

## Essential Information Leaflet: RESIDENTIAL PROPERTY

### THE SELLINGPROCESS

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The following information is designed to provide you with an outline of the legal procedures involved in the sale of your property. However, circumstances vary between individual transactions and your own sale may differ from the following if circumstances dictate. If you have any queries in relation to the following points or your own sale in general we would be pleased to be of assistance.

#### 1. Initial Actions

Following your instructions to act we have to prepare a 'pre-contract package' for your buyers solicitors. This comprises the draft contract identifying the land that you are selling and upon what terms you are prepared to sell it, evidence of your legal title to the property to prove that you own and are entitled to sell the property, and the results of any pre-contract searches that we have made. This package may also include copies of any planning permissions etc. which your buyer will want to see to satisfy himself that the property (including extensions and alterations) and any alterations have the appropriate Local Authority Consents. It is essential that if you have your property altered in any way (or have had) that you provide us with the originals of any planning/building regulation approvals, and any guarantees. These are then passed on to your buyers solicitors.

We will write to you with the property information form and a list of fixtures, fittings and contents which it will be necessary for you to complete and return to us. The fixtures and fittings list will then be attached to and form part of the contract itself, rendering the list legally binding upon you and as such you must ensure that it is correctly completed. If the forms need altering during the transaction for any reason you must inform us as soon as you can and must do so prior to exchange of contracts.

Upon receipt of the title deeds to your property we will obtain up to date copies of the Register of your Title from HM Land Registry. The cost of this is between £5.00 and £15.00 according to the number of documents which need to be obtained, this will be charged to you. We will then draft the contract and send it to your buyers solicitors in duplicate for their approval. Once they are happy with the documents, have the result of their Local Authority and Water Searches and have their Clients' mortgage offer, they will return one copy of the contract to us, which we will then arrange for you to sign. When you sign the contract we shall need to see evidence of your identification, a valid passport is best.

If you are selling a Leasehold Property the buyer's solicitors will request a lot of information regarding the Lease, the Landlord and the Management Company. In most cases enquiries will need to be made of the Landlord/Management Company or Managing Agent. A fee is usually charged for dealing with those enquiries. The fee varies from case to case but unfortunately the buyer will be advised not to proceed without the information.

If you are selling your principal private dwellinghouse including grounds of up to 0.5 hectare you are exempt from Capital Gains Tax.

If you have lived anywhere else throughout your period of ownership or are selling more land or you own other land/house you may have to pay Capital Gains Tax. Capital Gains Tax is payable as a result of Exchange of Contracts. If for any reason you think you may have to

pay Capital Gains Tax you should immediately seek your accountants or financial advisors advice.

During the transaction we will be asked for information relating to the transaction from other parties, for example, Estate Agents wanting an update or the other party's Conveyancers. Please let me know if you do not want me to provide any information to these parties.

## 2. Exchange Of Contracts

Once your buyers solicitors are ready to exchange contracts they will suggest a date for completion of the transaction. We will check that the date provides us with satisfactory time in which to complete the post contract legal work, and that it is satisfactory for you. Assuming that this date is acceptable we will then proceed to exchange of contracts. The exchange of contracts marks the stage in the transaction at which a binding contract comes into existence and you are committed to the sale. Until this stage you are free to change your mind about any details of the transaction, or withdraw from it completely, as is your buyer. Following exchange, neither party can withdraw without incurring liability for breach of contract.

We advise against you booking your removals or making any other arrangements such as holidays etc. until such a time as exchange of contracts has taken place, as suggested completion dates are likely to change.

## 3. After Exchange Of Contracts

Upon completion of the transaction it is necessary for all mortgage monies to be repaid. We will need details of all charges, including secured loans, that you are aware of relating to the property. Following exchange, we will request redemption figures in respect of all mortgages on the property and using the funds from your sale will endeavour to discharge the mortgage on the property. You should not cancel your direct debits or standing orders relating to the mortgage payments until after completion has taken place. You should not cancel your buildings insurance until after completion as well. If you are selling the property through a firm of estate agents, we will notify them of exchange and they will send their account to us prior to completion. A copy of this will then be forwarded to you for your approval.

You should make arrangements to have your meters read and all bills satisfied up to the date of completion. The keys should be left with the selling agents so that we can authorise them to release the keys upon our safe receipt of the purchase monies on the day of completion. This will leave you free to move out rather than having to wait for the purchaser to arrive to collect the keys. Alternatively, you can hand the keys over direct to the buyer provided that you have spoken to us and we have confirmed our safe receipt of the purchase monies. The purchaser will be entitled to vacant possession on the day of completion having paid all of the purchase monies. It is essential that you are able to vacate the property by this date, including having cleared all rubbish and unwanted articles from the property. Mid-day is the customary time by which you should have vacated the property.

## 4. Completion

On completion day the purchase monies will be telegraphically transferred from your buyers solicitors to our client account. Following the safe receipt of the money, we will telephone your buyers solicitors to confirm its safe arrival and that completion has taken place. We will then authorise your agents, or yourselves, to release the keys to your purchasers. You should certainly not release them until we have the money.

We will then send to your lender the amount of money required to pay off your mortgage and obtain a receipt for that money which is then sent to your buyers solicitors. They will need this to prove to HM Land Registry that the mortgage has been discharged.

## **5. After Completion**

You will be sent a completion statement showing the financial side of your sale together with our receipted account and any proceeds of sale due to you.

If you have any Life Policies assigned to the Building Society or Bank in connection with the mortgage, these policies will be reassigned and then forwarded to you at your new address, unless they are to be used in connection with your new property.

Finally we reiterate our earlier sentiments that the above is merely designed as an outline of the legal side to your sale. It is not an exhaustive explanation and procedures may vary from time to time.

*The information given herein is not a comprehensive guide to the law and is intended to be a brief and non-exhaustive summary only. Specific legal advice should be sought for actual cases.*

### **OFFICES:**

#### **Colchester:**

**Headgate Court, Head Street, Colchester CO1 1NP  
(tel: 01206 764477)**

#### **Clacton:**

**63-65 Station Road, Clacton on Sea, Essex. CO15 1SD  
(tel: 01255 421248)**

#### **Frinton:**

**143 Connaught Avenue, Frinton on Sea, Essex. CO13 9AB  
(tel: 01255 851000)**

#### **Harwich:**

**London House, Kingsway, Dovercourt, Harwich, Essex.CO12 3JU  
(tel: 01255 502428)**