



# Conveyancing FAQs

**Buying or selling a property can be a confusing process. There is a lot of legal jargon that you may not be familiar with.**

**Below is a list of Frequently Asked Questions:**

## What is conveyancing?

Conveyancing is the transfer of the legal title of property from one person to another.

## How long will it take?

This is a very difficult question to answer as there are many external factors involved. We are unable to make any guarantee at the beginning of a transaction to complete by a particular date. A freehold sale or purchase with no chain may take as little as 12 weeks to complete. Leasehold transactions or those involved in long chains can take six months or even longer to complete. Common causes of delay include:

- Problems with the property title
- Missing information from the seller
- Mortgage application delays for the buyer
- Buying a new-build property that is yet to be built
- Selling a property which is involved in probate
- The local authority being slow to respond to property searches

## When should I pay you?

At the beginning of the matter, your conveyancer will ask for an upfront payment to cover initial expenses such as ordering searches or documents from HM Land Registry. Prior to exchange of contracts, we will send you a completion statement which will show how much is coming from the buyer or going to the seller, how much is coming from the mortgage lender (buyer only), or going to the mortgage lender where you are redeeming a mortgage (seller only), our fees and disbursements, the Stamp Duty (buyer only) and the estate agent's fee (seller only).

## What are disbursements?

Disbursements are payment to third parties incurred during the conveyancing process. These could include searches on the property you are buying, fees which banks charge to transfer money or ordering HM Land Registry documents.



## What is the difference between registered and unregistered land?

Most land in England and Wales is registered with HM Land Registry. They keep a central record of all registered land, and each property is allocated its own title number. However, some land in England and Wales remains unregistered. Proof of ownership of unregistered land is based on original historical title deeds.

## What is a chain?

A chain is a number of linked sales and purchases, each dependent on the other. Exchange of contracts must take place simultaneously in all transactions. Progress is dictated by the slowest link in the chain.

## Should I get a survey?

You will have heard the phrase “buyer beware”, therefore we always recommend that you have an independent survey carried out on the property that you are buying.

There are actually three types of survey. The most basic is the ‘valuation report’ which the mortgage lender carries out. This is a very basic check of the property’s approximate value, often made without even entering the property. It is made on behalf of the lender to ensure the amount they are lending will be covered by the value of the property.

The second type of survey is the ‘home-buyer’s report’. This is advisable because it can bring to attention defects with the property that may not have been noticed following a single viewing of the property by a typical buyer. For example, evidence of damp, broken tiles or alterations that might highlight the need to check the relevant building regulation or planning consents have been obtained. The surveyor will also advise on what they consider to be adequate buildings insurance cover and what they consider the value of the property is.

The third type is a ‘full structural survey’ which is advisable usually only for very old or rundown buildings. It can be expensive and will need the seller’s permission to cause some cosmetic damage to the property in carrying out the survey.

**GET IN TOUCH**

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If you are getting a mortgage to help fund your purchase, the mortgage lender will require searches to be carried out. These will include:

**Water & Drainage Search** – This details whether the property is connected to the mains sewer and water supply. It also shows whether there is a sewer passing through the boundaries of the property and if the property is served by a meter.  
**Local Authority Search** – This gives information about planning permissions, building regulation compliance, liability for road maintenance and other matters which could affect the property.  
**Environmental Search** – This checks for flood risk, ground stability, contamination hazards and whether there are any other environmental considerations e.g. radon gas.  
If you are a cash buyer, you are not obliged to have searches carried out, but we would still strongly recommend that you do.

## What is indemnity insurance?

Indemnity insurance protects the buyer against potential issues that have been revealed regarding the purchase property, such as a missing title deed or a lack of building regulation compliance for works at the property. Resolving the issue may be expensive, slow, or impossible so an indemnity policy can be an effective solution.

## I have received a quarterly service charge demand – what should I do?

You should pay it as normal because all ground rent and service charges will be apportioned between the buyer and seller on completion, so you will be reimbursed by the buyer for the period running from after the completion date to the next quarter date. In fact, some managing agents will not acknowledge the buyer until the service charges have been paid and are up to date, so it is important for both buyer and seller for the seller to show that they are up to date.

## Do I have to pay a deposit?

A standard contract of sale provides for a 10% deposit to be paid by the buyer on exchange of contracts. Occasionally a reduced deposit can be agreed, for example, where you are obtaining a 95% mortgage. When selling and buying simultaneously, often the deposit being paid by the buyer of your existing property can be used as the deposit payable on your onward purchase.

## At what stage can the buyer or seller pull out?

Either buyer or seller can decide not to proceed at any stage up to exchange of contracts.

## Do I need to get buildings insurance?

Once contracts have been exchanged, the risk in the property passes to the buyer. It is therefore vital that appropriate buildings insurance cover is purchased on exchange.

Furthermore, a solicitor often acts for the lender as well as the buyer. Nearly all lenders instruct their solicitor to comply with the requirements and provisions of the UK Finance lenders handbook. A usual condition of a mortgage offer is to arrange appropriate insurance cover. The handbook requires us to report to the lender if the property is not insured in accordance with the lender's requirements.

A lender may also stipulate particular requirements, such as the insurance policy being in the joint names of the lender and the owners. Your solicitor will be able to advise you if this is the case.

## What is exchange of contracts and completion?

Exchange of contracts is when all parties in the chain of transactions enter into an exchange which has the effect of making the contracts legally binding and fixes the day of completion for a specific date which all parties have previously agreed. Completion is the date that all the money is transferred, and you move into your new property and/or out of your old property. The timing for this is generally around lunchtime once the funds have been transferred by the solicitors via the banking system.

## Who has to pay Stamp Duty?

Stamp Duty (now called Stamp Duty Land Tax (SDLT)) is payable by the buyer. If you are buying we will complete the SDLT return for you, advise you of the amount of SDLT payable and collect this from you shortly before completion. SDLT must be paid within 14 days of the completion date otherwise penalties will be incurred.

The seller does not pay SDLT. You should be aware of any possible Capital Gains Tax consequences and may need to take further tax advice if you are selling a property which you do not use as your only or main residence.

## Can I complete at the weekend?

Completion must take place during the working week when banks are open for business.

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