



## The Conveyancing Process Information for First Time Buyers

### A Buyer's Guide

There are usually three main stages to buying your home.

- Pre-exchange of contracts
- The period between exchange and completion
- Post completion

Pre-exchange (during this stage you are not legally bound to buy the property and the seller is not legally bound to sell). Either party can withdraw from the transaction during this stage.

#### 1. Research mortgage providers

Apply for a mortgage in principle whereby the lender will confirm the amount they are prepared to lend you based on your earnings and current financial situation. You will then have an idea of the property price range you can afford

#### 2. Offer accepted on a property

The property is usually removed from the open market. In some cases, the Seller may ask for the property to remain on the market until contracts are exchanged. There may be an agreement in principle to purchase some of the fixtures and fittings. Ask the Estate Agent if the property has a Home Information Pack ("HIP") Read our [HIPs FactSheet](#).

#### 3. Instruct solicitors to carry out the conveyance

The Buyer and Seller need to instruct separate solicitors. Each buyer will need to provide 2 forms of identification to comply with the Money Laundering Regulations. This is usually a driving licence or passport showing a photograph and a recent utility bill showing your home address (not a mobile bill). It is usual for your solicitor to request money on account for search fees, usually around £200. If the property you are buying has a HIP, you may be asked for less. The Estate Agent prepares a Memorandum of Sale detailing the property, the parties and their legal representatives, attaching a copy of the property particulars. This is sent to both the buyer's and the seller's solicitors.

#### 4. Apply for a mortgage

The lender will commission a surveyor to carry out a valuation of the property you are proposing to buy to ensure that it is a sound investment upon which the lender will grant a mortgage. Dependent upon the age and condition of the property you may decide to purchase a RICS Home Buyer's Report or commission a full survey of the property if you want more detail. Read our [Survey FactSheet](#). The lender will then prepare a formal mortgage offer which

usually takes approximately 2 weeks. A copy will be sent to both you and your solicitor.

**5. Joint Buyer's**

If you are buying the property jointly with another person, you will need to inform your solicitor whether you wish to hold the property as "Joint Tenants" or "Tenants in Common". Read our [Joint's Buyers FactSheet](#)

**6. The Seller's solicitor prepares the draft contract package**

This will include a draft contract, plan of the property, office copy entries (copy of the land register) and property information form(s). If the property has a Home Information Pack ("HIP"), this will also be sent with the contract package. Read our [HIPs FactSheet](#). This information shows the property boundaries, whether the property is freehold or leasehold, the current ownership of the property, and any mortgages or charges against the property. If the property is unregistered, instead of office copies, an epitome of title will be provided which documents the historic ownership of the property. If the property is leasehold, this will include a copy of the Lease. The two other forms will give details about the property such as when central heating or double glazing was fitted, neighbour disputes, building works carried out, and details of what fixtures and fittings are going to be taken or left at the property.

**7. Your solicitor will commission any searches required**

If the property has a HIP you will not need to repeat the drainage search and local authority searches if they are still valid. If you are having a mortgage on the property, the lender will insist on a local search and drainage search. The local search will provide details about the property and local area and the lender will want to ensure that there are not any planning proposals or restrictions which will adversely affect the value of the property and its investment. The drainage search will provide details of the water and sewerage and ensure the property is properly serviced. Read our [Searches FactSheet](#).

**8. Your solicitor will consider whether any additional searches are required.**

Depending on the location of the property, your solicitor will advise you whether any additional searches are required such as a coal mining search, environmental search, chancel repair etc. Read our [Searches FactSheet](#).

**9. Your solicitor will raise questions on the searches (Enquiries), if needed**

The searches usually take up to 2 weeks to come back. Depending on the results, it may give rise to questions regarding the property or information which needs to be clarified. Your solicitor will usually discuss the results with you and get you to sign the draft contract ready for exchange at the same time.

**10. Your solicitor will request a deposit from you on account, in preparation for exchange of contracts**

Upon exchange of contracts, the seller's solicitor will usually request a deposit of between 5 – 10% of the purchase price. At this point in time, your solicitor may also request additional funds to cover any stamp duty payable (government tax on the purchase of the property). Read our [Stamp Duty FactSheet](#).

**11. Your solicitor will prepare a draft completion statement**

This statement is an account of all monies paid and received during the transaction and will show a balance of whether you owe your solicitor any additional money or vice versa.

**Exchange to Completion** (this can occasionally occur on the same day)

**12. Exchange of contracts**

Your solicitor and the seller's solicitor will agree a time for mutual exchange of contracts on the property and agree a completion date. It is usually your responsibility to insure the property from the point of exchange as you are now committed to a legally binding agreement to purchase that property. Your solicitor will send the deposit to the seller's solicitor or hold the deposit to order. This is promise to pay the deposit on completion. Your solicitor must have your deposit in the client account before exchange can take place. From this point in time the completion day is fixed so you can arrange removals and notify the relevant utilities. Read our [Movers FactSheet](#) which provides you with a handy checklist.

**13. Both solicitors will agree on a date for completion of the transaction**

This occurs at the time contracts are exchanged. Frequently, this happens on a Friday although it can be any week day and sometimes it is possible to exchange and complete at the same time

**14. Your solicitor will raise requisitions on the property**

This is essentially a list of questions sent to the seller's solicitor in preparation for completion. For example, it will ask where the keys will need to be collected from, confirm that the mortgages on the property will be repaid and details he sellers bankers to pay the purchase money to them.

**15. Your solicitor will ask you to sign the draft transfer deed, mortgage deed and stamp duty land tax form.**

The transfer deed is a legal document transferring ownership of the property to you. Both parties will sign a copy. The mortgage deed is provided by your lender and is a legal document evidencing the loan on the property which also requires signature. The stamp duty form requires signature and is sent with payment of the stamp duty on the property. You will need to sign this form and provide your National Insurance Number even if there is no stamp duty to pay.

**16. Your solicitor will notify your lender of the date of completion and request the mortgage funds for this date**

Usually, the lender requires 5 working days notice to organise the funds.

**17. Additional searches**

Your solicitor will carry out a bankruptcy and a land registry search immediately prior to completion to ensure that no charges have been placed against the property since the date the office copies of the register were obtained and to ensure that the seller is not bankrupt, thereby protecting you and your lender's interests.

**18. Completion**

On the day of completion, your lender will telegraphically transfer the monies to your solicitor (occasionally a day in advance) and your solicitor will then

telegraphically transfer the sale monies to the seller's solicitor. The seller's solicitor will use these funds to redeem any existing mortgage or charges against the property.

**19. Release of keys**

Once the seller's solicitor has received the funds, they will notify the seller or estate agent that the keys can be released. The property then belongs to the buyer.

**Post Completion**

**20. Buyer's solicitor will prepare a Land Registration form.**

This is sent to the Land Registry to notify them of the change of ownership. You will receive a copy of this form showing your name as the new owner of the property.

**21. First Registration**

If the property was unregistered, your solicitor will have to carry out first registration and there is an associated fee which is dependant on the price of the property

**De Marco Hunter Solicitors**  
Number Three  
Siskin Drive  
Middlemarch Business Park  
Baginton, Warwickshire  
CV3 4FJ

**tel:** 024 7621 4440    **fax:** 024 7699 8273

[www.demarcohunter.com](http://www.demarcohunter.com)