

All the right moves

Buying or Selling your home

What to consider when buying a property

When thinking about buying a property one of the first things you should do is seek expert advice to find out exactly how much you can borrow. You have the choice of going direct to a mortgage provider, be it Bank or Building Society, or you could speak to an Independent Financial Advisor (IFA) who will often have access to a wider market.

In addition to your mortgage, you will need to establish how much deposit will be required. Different mortgage products demand you pay different amounts of deposit, this is the amount you are personally contributing. This is called Loan to Value or LTV. Again, your mortgage provider or financial advisor will be able to help guide you further.

We, as your solicitors, will require you to provide us with either 5% or 10% of the purchase price by way of a deposit. This will need to be with us in cleared funds a few working days prior to the exchange of contracts. If you are putting in additional funds towards the purchase price we will require this to be with us again a few working days prior to the completion date.

Your mortgage provider will ask you to pay for a 'Report & Valuation'. Please note that this is not a survey but more of an inspection of the property you are buying. The lenders' surveyor will check that the property is in a reasonable condition, priced right and fit for them to lend against.

If you are buying an established or older property, you are wise to consider having a full RICS survey. Some lenders will allow you (at additional cost) to upgrade from the Report & Valuation to a more in-depth survey. Alternatively, you can commission your own independent survey report using the services of a local RICS Surveyor.

Now would also be a good time to consider the Stamp Duty Land Tax (SDLT) payable on purchase. SDLT is a tax that is based on the amount paid for the property and whether you have owned property in the past or currently have other property. After April 2016, an SDLT surcharge is added to a purchase if you own other property or are purchasing an investment

property. Our New Business Team can give you further information of what you will be required to pay. All they will need is the purchase price and whether it is for your own occupation or a second home. If the position is complex, our tax team can help you understand the potential cost and advise on potential savings.

When you are ready we will be pleased to provide you with a full breakdown of all known legal costs and associated disbursements. This will include the above mentioned SDLT which will likely be the biggest legal expense you will have to budget for. If you should shop around for legal services remember choosing the cheapest quote can sometimes cost you more in the long run with hidden charges. If you are looking to purchase a leasehold property, there will probably be additional service/maintenance charge payments to include and budget for as well.

What are the first steps?

Once you have decided on a property and had your offer accepted, you need to instruct us to get the legal side of things under way. Legal advice can be given from the outset and we can give you a clear idea as to the likely costs involved; the possible timescale and the conveyancing process generally.

If you have not finalised your mortgage arrangements, now is the time to do so. All building societies, banks and mortgage brokers must give you detailed information and everything must be clearly explained to you.

Arrange to have the property surveyed. This should be done even if you are not getting a mortgage. There are several types of survey which you can have carried out – the more detailed the survey, the more expensive it is.



Top Tip

Setting a moving date

Usually, you'll move on the day that contracts are completed. Often that's on a Friday, but if you have a choice on completion date go for weekday as removal companies are less likely to be booked up.



Once we are instructed we will contact the selling agents asking them to introduce us the seller's solicitors. We would then expect to receive a Draft Contract, Property Information Form and Title information from the seller's solicitors. Once we have received these documents, we will perform various searches and enquiries on your behalf, in order to protect your interests, as well as those of your mortgage lender.

After your mortgage application has been processed and the property has been inspected by the lenders surveyor, your lender will issue the mortgage offer. You will receive a different copy to us as ours often has additional requirements or questions to be asked of the sellers solicitors. Once we have received replies to all searches and enquiries, we will arrange an appointment with you to review the papers, sign the mortgage contract and discuss anything of which you are unsure.

Many of our clients are unable to attend our offices so we can deal with the above by post and email.

You will also need to think at this time about arranging buildings and contents insurance. Buildings insurance needs to be in place once contracts have been exchanged.

We will also require certified copies of your ID. These must be with us before we can proceed to exchange of contracts. This procedure is mandatory and will be the same with all solicitors in England and Wales. Again, if you are unable to attend our offices to complete this important check we are happy to explain alternative arrangements which are available.

Also, please be ready to transfer your deposit to us in cleared funds as previously mentioned. We should then be in a position to exchange contracts once a completion date has been agreed by all parties involved in the chain.

At this point everyone is legally bound to proceed to completion.

And finally

The day of completion arrives. This is the date you are entitled to move into your new home, but only once the monies have been transferred to your seller's Solicitor's. You should ensure that your contents insurance has been arranged to start on the day of completion. Once the Sellers' solicitors have received the remainder of the purchase monies, the property becomes legally yours and you can collect the keys to the property from the estate agent.

We will then register the property in your name/s as well as registering your mortgage provider's interest.

In addition to the registration, we will complete and submit the SDLT Return along with discharging this tax on your behalf. Again, we cannot stress enough how important it is to budget for SDLT and to have the cleared funds available for us prior to completion.



Selling a property - What do I do first?

Once you've decided to sell your property there are several steps to take in order to start the ball rolling. First, invite a few local estate agents to carry out a market appraisal (or valuation) of your home. Even if you are selling privately, you should have the property valued so that you sell at a realistic price. As of the 21st of May 2010, all properties being marketed require an Energy Performance Certificate (EPC), these can be arranged on-line or via your estate agent.

To help you speed up the selling process, we would recommend you instruct us to open a sale file for you in advance or agreeing a sale. This will allow us to make a start on all the 'prep work', such as obtaining the title documents or leasehold information. Taking this proactive step can not only save you time but also money. Delays in the conveyancing process can

often lead to some people having a change of heart and withdrawing from the transaction.

It is important you let us know as soon as you have agreed a sale as we will need to contact your estate agents to get the buyers' solicitors' contact details. Armed with this information, we will submit contracts and supporting documents to your buyers' solicitors by return. Whilst the conveyancing process gets under way, your buyers will normally have a survey carried out on your property to ensure it is structurally sound.

Your buyers' solicitors may raise various enquiries regarding the property which we will attend to as swiftly as possible. There are likely to be some questions that we will refer to you if we are unable to answer them ourselves. It is imperative that you deal with any questions quickly and as accurately as possible so as not to hold up the process.

Then what?

We will ask you whether you have any preference on what date/s you would like to move. This must be agreed with your buyers and their solicitors (and the rest of the chain). Your estate agent will be of help as they can often contact everyone in the chain to speed the decision process up a little. Once your buyers' solicitors have received replies to all their enquiries, the results of the searches and a copy of a satisfactory mortgage offer they will then be in a position to proceed to exchange of contracts.

Provided there is nothing outstanding and the chain is equally ready, we should then be ready to exchange contracts. Remember, if you are also buying a property, everyone in the chain must be ready to exchange at the same time. You now have a completion date which is the date on which you must vacate the property.

Is there anything else I must do?

Advise the gas, telephone, electricity and water companies of the date on which you are moving and arrange for final meter readings. Also, remember to tell the Council Tax Department of the local Council and arrange to cancel any direct debits/standing orders and other regular payments in relation to the property. It may also be handy to re-direct your post to your new address and you MUST notify DVLA to change the registered address for your driving licence.

Guidance Notes - Costs and Fees

Apart from paying legal fees and Value Added Tax, there are other payments that must be made during the sale, purchase or re-mortgage of a property. These payments are known as 'disbursements' and our New Business Team will be happy to provide you with a full breakdown of all known costs. The following list is designed as a guide to help you understand why disbursements have to be paid. The majority are payments made to the Government.

Sales and Re-mortgages

If the property is registered with the Land Registry, we need to obtain Office Copy Entries of your title from the District Registry. These cost between £8.00 and £24.00 depending on what is required and if the property is Freehold or Leasehold.

If alterations have been carried out to your property within the last ten years, we may need to provide your buyers' solicitors or your new Lender with a copy of the planning permissions/building regulations consents. If there are not held with your title deeds and you no longer hold copies at home, then the

Local Authority can issue copies for a charge. The charges vary from Council to Council but we will always ask your permission before obtaining them.

Most Lenders charge a 'Deeds Production Fee' when the title deeds are sent to solicitors. If the matter does not proceed to completion, the deeds must be returned to the building society or bank. The charge is either payable at that time or it is added to your mortgage account.

If you use the services of an Estate Agent when selling your property, we can discharge the commission account on your behalf on completion provided there are sufficient funds available. We will always send a copy of the account to you for approval before it is paid.

If you are selling a leasehold property – rent, maintenance charges and insurance premiums must be paid up to the date of completion. If these have not already been paid in advance, a proportion will be required on completion. A note of these charges will be provided as part of the Completion Statement sent to you after exchange of contracts.

General Charges Lenders Solicitors Fees

Gepp Solicitors is on the solicitors' panel for the majority of building societies, banks and other lenders. Therefore, you will not need to have two separate firms acting for you and your lender, which would significantly increase your costs.

Bank Transfer Fee

If you are buying, a charge will be made for transferring all the completion monies to your seller's solicitors on the day of completion. If you are selling or re-mortgaging and have a mortgage with a lender who requires the redemption monies to be remitted on the same day as completion, a Bank Transfer Fee may be payable.

Bankruptcy and Land Registry Searches and Enquiries

A Bankruptcy Search is necessary if you are obtaining a mortgage to ensure that you are not Bankrupt before entering into a mortgage. The charge is currently £2.00 per name. We may need to carry out two of these searches if the first one expires prior to completion. A Land Registry search is carried out between exchange of contracts and completion and ensures that the title deeds have not changed since the contract documentation was received. The current charge for this search is £6 per title. If the property is unregistered, an Index Map Search will be required. There is no fee for this search.



Top Tip

On the day of completion

Move out of the property ensuring that you leave behind all the items/fixtures & fittings you included in the sale. Leave the property in a clean and tidy state and ensure that all rubbish is removed. Arrange to leave the keys with the estate agent or pass them to your buyers direct but only once all of the monies have been received by us and you have been instructed to do so.





Purchases and Re-mortgages

A Local Authority search is required so that you and your Lender become aware of matters affecting the property. These might include planning proposals, previous alterations that may have been carried out, future road proposals, highway maintenance and enforcement action for breach of planning control.

The search fees vary depending on the Local Authority involved. It appears that, the nearer to Central London the property is, the higher the search fee is. They are normally between £100 and £200. Stamp Duty is payable to the Inland Revenue on both freehold and leasehold property is currently:- It may also be payable on the rent when the property is Leasehold and a new Lease is being granted.

Band	Rate of Stamp Duty	Buy to Let/ Additional Home Rate
£0.00-£125,000	0%	3%
The next £125,000 (the portion from £125,001-£250,000)	2%	5%
The next £675,000 (the portion from £250,001-£925,000)	5%	8%
The next £575,000 (the portion from £925,001-£1.5 million)	10%	13%
The remaining amount (the portion above £1.5 million)	12%	15%

We will be happy to provide you with a note of the duty payable once we are in receipt of the documentation from your seller's solicitors.

Once the purchase or the re-mortgage has been completed, the transaction must be registered at HM Land Registry. The Land Registry fee payable is based on the purchase price of the property, any annual ground rent (if the property is leasehold and a new lease is being granted) or on

- the value of the new mortgage if you are re-mortgaging a property registered at HM Land Registry,
- the current market value of the property if it is not registered at HM Land Registry. The fee scales are subject to change but the current fees are shown below to give you an idea of the charges involved.

As in the sale of a leasehold property, rent, maintenance charges and insurance premiums maybe payable from the day of completion up to the date they next become due.

You will also have to pay Landlord's Registration fees under the terms of the Lease. This notice is required so that the Landlord knows to whom future rent and maintenance charge demands and any Notices should be sent. The charges vary but are normally around £50.

Disbursements

In addition to our fees, your total costs may include payment to third parties (such as experts, barristers, the Land Registry etc). We will normally require you to place us in funds before we incur any disbursements on your behalf. Please respond quickly to our requests so that we can deal with the matter promptly. Where disbursements are relatively small we may exercise our discretion and make the payment without your specific instructions. If you prefer we will not make any such payments without reference to you although this may cause delay.

Whether you are buying, selling or re-mortgaging a property we will ask you at point of instruction for an initial payment on account to cover general disbursement costs. Any delay in receiving such payments might slow the legal process down, that is why we make it easy for our clients to pay either on line or over the phone with our Accounts Team.





Why use Gepp Solicitors?

Gepp Solicitors Solicitors have been working with and supporting our clients in and around Essex since 1768. Our residential conveyancing team, specialise in all types of residential transactions ranging from a sale and purchase to re-mortgages and transfers of equity. We only employ highly experienced and skilled staff who are all experts in what they do and who are always striving to make the conveyancing process as stress free as possible for ALL our clients.

Our clients' satisfaction and wellbeing comes first and foremost in what we do.

An Assurance of Quality

Working to the exacting standards of the ISO 9001 : 2000 LawNet Quality Standard, the Residential Conveyancing Team at Gepp Solicitors aim to provide the definitive 'Quality Service'. We offer advice and service of the highest calibre, from experienced, approachable and knowledgeable staff. You receive practical help and speedy results.

Costs

Our friendly, dedicated New Business Team will be more than happy to provide you with a full written estimate of all charges and disbursements associated with your proposed move. Gepp Solicitors recognise that you will need to budget for legal fees in the same way as other costs and having all the information in front of you well in advance of the matter commencing, should help you considerably.

The team are here to assist with queries you may have and answer questions regarding the conveyancing process in general. Please do not hesitate to contact them on 01245 343980 or at newbusiness@gepp.co.uk

Costs and disbursements are required approximately four days before completion.

Money laundering

This firm operates an Anti-money laundering policy. We require that whenever our clients provide us with funds in excess of £500, that these funds take the form of a cheque, banker's draft or telegraphic transfer from a UK clearing bank.

In addition, we are required to ascertain the identity of the source of funds for any transaction and you may, therefore, be asked questions relating to this. Further, you will be required to prove your identity by means of driving licence or passport and a recent utility bill. These are measures that the Government has stipulated should be used to assist in the battle against

money laundering in this country. Under the Proceeds of Crime Act 2002 we may be obliged, without reference to you, to make a disclosure to the National Criminal Intelligence Service (see www.ncis.co.uk) unless it is information received so that advice may be given about it or unless it comprises the advice itself (privileged information). We therefore reserve the right to give such NCIS notices we deem appropriate without notice to or discussion with you.

We expressly exclude liability for loss or damage as a result of compliance with the Money Laundering legislation and regulations.

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Working to the exacting standards of the ISO 9001 : 2000 LawNet Quality Standard, the Residential Conveyancing Team at Gepp Solicitors aim to provide the definitive 'Quality Service'. We offer advice and service of the highest calibre, from experienced, approachable and knowledgeable staff. You receive practical help and speedy results.



Clearance of funds

Where payments are to be made to third parties on your behalf, five working days must be allowed for clearance of any cheques deposited with us for the purposes of making such payments. We would recommend that telegraphic transfers are used wherever possible.

“As a First Time Buyer I did not have a clue on what was meant to happen. Because of you guys things have become very easy.”

Top Tip
If you should shop around for legal services remember choosing the cheapest quote can sometimes **cost you more** in the long run with hidden charges.



Essential Checklists

Six weeks before your move

- Start de-cluttering. Don't waste money paying to have stuff you never use moved to your new home. This is the time to throw out anything that you have never used.
- Decide on whether to are going to move yourself or use a removal company. If removal company, get at least 3 quotes. A good removal company can be booked up months in advance so book early.
- Check your home insurance policy to make sure you are covered from the day to move in.

Four weeks before your move

- If you are packing yourself, order and have delivered your packing boxes.
- If necessary, look into parking permits at your new property and approach the relevant Council.
- If you have any parking restrictions at either address make sure your removal van can park to load or unload your possessions. Removal vans can be quite large - make sure there's sufficient space for them to park.
- Notify the relevant utility companies of your departure.

Two weeks before your move

- Arrange for someone to look after children and pets if possible.
- If you are moving long distance and need a hotel for the night book early especially in the summer months.
- You don't need to tell your GP you are moving but it will help in terms of administration and transferring your records should you need to register with another practice.

One weeks before your move

- Confirm arrival time and final arrangements with your removal company including directions to your new property and any access issues.
- Arrange for the professional disconnection of gas cookers, washing machines or any other appliances you are taking with you.

Day before your move

- Defrost and dry out your fridge / freezer.
- Pack valuables and documents and put them in a safe place. Do not pack these in a box but place in car with you for easy access.
- Make a list of contact details i.e. Solicitors, Estate Agent, Mortgage Broker
- All packing should be done. Create yourself an essentials pack - see next page
- Charge your mobile phone, as you will need it tomorrow
- Do a final check of cupboards, the loft, sheds so that nothing is left behind

Moving day!

- Welcome your removal team and show them all items that are going and anything that is staying.
- Drop the children off or organise a corner of the lounge with some of their toys and a few treats. Older children may want specific tasks such as packing up their own personal box.
- Do a final clean of the house
- Make a note of all meters readings
- Do a final walk round of property including garage and garden.
- Lock all windows and doors and leave any information which may be useful to the new occupier i.e. where is the stopclock, electric/ gas meter, fuse box
- Make sure all services - electric, water and gas - are working.
- Put the kettle on for your removal team when they arrive. Moving is thirsty business! Aim to be there when your removal team arrives so you can show them where you would like items and boxes to go.
- When your removal team have finished. Check the inside of the van thoroughly; it is your responsibility to make sure all of your belongings are removed.

Essentials List - you will need:-

- Kettle
- Medicine
- Tea/Coffee/Sugar/Milk
- Cups
- Snacks
- Toiletries (Don't Forget the Toothpaste!)
- Money
- Toilet Rolls
- Spare Light Bulbs
- Notepad and pen
- Small Tool Kit (Hammer, Scissors, Torch, Lighter, Corkscrew)
- A few pieces of basic cutlery, crockery, can opener. A takeaway on your first time at your new property is always a good idea!
- Bottle of Champagne and glasses for that celebratory drink
- Keys, car etc
- First Aid Kit
- Phone charger - just in case.



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Advice**

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