



A GUIDE TO CONVEYANCING

When buying or selling a property, you will hear certain words and phrases mentioned by Estate Agents, Mortgage Lenders and Lawyers. These can be difficult to understand and may make no sense at all, such as gazundering or gazumping.

Below are some key phrases you may come across, together with their explanations.

Conveyancing Chain

When you have received an offer on your property and you make an offer on another property which is accepted, the seller will usually then go and find their new home and put an offer in. This process of involving more than one party is a 'Conveyancing chain'. The chain stops when someone is buying an empty property, or New Home. You will appreciate the more people involved, the longer the chain and the longer the chain, the more time it usually takes for the Lawyers to complete their requirements

When involved in a Conveyancing chain, delays can also happen on the day of completion, which is the day you move home. The person at the bottom of the chain who only has a property to buy will provide their balance of funds to their Lawyer before completion. Their Lawyer will request the mortgage funds and, hopefully on the morning of completion, send the funds to the next Lawyer in the chain. When this Lawyer has received the funds they will send it, with their client's shortfall, to the next Lawyer in the chain. This process will continue until all funds have been sent to the top of the chain.

The difficulty with chains on the day of completion is the time it can take for funds to be received at the top of the chain before the cut off time, which is usually 2pm although it can be as early as midday. Your Lawyer will explain the process and the cut off times. If the money has not been received in time, you may find you are served with a Notice to Complete or find you do not have a property to move into as the keys will not be released until the seller has received your funds. Your Lawyer will discuss what happens on the day of completion, together with any potential risks should the matter not complete in time. (This is a rare occurrence).

Property Information Form PIF (PIF)

A PIF is a 'Property Information Form' which the seller must complete. It's a series of questions such as who owns the boundary, what works have been undertaken at the property, and what guarantees are included. The seller will forward the completed document to their Lawyer who will check and send it as part of the contract pack to the buyer's Lawyer.

A Property Information Form is an important document as it forms part of the contract pack and will be relied upon by the buyer. It must be accurately completed to avoid any future potential claims. The document is usually accompanied with the Fixtures, Fittings & Contents Form, which is a list of items being left at the property, being removed or that do not exist at the property.

Exchange of Contracts

During the Conveyancing process, the seller's Lawyer will draft the contract documentation and send to the buyer's Lawyer. The buyer's Lawyer will raise enquiries, obtain searches, and write to the buyer with a full report on the property, before requesting a deposit. Once the buyer has provided the deposit and has agreed a completion date, the Lawyers will contact each other and carry out an 'exchange of contracts'. At this point the transaction is **legally binding**.

Before exchanging contracts, you need to ensure that you understand what you are buying, have your finances in place and have a mutually agreed moving date.

Certificate of Title (COT)

A Certificate of Title is something you'll hear about if you're buying with a mortgage. When your Lawyer is satisfied with the replies to enquiries and all parties have agreed on a completion date (which is when you become the legal owner of the property), the buyer's Lawyer will be required to request the mortgage money from the lender. To do this, the Lawyer completes a Certificate of Title, also referred to as a 'COT'. They cannot do this until they are satisfied the property you are buying is 'good and marketable.' By submitting the Certificate of Title, they are confirming to the lender that they are in a position to proceed, there are no outstanding matters, and the title is 'good.'

The Lawyer may request funds to be received the working day before completion to ensure no delays occur on the day of completion. Funds will be received direct into the Lawyer's bank account as cleared funds to enable the Lawyer to transfer the money on the morning of completion. **It's worth noting that some lenders request 5 days' notice of release of funds from the date of the Certificate of Title.** Your Lawyer will explain timeframes when you are discussing a potential completion date.

Key Undertaking

On occasion you may look to buy a property that requires work, such as a damp proofing or electrical rewiring. If the property is empty, your Lawyer could ask the sellers if you can have access between exchange of contracts and completion in order to undertake such work. If the seller agrees, the Lawyers will draft a 'Key Undertaking' which you must sign before the keys are provided to you.

It's usual that sellers only agree to access if works are a special condition of a mortgage offer – for example, that works are to be completed before the mortgage funds are released. You will be required to provide a copy of your mortgage offer to the sellers Lawyer if this is the case.

The content of a key undertaking will specifically list the works agreed, the time to undertake the works and also ensure the buyer obtains insurance. On some occasions the sellers may insist on the keys being handed to the estate agents each evening and collected in the morning.

Once the works have been completed the lender may require the property to be re-inspected before they release the mortgage funds. Your Lawyer will discuss the mechanics of a key undertaking with you before exchange of contracts. It's important that you are aware of a timeframe to complete the works and arrange a re-inspection, as this will form part of the agreement.

At Bovingtons Limited we use plain English and will always try to explain legal matters without the jargon, but if you are not familiar with any matter when buying or selling a property, ask your Lawyer to explain it to you.

Our Conveyancing partners will always ensure you are familiar with the procedures and phrases used throughout the Conveyancing process. Buying and selling a property is one of the biggest transactions you will undertake, so we want to make sure you are aware of everything that's involved.

Stages of residential conveyancing for selling and buying

Whether you are selling or buying a home, it's a good idea to know what is involved, and to understand how the Conveyancing process works. The step-by-step guide below explains the different stages of the Conveyancing process for a typical property sale and purchase transaction.

Conveyancing process for selling a property

1. Seller's Conveyancer instructed.
2. Seller's Conveyancer confirms instructions by letter setting out the terms of business and fixed fee costs.
3. Seller's Conveyancer carries out proof of identity checks and sends out a fitting's and contents form and property information form(s) for completion. If the property is leasehold, additional information will be required.
4. Seller to complete fittings and contents form and property information form(s).
5. Seller's Conveyancer obtains title deeds from deeds holder or official copies of the title register and any other documents required by The Land Registry and details of the amount outstanding on any existing mortgage.
6. Seller's Conveyancer prepares the draft contract and supporting contract documentation and sends to the buyer's Conveyancer.
7. Buyer's Conveyancer checks the contract and supporting contract documentation and raises pre-contract enquiries with the seller's Conveyancer.
8. Seller's Conveyancer and seller answer pre-contract enquiries.
9. Buyer's Conveyancer confirms they have acceptable results from their searches, are happy with the answers to pre-contract enquiries and are in receipt of a mortgage offer (if any).
10. Seller and buyer agree on a completion date and contracts are formally "exchanged" - meaning both parties are legally committed to the transaction. Seller's Conveyancer will obtain a settlement figure to repay the outstanding amount on any existing mortgage, if applicable. Buyer's Conveyancer drafts a transfer deed and sends to the Seller's Conveyancer.
11. Seller's Conveyancer checks the transfer deed and sends to the seller for signature in readiness for completion.
12. On completion the seller must vacate the property at a time to be agreed and make arrangements to hand over the keys, usually through the estate agent. Buyer's Conveyancer will send the proceeds of sale to the seller's Conveyancer and the seller's Conveyancer will arrange for the keys to be released to the buyer. The seller's Conveyancer sends the title deeds and transfer deed to the buyer's Conveyancer together with an undertaking to use the proceeds of sale to discharge any existing mortgage. The seller's Conveyancer then pays the estate agent (if one was used), repays the amount owing to the existing mortgage lender (if applicable) and takes payment for their Conveyancing service costs.
13. Once all the payments have been made all the remaining money from the sale will be transferred to the seller, usually by bank transfer on the day of completion.

Conveyancing process for buying a property

1. Buyer makes an offer on the property, which is accepted by the seller.
2. Buyer's Conveyancer instructed on acceptance of the offer.
3. Buyer arranges a survey on the property and makes an application for a mortgage (if required).
4. Buyer's Conveyancer confirms instructions by letter setting out the terms of business and fixed fee costs.
5. Buyer's Conveyancer contacts the seller's Conveyancer to obtain the contract pack.
6. Buyer's Conveyancer checks the contract pack, raises pre-contract enquiries, carries out the necessary searches and obtains a copy of the mortgage offer.
7. Seller's Conveyancer and seller answer pre-contract enquiries and return these to buyer's Conveyancer.
8. Buyer's Conveyancer reviews and reports to the buyer on the contents of the contract pack, pre-contract enquiries, the result of the searches and mortgage offer. The buyer then considers this report and raises questions on anything that is unclear.
9. When the buyer is happy to proceed, arrangements are made for the deposit to be paid to the buyer's Conveyancer in readiness for exchange of contracts.
10. Seller and buyer agree on a completion date and contracts are formally "exchanged" - meaning both parties are legally committed to the transaction.
11. Buyer's Conveyancer prepares a draft transfer deed and completion information form and sends these to the seller's Conveyancer for completion.
12. Seller's solicitor approves the draft transfer deed and a final copy is made. This may need to be signed by the buyer before being sent to the seller's solicitor for signature by the seller in readiness for completion.
13. Buyer's Conveyancer prepares a completion statement, carries out pre-completion searches and applies to the buyer's mortgage lender for the mortgage loan.
14. On completion, the buyer vacates the property by the agreed time and buyer's Conveyancer sends the proceeds of sale to the seller's Conveyancer.
15. Seller's Conveyancer releases the keys to the estate agent (if one was used) and sends the title deeds and transfer deed to the buyer's Conveyancer together with an undertaking to repay any existing mortgage.
16. Buyer's Conveyancer sends the stamp duty payable to HMRC, receives the title deeds, transfer deed and proof that the seller has paid the outstanding mortgage on the property.
17. Buyer's Conveyancer registers the property in the name of the buyer at The Land Registry.
18. The buyer receives a copy of the registered title from The Land Registry. Any documents required by the mortgage lender to be retained by them are sent on by the Buyer's solicitor.

Buying or selling a property means there are a lot of things to think about. But with Bovingdons Limited's carefully chosen conveyancing partners, you can be sure that every stage of the conveyancing process will be both professionally and thoroughly managed, so you can focus on moving into your new home.

Conveyancing partners

Bovingdons Limited works closely with our conveyancing partners, to ensure they provide a high quality, fast and competitively priced service. Once you agree, you will become their client, and they will undertake your conveyancing work. Our Approved Partner will confirm the contact information, experience and qualifications of anyone carrying out the work for you and will give you their terms of business.

We monitor the service our conveyancing partners provide to ensure it provides you with the service you would expect to receive. Our partners are fully regulated and authorised by the Council for Licensed Conveyancers and/or the Solicitors Regulation Authority. For introducing you, our conveyancing partners may pay Bovingdons Limited a referral fee. The amount of the referral fee may vary depending on the conveyancing partner. This is not added to your charges, and you will not have to pay anything extra. It is paid directly by them to cover our marketing and administration costs.

The main difference between exchange and completion is that 'exchange' is an exchange of contracts, which makes the matter legally binding between the parties, whereas 'completion' is the date the parties physically move and transfer legal ownership of the property.

Exchange of Contracts

If you are selling or buying a property, the transaction is not legally binding on any party until contracts have been exchanged. The Lawyers instructed on behalf of the seller and the buyer will be required to undertake certain work before the exchange of contracts can take place. Any party can withdraw from the transaction prior to exchange.

It's important to build a good rapport with the buyer/seller, your Conveyancing Lawyer and also the estate agents. This will ensure all parties are kept up to date of progress and can sometimes help to avoid parties withdrawing.

The Property Sales Process

When you have sold your property, you need to instruct a Conveyancing Lawyer to prepare the contract documentation. Your Lawyer will send you their terms and conditions and request further information from you at the outset of the case, such as your identification, agreed price, estate agent details, and agreed timescales.

Your Conveyancer will also ask if you have a mortgage on the property, and if so will request the lender details and mortgage account number. This will enable them to obtain an up-to-date Redemption Statement. If there is a shortfall between the sale proceeds and the mortgage redemption, your Lawyer will advise the seller as soon as possible and not exchange contracts until further instructions have been provided as to how the shortfall is to be paid.

The seller's Lawyer will also ask for the full address of the property you are selling to determine if the property is Registered or Unregistered with the Land Registry. If the property is not registered, they will ask for the whereabouts of the Title Deeds. If the property is registered, you do not need to do anything as your Lawyer will obtain an up-to-date copy of the title documentation on your behalf.

Once your Lawyer has the title documentation and the replies to any enquiries they have sent you, they will draft the contracts and issue these to the buyer's Lawyer. Your Lawyer will then wait to hear from the buyer's Lawyer that they are in a position to proceed to exchange of contracts.

The Property Buying Process

When you have found a property to buy and your offer has been accepted, you should then instruct a Conveyancing Lawyer to act on your behalf. Your Lawyer will provide you with a breakdown of fees and disbursements. If you intend to buy with a mortgage, you should also instruct your lender and surveyor as soon as possible.

You should provide your chosen Lawyer with the details of the estate agent, your surveyor details and also your new mortgage details. Your Lawyer will contact the seller's Lawyer and request a plan to undertake property searches. They will also request the contract documentation.

Upon receipt of the contracts from the seller's Lawyer, your Conveyancer will raise any enquiries and notify you when the contracts have been received. When your Lawyer is happy with the search results and contractual position, they will contact you and provide a comprehensive report on the extent of the property you are buying. Once your mortgage offer has been received and you have replied to any enquiries, your Lawyer will request the deposit funds from you and confirm they are in a position to exchange contracts.

Before exchange can take place, you and the seller will be required to agree a completion date which is when you will physically own the property. Once you have agreed the date, the Lawyers will do their final checks and exchange contracts. It is only when contracts are exchanged that your Lawyer will send the deposit to the seller's Lawyer, after which the contract becomes legally binding on both the seller and the buyer.

The Completion Date

If there is a mortgage on the property to be sold, the seller's Lawyer will request a Redemption Statement calculated to the day of completion. They will also request any further invoices to be paid on completion, such as the estate agent's fee. Prior to completion the seller's Lawyer will send a Completion Statement which will provide a complete breakdown of the funds received, paid out, and highlight if there is a shortfall or funds due to the seller after completion.

When you are buying a property, the buyer's Lawyer will ensure prior to exchange that all mortgage conditions have been satisfied and request funds from the lender. It's usual to request the mortgage funds the working day before completion to avoid any unnecessary delays on the day you move.

The buyer's Lawyer will draft a Completion Statement setting out all payments made, and all monies received. If there is a balance due, they will request this money to ensure funds are cleared prior to the completion date. They will also undertake final checks and searches before being in a position to proceed.

What Happens on Completion Day?

Both Lawyers acting for the seller and the buyer will complete their final checks. The buyer's Lawyer will then place the balance of purchase money into the banking system and transfer to the seller's Lawyer.

Once the seller's Lawyer receives funds they will confirm completion with the buyer's Lawyer, release the keys which are usually held at the estate agent, and pay any secured charges together with the estate agent fee (if agreed). The buyer will then be notified completion has taken place and they can then take possession and move into the property.

Buying a property anywhere in the UK results in a long line of legal processes. Some property searches are not legally required to buy a property but if you are buying with a mortgage, you'll have to complete them. But there are some very good reasons why these types of searches have been adopted into the purchase process.

Searches are a very valuable tool to find things out about the property you are looking to buy which you can't tell just by viewing it. Searches are designed to give you all the information you need about the property you're looking at, and checking there is nothing hiding in the background that could change your mind.

Local Authority Searches

These searches cover a large area and look at all areas that your local authority would be aware of in relation to your property. This could include:

- Boundary disputes
- Existing planning permissions and any planning constraints on the property
- All information on public rights of way
- Information on all utilities into the property
- New building work or permission for work granted next to or near to the property

The cost of Local Authority searches really depends on the Council and can vary massively from as little as £70 up to hundreds of pounds. Local Authority searches take time to come through, anywhere from 1 week to 6 weeks. If you are looking to move into your new home quickly, you could not complete the searches to save time, but if a motorway is being built at the bottom of your garden or your neighbour is in a long running dispute with the current owner, you won't know about it.

There are additional local authority questions you may want to ask as part of the local authority search, but you will have to pay extra for these. Some examples of them are Noise Abatement Zones and public paths for example. If you have concerns about any aspects of the property or surrounding land, talk to a Conveyancer who can best advise you.

Title Search

A Title Register and Title Plan search is an easy and cheap one. The documents are available from the Land Registry and currently cost £7 each. These documents are legally required to sell a property, and these will be obtained by the seller to prove their title and ownership. Unless of course the property is not registered with the Land Registry. If it's not registered, the seller will prove their title with the deeds.

Flood Risk

The Environment Agency estimates that one in six properties in England & Wales are at risk from flooding, so it's worth checking the flood risk of the property you are buying. You can do this through Land Registry too and it currently costs £9 plus VAT. If you are having an environmental search done on the property you are buying, you can skip a flood search as the information you'll get from the environmental search will be much more valuable and detailed, but if you are buying with a mortgage this may be a requirement.

Environmental Search

The environmental search looks at the environment around the property and will include contaminated ground, details of flooding assessments and predictions, industrial work both current and previous, subsidence issues and the stability of the ground and any hazards such as radon gas.

Location Searches

There are certain times where your Solicitor may recommend a location search, also known as a local search. This would look for regional or location specific issues such as tin mining in Cornwall and coal mining in many different parts of the UK. This will help to give a picture about whether mining has taken place and if so, whether the mining creates an issue for the property. This is important to know as there may be subsidence as a result of the mining or other structural issues. Buying with a mortgage will probably mean you have to complete this search.

Water Authority Search

This search looks at who supplies the water to the property and deals with sewerage, and how this affects any extensions or building that's been done. This will cost less than £100 but will vary depending on the authority. Buying with a mortgage will probably mean you have to complete this search.

Chancel Repair

This is an old law that some homes are liable to help local churches with their repair bills. You can complete a search to see if a property is affected or simply buy insurance to cover you if it is. The search itself will cost £18, and the insurance is only a couple of pounds more so it may be more sensible to skip the search and simply buy the insurance.

These are all the searches that most Conveyancers would recommend, but you should take their advice. After all, knowing all you can about the property is the best approach when you are spending such a significant amount of money.

Conveyancing Fees

To get the best value Conveyancing services and fees for your move, it's best to shop around and get a few quotes in writing so you can compare what is included in the total fee. With Bovingtons Limited all our Conveyancing Partners fee quotes include a detailed breakdown of all the fees and costs involved.