

We will then proceed with the following:

- ✓ **Searches** - we will undertake searches at the local authority and other public authorities and registers. The purpose of these searches is to establish whether any onerous information relating to the property is held in any public record.
- ✓ **Documents from Seller** – we will consider and report to you on the documentation provided by the seller's solicitor. This will include the information provided in a number of standard questionnaire forms, such as 'Property Information Form', 'Fittings and Contents Form', and, if the property is a leasehold (usually a flat but can apply to some houses), 'Leasehold Information Form'.
- ✓ **Leasehold Property** – if the property is a flat or other leasehold property, then the seller will also obtain a 'Landlord's Information Pack' from the landlord of the property. This will outline various details relating the property and the block of which the property forms part and the landlord's requirements in relation to the sale of the property to you. It will also provide information in relation to current and future service charge liability and other payments due to the landlord under the lease.
- ✓ **Enquiries** – we may need to raise additional enquiries with the seller's solicitor. This may be necessary in order to further explore some aspect of the title of the property, the results of one of our searches, the information disclosed in the Property Information Forms or the documentation provided by the seller's solicitors.
- ✓ **Contract and Transfer** – we will negotiate and agree with the seller's solicitor or other relevant party, the 'Contract', 'Transfer' and any other document required in connection with your purchase and we will arrange for you to sign the documents at the appropriate time.

- ✓ **Report** – we will prepare a comprehensive report for the property and the transaction, highlighting the key elements and any items of concern. We will discuss the report with you and pursue any matters you may wish to raise.
- ✓ **Mortgage** - if you are taking a mortgage, we may be able to act for your lender as well as for you. If we act for your lender, we will report to the lender and submit a Certificate of Title. If the lender is represented by another solicitor, we will deal with mortgage enquiries and requirements of the lender's solicitor and provide them with all necessary documents and information. If you are taking a mortgage, the property and every aspect of the transaction will have to comply with the provisions of the UK Finance Mortgage Lender's Handbook and any additional requirement of your particular lender.
- ✓ **Exchange** – once you are satisfied with every aspect of the transaction and your financial arrangements are in place, we will 'exchange' contracts, pay the required deposit, which is usually 10% of the purchase price, and fix a date for completion. This secures the purchase and neither party can change its mind or go back and re-negotiate any aspect of the deal. We would stress that despite the fact that your offer has been accepted, your purchase (and indeed any related sale) is not secure until you actually exchange contracts, but once you have exchanged you are obliged to complete the transaction. Furthermore you must complete on the day and time fixed for completion. If you delay completion or fail to complete altogether you will incur penalties and may lose your deposit and the property. There are rare exceptions to this rule (such as where the purchase is conditional on something taking place), but on the whole, if either party fails to complete on the designated time and date, it will suffer damages which could be significant.
- ✓ **Completion Account** – prior to completion, we will provide you with a 'Completion Account' which will confirm the final amount required to complete the purchase.
- ✓ **Completion** – just before completion, we will undertake further searches and collect the mortgage advance from your lender (if applicable) and any balance due from you. On the completion date, we will send the sum required to complete your purchase to the seller's solicitors. As soon as we complete you will be able to collect the keys to your new property.
- ✓ **Stamp Duty Land Tax (SDLT)** – within 14 days of completion, we will prepare and submit your SDLT return and make payment to HMRC of the amount due in respect of SDLT. As with all tax matters, we would advise you to take expert advice on your SDLT liability.
- ✓ **Land Registry** – we will prepare and submit an application to the Land Registry in order to register you as the new owner of the property. If we are acting for your lender, we will also register a charge against the property in their favour. If the lender has separate solicitors, then we will work with them to register the lender's charge accordingly.
- ✓ **Post Completion** – once the registration procedures are completed, we will send you a copy of the new title and all deeds and documents which we hold for the property (unless your lender wishes to keep any originals, which is sometimes the case).
- ✓ **Timescales** – a transaction which proceeds without undue complications is generally thought to take around four weeks to exchange of contracts and four weeks thereafter to completion, however, these timescales are by no means fixed. In respect of timescales for a freehold purchase, much depends on when we receive the contract pack from the seller's solicitors, whether there is a 'chain' transaction above

or below, when we receive our search results and replies to our enquiries and, if applicable, how quickly the mortgage offer is processed. In respect of timescales for a leasehold purchase, the same applies as above but also includes being in receipt of the management pack from the Landlord. We will of course advise you as we go along, when you are in a position to exchange and complete.

Please note *that the above procedure is intended to outline a standard purchase transaction of a residential property which proceeds without complications. The procedure may differ depending on the type of property, the way in which you are purchasing the property and any unexpected issues that may arise. If you are purchasing a new build property, the procedure is a lot more complicated and it is not uncommon for various payments to be made towards the purchase price, during the construction period, between exchange and completion. If you are using any government or other scheme to purchase the property then we will have to comply with the rules and regulations relating to the relevant scheme.*

PROTOPAPAS LLP