

BUYING A HOME

DRAFT CONTRACT PAPERS

On receipt of the Home Information Pack and contract papers from the Sellers Solicitors, a copy of the Contract, Transfer or Conveyance, Property Information Forms and Fixtures and Fittings Form will be sent to you for your information. You should check through them in readiness for discussion when you attend at the office.

If you have any particular issues on which you would like our advice or that you would like us to raise with the seller's solicitors on your behalf it is important that you tell us about this at the earliest possible stage. This will enable us to provide you with the best possible advice. For example - if you have any plans for development or have chosen this property for a special reason, please advise us as we may need to raise some other enquiries on your behalf.

THE CONTRACT

The contents of this include the names of the buyers and sellers and a description of the property, the purchase price and date of completion. It will refer to the Law Society's general Conditions of Sale (Fourth Edition), a copy of which is enclosed for your information. Contracts will be signed once satisfactory Searches have been received and your mortgage offer has arrived (if you require a mortgage offer).

The completion date has to be agreed with all parties prior to exchange of Contracts. If you were late completing under the Terms of the Contract, you could be charged interest on a daily basis, which would be calculated on the balance due to complete. If you fail to complete, a completion notice may be served upon you, which would involve extra costs and possible compensation being payable.

Also if the sum paid as a deposit was less than 10% you will be asked to pay the balance of the 10% deposit. If you then fail to complete you are likely to lose the 10% deposit

THE CONVEYANCE OR TRANSFER

A copy of this will be provided to you if the provisions of the same show that the property is sold subject to anything which you need to be aware of, such as fencing covenants stating which fences or hedges are your responsibility; or restrictive covenants stating what you can or cannot do at the property i.e. it may be that you cannot use the property for trade or manufacture or cannot build extensions or alter the property without the consent of the original seller (usually a Developer) etc. It is obviously important that you are aware of such provisions.

SEARCHES

The application for the Local Search is sent to the Local Authority and contains various questions regarding planning applications, drainage information and road schemes affecting the house but not about neighbouring land or property. We will also carry out a drainage search which reveals the position of the nearest public sewers. In many cases we will obtain an environment search which gives information about landfill sites, flooding, telephone masts and would indicate where there is any danger the house has been built on contaminated land.

There are other searches we might recommend on your behalf such as commons registration searches, clay or tin mining but this would depend on the location of the property. You may wish us to undertake a plan search, which gives information about planning applications, granted or pending, within 500m of the property. This can be particularly useful if you have some vacant land nearby and are concerned about its development. If you would like to discuss any searches, please contact us for more advice.

MORTGAGE OFFER

If you require a mortgage, you need to make the application to your lender and deal with any questions they raise. If you would like any advice or assistance please contact us as we may be able to refer you to someone who can assist.

When an offer is issued, this will be sent to you and a duplicate containing our instructions will be sent to us. When this has been received, please contact us to enquire whether you should make an appointment to go through the Contract and mortgage papers in readiness for exchange of Contracts. At this stage, a deposit will be payable which should be paid to ourselves, preferably by way of cleared funds, i.e. a Bankers Draft or Building Society Cheque. These funds are paid into our Bank and a cheque drawn from our account for onward transmission to the Sellers Solicitors, once exchange has taken place.

PRIOR TO EXCHANGE OF CONTRACTS

You are strongly advised to obtain a survey of the property you are purchasing to ensure that it is in a satisfactory condition. Some people rely on the valuation report carried out by their lender. However, the lender merely wishes to ensure the property will provide security for the amount of the loan and the survey may not identify problems that are of concern to you as a buyer. It is also advisable to inspect the property and where appropriate * to instruct a specialist contractor in order to check matters such as the following:

- *that the drains are not blocked or damaged
- *any septic tank is properly maintained, working and complies with environmental health regulations
- *that the electrical installation meets Electricity Regulations
- when the central heating was last serviced and whether there are any guarantees or maintenance contracts

- where the service meters are located
- where the stop cock is located
- whether there are any damp or timber treatment guarantees

Once Contracts have been exchanged, if there are any defects in the property, they will be your responsibility.

It is also important at this stage that you arrange buildings insurance cover, either with your new Bank or Building Society or independently. This should be for the full reinstatement value, as stated in the valuation carried out by your Bank or Building Society.

As soon as we are satisfied with all searches, enquiries and your mortgage offer (if required), we will discuss all of the paperwork with you and invite you to sign a Contract and discuss your wishes about completion dates

EXCHANGE OF CONTRACTS

The Contract becomes binding on all parties once Contracts are exchanged.

If you try to withdraw after exchange, you will lose any deposit paid and could be sued for the balance of the deposit, if 10% has not been paid upon exchange, together with any compensation which may be due under the terms of the Contract. You should therefore be aware of the importance of the Contract document when authorising us to proceed to exchange.

The completion date is fixed at exchange of contracts. This is the date when you pay the balance of money for the house, receive the keys and move in.

AFTER EXCHANGE OF CONTRACTS

Between exchange and completion, the final Transfer document will be drawn up and will require your signature. If you are purchasing jointly, you will also need to decide, at this stage, how you wish to hold the property, as there are two alternatives:

- Tenants in Common – if you decide to hold the land on this basis, you will each own a share of the property. This can be 50/50 or whatever other shares you think appropriate. You can then make provisions in your Will to leave your share to whomever you wish. When you hold land as Tenants in Common, on your death the land will not pass to the joint owner, but will be distributed according to your Will.
- Joint Tenants –if you choose to hold the land as Joint Tenants, you will both own the whole of the property. On the death of either owner, their ownership of the land automatically passes to the survivor, regardless of the provisions of your Will.

Unless you instruct me otherwise, I will proceed on the basis that you wish to hold the property as Joint Tenants and therefore, if this is not the case, it is important that I receive written instructions from both parties confirming that you wish to hold as Tenants in Common and how the shares are to be divided.

At this stage, a statement of account, together with our invoice will be sent to you and any money due from you will have to be paid a few days prior to completion, again by way of cleared funds.

We will carry out the final searches and a report will be sent to your Bank or Building Society requesting the mortgage funds in time for completion.

COMPLETION

On completion, you will not have to attend at our office. By this time, you should have signed all the necessary documents. The balance of purchase money will be paid over by us through the Bank system to the Sellers' Solicitors. On receipt of the funds, the Sellers' Solicitors will telephone the Estate Agents office to arrange release of the keys for the property to you.

(Updated 18 December 2008)

OTHER INFORMATION LEAFLETS

We have a number of other free information sheets that may be of interest to you. Please ask for a copy:

- *Home Information Packs*
- *Selling your home*
- *Joint Ownership*
- *Mortgages*
- *Buying a New House from a Developer*
- *Lasting Powers of Attorney*
- *Wills and Discretionary Trusts*
- *Wills Making for Divorced People*
- *Being an Executor*

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