

WBW

Selling Your Property



Welcome to a **Better Way**

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Selling Your Property

Our Services

This document sets out what we will do and what you are responsible for doing on a straightforward sale of residential property.

Summary

The legal process of selling and buying houses is called conveyancing. A conveyancing transaction consists of two main stages. The first is the initial investigations and searches leading to a copy of the formal sale contract being signed by each party and then being exchanged with each other. Until contracts are exchanged, both parties can change their minds and withdraw (although some legal costs will still be payable). The second stage is the final legal work and arrangements leading up to completion of the sale on the date that is agreed on exchange of contracts.

Timescales

The legal aspects of a sale normally take about four weeks to complete, but transactions may take considerably longer than that where they are part of a chain involving buyers and sellers with different timescale and mortgage requirements, all of which must complete on the same day. A sale may also be delayed for other reasons – if, for example, anywhere in the chain, any planning permissions or building regulations approvals are missing, a buyer's survey reveals a structural problem, or any party's circumstances change. Conversely, where time is of the essence and the transaction does not depend on a lengthy chain, it may be possible to expedite the work so that it is completed in less than four weeks.

Please note that a date for completion of the sale cannot be fixed until contracts are exchanged, which is when seller and buyer become legally committed to complete the transaction. If you have any specific timescale in mind please tell us about it and, if it is realistic, we will work hard to achieve it but, as there are so many variables that are beyond our control, this cannot be guaranteed. You should not make any firm arrangements for removals, utilities etc. until contracts have been exchanged and a completion date has been agreed.

The First Stage

Up to Exchange of Contracts

We will normally receive details of your buyer, their solicitors and the agreed price from your estate agent. When we receive your instructions to deal with the sale, we will ask you for the information necessary to obtain a copy of your deeds from the Land Registry, about your mortgage if you have one, and about anyone occupying the property who does not own it. When we receive the copy deeds we will prepare and send a draft contract to your buyer's solicitors.

We will also ask you to complete a Fixtures, Fittings and Contents Form and a Property Information Form. If you are selling a leasehold property (this usually applies to flats) we will ask you to complete an additional form. These forms will be sent to the buyer and the information that you give will be relied on by the buyer as part of the contract. It is therefore essential that the information that you give in these forms is both complete and accurate, and that you tell us immediately if any of it changes before the sale is completed.

The buyer's solicitors will check the documentation that we have sent them and their own searches and a number of additional queries usually arise. We will be able to answer some of these but may need to refer back to you on others. Sometimes a more difficult issue may arise, for example a defect in title, missing planning permission or the buyer's survey report may reveal a structural defect. This type of issue may require additional work to resolve. Sometimes the answer may be for you to buy an insurance policy for the buyer's benefit, or the buyer may ask for a price reduction.

Exchanging contracts

When the buyer's solicitors are satisfied with your legal title to sell the property, the seller and buyer will each be asked to sign one copy of the contract for sale, and for their preferences for a completion date. Provided that the buyer has received their mortgage offer (if applicable) and everyone in the chain is ready to proceed, we can then exchange contracts, which means that we hold the copy signed by the buyer and the buyer's solicitors hold the copy signed by you. The buyer will also

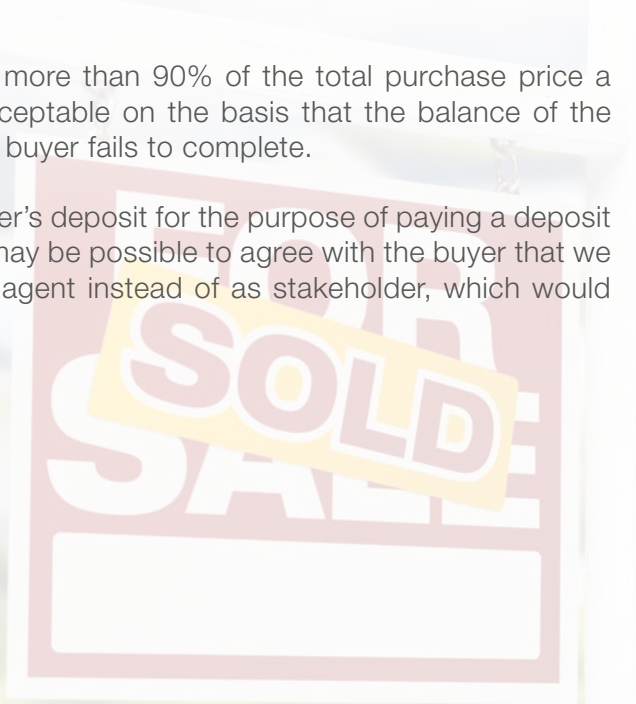
be required to pay a deposit. As soon as we exchange contracts, you become legally obliged to complete the sale on the agreed date and move out.

The Deposit

The deposit that the buyer has to pay to the seller's solicitors is normally 10% and is normally held by the seller's solicitors as stakeholder, which means that the seller cannot use it until the sale is completed, when it will be released to the seller as part of the purchase price, together with any interest earned on the deposit between exchange and completion. If you fail to complete the transaction after contracts have been exchanged you will have to return the deposit to the buyer (and other expenses may be claimed from you). If the buyer fails to complete you will be entitled to keep the deposit.

If the buyer is borrowing more than 90% of the total purchase price a lower deposit may be acceptable on the basis that the balance of the 10% will be payable if the buyer fails to complete.

If you need to use the buyer's deposit for the purpose of paying a deposit on a related purchase, it may be possible to agree with the buyer that we hold the deposit as your agent instead of as stakeholder, which would allow you to do this.



The Second Stage

Between Exchange and Completion

Most of the work between exchange and completion falls to the buyer's solicitors. We will send you the Transfer document for signature and, if you have a mortgage, we will obtain a redemption figure from your lender calculated to the agreed completion date and provide them with a solicitor's undertaking to redeem the mortgage from the proceeds of sale (otherwise you would have to find the money to pay off your mortgage before you could sell the property).

Your estate agent will send us their bill, which we will then send to you for your approval. If you are selling leasehold property we will also arrange for liability for ground rent and service charges to be apportioned between you and the buyer as at the date of completion.

We will then send you our bill, accompanied by a completion statement showing exactly how all the proceeds of sale will be dealt with. When you receive the completion statement, you should check that you agree with the figures in it. If you have any queries or concerns about the figures, it is essential that you raise them with us immediately.

Completing your Sale

On the day of completion we will:

- Provide the buyer's solicitors with the signed Transfer and any other relevant deeds and documents, in exchange for the balance of the purchase price, giving credit for the deposit received on exchange of contracts. If you have a mortgage we will also provide the buyer's solicitors with a solicitor's undertaking to redeem the mortgage and to send them the lender's certificate of discharge.
- Redeem any mortgage from the proceeds of sale. Most lenders require the money to be sent electronically to ensure that it arrives the same day; although this will incur an additional charge (as explained in our cost estimate and information sheet), it avoids you having to pay additional interest on the mortgage money whilst it is in transit.
- Pay your estate agent's bill from the proceeds of sale

- Pay our bill from the proceeds of sale
- Send you any balance due to you that is not being used for a related purchase. We can do this by:
 - a) Sending you a cheque by first class post; this is what we will do unless you ask for one of the other options
 - b) Transferring the money electronically to your account by FASTER payment so that it will arrive in your account a few days after we send it. This does not incur an additional charge and we will need your account name, number and sort code.
 - c) Transferring the money electronically to your account so that it will arrive in your account the same day - this will incur an additional charge (explained in our cost estimate and information sheet), and we will need your account name, number and sort code.

We will not normally pay any money to a third party. Unless otherwise agreed with the buyer's solicitors, you must:

- Move out by 12 o'clock noon
- Leave the keys with your estate agent

Post-Completion Work

The only other thing we have to do, if you have a mortgage, is to wait for your lender to send us a certificate to prove that the mortgage has been redeemed, and to forward the certificate on to the buyer's solicitors. Sometimes we have to chase a lender up for this certificate.

If something goes wrong...

This is a brief overview of what to expect if something were to go wrong and is not a full or complete analysis of the parties' legal rights and obligations. If it were to happen in your case, we would discuss the position with you and advise you on your options and the costs implications. Dealing with failure to complete is not covered by our retainer or our cost estimate.

Either party can withdraw from the transaction at any time up to exchange of contracts without incurring any liability to the other party. Both parties may, however, have to pay their solicitors for work done and expenses incurred up to that point.

Once contracts have been exchanged, both parties are legally committed

to the transaction. Thankfully, it is rare that transactions are delayed or do not proceed to completion after contracts have been exchanged. However, it does happen occasionally, and the contract will provide some protection if something goes wrong.

If completion is delayed, you would be entitled to interest on the balance of the purchase price calculated on a daily basis until completion takes place, but you would not be entitled to claim compensation for expenses or inconvenience.

If the buyer withdraws after exchange of contracts or fails to complete on either date, you would be entitled to keep the deposit and could sue the buyer for any losses and expenses incurred as a result of the buyer's failure to complete, to the extent that they exceed the amount of the deposit.

If you fail to complete, the buyer would be entitled to the return of the deposit plus any interest earned, and may be entitled to sue you.





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