

hodgehalsall

RESIDENTIAL PROPERTY FAQs

What will it cost me?

There are many factors that affect the legal fees payable in a property matter such as the tenure of the property (is it freehold or leasehold?), whether or not it is a house or a flat, mortgage requirements, the value of the transaction, what specific searches are required and any other special requirements you may have.

If you telephone us we can discuss these points with you on a no obligation basis and provide a full breakdown of the costs and other associated fees e.g. search fees, Land Registry fees and Stamp Duty Land Tax.

How long will the matter take to complete?

On average most matters should complete within approximately 4 - 6 weeks from the outset of the transaction. It is possible to do it quicker than that and we have completed matters within a week in exceptional circumstances but this can require payment of additional fees to the search providers to ensure they are returned promptly. For most people selling an existing property and buying another requires simultaneous completion.

For some people 4 - 6 weeks can be too soon and a longer timeframe is preferable. Provided all other parties in the chain are agreeable we will try to work around what your needs dictate. This can become a problem if one person in the chain demands a quicker date and perhaps even gives an ultimatum i.e. to agree to their specified date or that the deal will collapse. If that does happen then we will be able to help and advise you to try and reach a compromise with the other parties involved.

What factors can delay the matter?

There are many factors that can cause a delay but the most common factor is people! As we mentioned above if one person in the chain (be it a two party chain or a ten party chain) wants to protract the matter to suit their own needs then everyone else in the chain becomes delayed. As we always say, any transaction only goes as fast as the slowest person involved!

A delay caused by a person may be voluntary to buy time or involuntary such as through a lack of mortgage offer, searches being delayed, or even a holiday or sickness.

As above if your matter does become delayed we will endeavour to help you and advise you to try and speed up the slowest party.

For more information, please contact Hodge Halsall on 01704 531991 or go to our website for more information:

www.hodgehalsall.co.uk

Who will be doing the work?

All property work at Hodge Halsall is carried out by Paul Leadsom or Gordon Hatton, qualified Solicitors. You can find out more information in the “Our People” section of our website.

Paul and Gordon will handle your file from beginning to end (together with their secretaries) and no legal work is delegated to unqualified staff. In the case of holidays your file would be looked after by another Solicitor in our firm such as Mark Robinson.

Do I have to come to the office at any stage?

No. It is entirely up to you whether or not you ever visit the office. However, in the case of a purchase we would normally invite you to the office for a meeting to review all the paperwork with you. This meeting normally takes about an hour and is to review all the papers including the title documents, fittings and contents form, mortgage papers, contract and discuss any queries you may have.

If you do not wish to have that meeting or perhaps cannot do so (due to work commitments or because you do not live locally) we will report to you on the documentation via email or letter whichever you prefer.

Neither option incurs any additional costs and is included in the estimate of fees you will be provided with at the outset of the transaction.

Do I have to do the searches on my purchase?

If you are obtaining mortgage finance with your purchase then yes as it is a strict requirement of all mortgage lenders that all necessary searches are carried out.

If you are a cash buyer then they are not strictly necessary but we would always advise carrying them out anyway. Buying a property is perhaps the most expensive and important financial transaction you will undertake in your lifetime and for the relatively small cost of the searches it is important that your investment is protected and not carrying out searches does carry a risk.

When can I exchange contracts and what does that mean?

A buyer will generally be ready to exchange contracts once the search results are received, finance is in place and all enquiries have been dealt with by the seller and solicitor.

The completion date is fixed at the point of exchange of contracts and both parties are then committed to selling or buying as the case may be on that specific date. That date can then only be changed by the mutual agreement of all parties in the chain which can be very difficult to obtain.

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It is therefore important that you pick a completion date that gives you enough time to prepare such as booking removal vans, packing boxes etc.

What happens on the day of completion?

With a purchase we will send the money to the vendor's solicitors as soon as possible that day. Where a mortgage is involved we must wait until the mortgage advance has also arrived in our account but this will usually be quite early on and should not cause any issues. Once the vendor's solicitors receive the money they will authorise the release of the keys and we will then telephone you to advise you of this. You would then collect the keys from the estate agent's office (or direct from the vendor if there is no agent involved).

What happens to my deeds and documents after completion?

We would normally place them in our Strong Room. There is no charge for this service. If you prefer to hold them yourself then we are happy to hand them over as soon as possible once the post completion formalities with the Land Registry have been completed.

Who will deal with the redemption of my current mortgage and pay the estate agents?

We will deal with these things for you.

Is there anything I can do to minimise my Stamp Duty Land Tax liability (SDLT)?

The current SDLT rates (2013 – 2014) are as follows: -

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|-------------------------------|------|
| Up to £125,000 | Zero |
| Over £125,000 to £250,000 | 1% |
| Over £250,000 to £500,000 | 3% |
| Over £500,000 to £1 million | 4% |
| Over £1 million to £2 million | 5% |

It is possible to attribute part of the purchase price to chattels (i.e. moveables not attached to the Property) and that sum does not count towards to the SDLT calculation. The figure used for the chattels must be realistic and a fair value for

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those items. HMRC state in their guidance notes that such apportionments “*may well be one aspect on which an enquiry may be opened... [and] ...it is quite possible that we will also undertake enquiries into cases where a deduction has been made for chattels to confirm that those items properly fall within the definition of chattels*”.

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