

EXPLANATORY NOTES

There are two principal stages in the transaction:- the exchange of Contracts and the Completion date.

The Completion date is the day on which you move and it is expected that on any sale you give vacant possession by mid-day or thereabouts and you should therefore arrange this with your Removal Company accordingly.

Completion cannot take place at weekends or on Bank-Holidays and Fridays and in particular Thursdays prior to a Bank Holiday are popular times to move so you should ensure that removals are available before you commit yourself to a date.

When contracts are exchanged a binding legal obligation will come into effect and you will then be committed to your purchase and the sale. From that moment a completion date will have been agreed, and this is the date on which the final formalities are concluded, the balance of the monies are paid and the property becomes yours.

By the time you exchange Contracts I will have investigated the preliminary title disclosed by the Vendor's solicitors and will have raised preliminary enquiries and local searches.

These will deal with such matters as ensuring that the necessary Town and Country Planning consents have been obtained, that there are no Compulsory Purchase Orders or road traffic schemes affecting the property, the ownership of boundary fences, the existence of any guarantees, whether there are any disputes or rights of way affecting the property.

There are many other matters which may be worthy of investigation and if I become aware of any I will inform you, but similarly if you are concerned about anything in particular to do with the property or the area in which it is situated then please let me know, as I will not have had the benefit of having seen the property and will be gleaning my information from the sellers solicitors and the searches that I make.

Local Search fees vary from authority to authority. I should point out to you that the search with the Local Authority deals with the actual property itself and not the adjoining land. Accordingly the proposals that the Council or any other individual may have relating to the development of any neighbouring land will not be revealed and if it is appropriate to the particular property you are purchasing supplemental enquiries may be necessary in which case please let me know.

The search will, however, reveal details of planning permission relating to the property itself, but not in respect of neighbouring properties, tree preservation orders and road schemes within 200 metres of the property. Please note that a search is only as good as the day it was issued, and that a decision could be taken by the Council or an application lodged by a neighbour to extend their property between the search being provided by the Council and the time that you move in. Banks and Building Societies and other lenders will accept a search of not more than three months old on exchange of contracts.

Please note that if the property is in a rural location then other searches may be needed, but these are not costly.

Sometimes it is wise to carry out an Environmental search. I would advise this for a new property built on formerly open land or for a property out of the area which you may not be familiar with. These cost upwards of £40.00 but provide a lot of useful information regarding flooding risk, proximity to landfill sites

and Radon levels.

Please let me know if you are aware of any former land fill, industrial use etc. It is also possible to take out insurance cover in respect of contaminated land and the costs of the policies are usually around £40. If you have any particular concerns about this then please let me know and we can make detailed enquiry about the former use of the land. If you have Internet access you may wish to do an initial check using the post code of the property that you are buying. One of the easiest sites to use is www.homecheck.co.uk. This will give you some basic information about flooding and landfill sites etc and may be a good stepping stone to further enquiries, if needed.

On exchange of Contracts, it is usual for a deposit to be paid, less any preliminary deposit which may already have been paid to any estate agents. It is often possible to negotiate a 5% deposit only, rather than the full 10% which the Vendor can insist upon. If you have a related sale then it is common for the deposit to be passed up the chain and only the first time buyer actually needs to provide one. However sometimes a sellers solicitor will insist on a full 10% deposit on your purchase and in this case you will need to "top up" any deposit offered by your buyers.

Any balance of purchase money which you may be providing, will then be payable a few days before the agreed completion date and at that time the legal costs and disbursements.

Currently Stamp Duty is payable on all purchases in excess of £125,000* and is 1% of the whole price to a limit of £250,000. For properties over £250,000 the rate rises to 3% and for properties costing in excess of £500,000 the current rate is 4%.

Please note that on completion we will make a charge of £30 plus VAT for the administration of the new Stamp Duty Land Tax forms which need to be completed and submitted to the Inland Revenue.

Following completion the document transferring the property to you is lodged with the Inland Revenue for stamping and then upon its return is lodged at the Land Registry with the appropriate fee and then when the registration of your title is complete the deeds are sent to the Mortgagees who have provided a loan for the purchase who then hold them for the duration of the mortgage. If there is no mortgage then the deeds will be handed to you after Registration for safe keeping.

Once contracts have been exchanged you are deemed to accept the property in its existing condition and you cannot subsequently complain if any defects appear. Accordingly it is prudent that prior to exchange of contracts a survey is carried out so that you have an opportunity of considering the surveyors report and should any adverse matters be noted you will have the chance to withdraw from the sale in the event of these being sufficiently serious to make you want to withdraw from the purchase or negotiate a reduction in the purchase price.

Please note that any valuation carried out by the building society will not confer on you any protection as its main purpose is to protect the interest of the lender and their security for the duration of the loan or mortgage. It is therefore advisable to have your own survey carried out and often the lenders surveyor can do this at the same time as the valuation for the lender is being done which can result in a saving of time and expense.

In addition you should also consider having the heating, water plumbing and electrical systems tested by the appropriate authority or a reputable expert as defects in these are not always obvious from mere inspection by you or by your surveyor.

After completion there may be a balance owing to you. This can be sent to you by cheque free of charge or transferred direct as cleared funds to your bank or building society, at a cost of £30.00 plus VAT which is the fee charged by the bank for this service. If you do not have a joint account with any co-owner then two cheques will be issued in the absence of a written confirmation from both parties that the sale proceeds are to be paid to one party.

On any purchase I will require proof of identity, passport, photo driving license and the like. I will also need in the case of a purchase your National Insurance number.

The Law Society has updated their Solicitors Financial Services (Scope) Rules of 2001. These can be found on the FSA web site. The rules require me to inform you of my status and what I can do regarding the sale of general insurance.

This firm is not authorised by the Financial Services Authority. However, I am included on the register maintained by the Financial Services Authority so that I can carry on insurance mediation activity, which is broadly the advising on, selling and administration of insurance contracts. This part of my business, including arrangements for complaints or redress if something goes wrong, is regulated by the Law Society. The register can be accessed via the Financial Services Authority Website at www.fsa.gov.uk/register under the Exempt Professional Firms (EPF) listing.

* The threshold at which SDLT becomes payable is currently £175,000 for residential properties and £150,000 for non-residential. If the property value is above this threshold, SDLT is charged on the entire value.

Purchase price/lease premium or transfer value	SDLT rate
Up to £175,000 (until 31 December 2009 - see note above)	Zero
Over £175,000 to £250,000	1%
Over £250,000 to £500,000	3%
Over £500,000	4%

