

Your Conveyancing Guide to Purchasing a Property



GORVINS
SOLICITORS

“ A friendly and professional service;
Gorvins were clear in their
advice and excellent throughout a
sometimes difficult process.”

Mr Blakeley, Bramhall



CONTENTS

SECTION 1:

INTRODUCTION TO GORVINS SOLICITORS

SECTION 2:

UNDERSTANDING THE PURCHASE PROCESS

2.1	Your New Mortgage.....	05
2.2	Property Surveys	05
2.3	Contracts and Title Documentation.....	06
2.4	Property Searches	06
2.5	Mortgage Offer (if applicable)	06
2.6	Raising Legal Enquiries.....	06
2.7	Reports on Title	06
2.8	Replies to Legal Enquiries	06
2.9	Negotiating a Completion Date	06
2.10	Exchange of Contracts	06
2.10.1	Arranging Building Insurance	07
2.10.2	The Exchanging of Contracts.....	07
2.11	On Completion Day	07
2.12	After Completion.....	07

SECTION 3:

GENERAL INFORMATION

3.1	Lawyer Verification Check	08
3.2	Stamp Duty Land Tax (SDLT).....	08
3.3	Higher Rate Stamp Duty.....	09
3.4	General Tax Advice	09
3.5	Wills, Trusts and Inheritance Tax Planning	09

SECTION 4:

UNDERSTANDING JOINT OWNERSHIP

4.1	Joint Tenants.....	11
4.2	Tenants in Common.....	11
4.3	Declaration of Trust.....	11

SECTION 5:

UNDERSTANDING SOURCE OF FUNDS

5.1	Savings	13
5.2	Gifted Monies & Monies Transferred	13
	from Third Parties	
5.3	Release of Pensions	13

5.4	Inheritance	13
5.5	Sale of Shares or Release of Bonds	13
5.6	Sale of Previous Property	13

SECTION 6:

A GUIDE TO SEARCHES

6.1	Local Authority Search.....	14
6.2	Drainage and Water Search.....	14
6.3	Coal Mining Report.....	14
6.4	Environmental Search.....	15
6.5	Plansearch	15
6.6	Commons and Village Greens	16

SECTION 7:

TIMESCALES

7.1	How long will it take to complete.....	17
	the purchase of my property?	
7.2	We will only speak to other solicitors.....	17
	or agents in the chain	
7.3	What if I want you to speak to someone	17
	else on my behalf?	

SECTION 8:

THE PURCHASE CONVEYANCING PROCESS

8.1	Guide to the Purchase Transaction.....	18
	Conveyancing Process	

SECTION 9:

CONVEYANCING JARGON BUSTER

9.1	Conveyancing Jargon Buster	19
-----	----------------------------------	----

SECTION 10:

PROCEDURE ON SIGNING AND WITNESSING LEGAL DOCUMENT(S)

10.1	Procedure on Signing and	20
	Witnessing Legal Document(s)	

SECTION 1: **AN INTRODUCTION TO GORVINS SOLICITORS**



Thank you for choosing Gorvins Solicitors to act for you in relation to your property purchase. This is an exciting time and our aim is to make the process as smooth and stress free as possible.

Whether you are first time buyer or a seasoned purchaser, we know the purchase of any property can be a daunting process but as your legal partners, we will do our best to allay any worries or concerns you may have so that you can move into your property as soon as possible.

Govins Solicitors have one of the largest teams of conveyancing Case Managers in the UK, all dedicated to residential property services. During the conveyancing process, you will be allocated a Case Manager who will be your dedicated Gorvins contact, so you can feel comfortable in the knowledge that we are by your side throughout the whole process.

This booklet will act as your guide to the process; taking you through everything from completing the initial forms to choosing a completion date. Our process chart on page 18 of this booklet will allow you to keep track of the process so that you know where you are up to throughout the transaction.

IMPORTANT ADVICE:

- Remember that we will only tell you about the legal aspect of the property.
- Do not give notice on your current rental property (if any) until exchange of contracts has taken place.
- A valuation report carried out for your lender is not a survey and you must not rely on it to reveal any structural or other defects.
- We advise you not to treat any suggested completion date as fixed, even if all parties have agreed to it, until exchange of contracts has taken place.
- Do not confirm any suggested completion date with your removal company or pay any deposit to them, until exchange of contracts has taken place.
- You must have Buildings Insurance in place from exchange of contracts not the completion date.
- Once contracts have been exchanged you are legally bound to proceed with the purchase.
- Only on exchange of contracts is the completion day fixed and binding.

SECTION 2: UNDERSTANDING THE PURCHASE PROCESS

As a first time buyer or even a seasoned buyer, the property buying process can feel daunting; there is so much to take in and organise in so little time. Of course, you will not be doing this all by yourself; this is where your Case Manager comes in.

Definition:

“**Conveyancing**” is the **legal** process that comes with buying a property. Ultimately, it ensures that the legal title is handed over from the seller to the buyer and that the title is good and marketable.

A very crucial point to ensure a stress-free move is **communication**. Simple, yet very effective. Your Case Manager will be there for you during the process; do not be afraid to ask questions, and most importantly tell us if you agree anything with the seller or agent. If there is an issue you wish us to raise on your behalf in relation to the purchase, please let us know at the earliest opportunity.

2.1 Your New Mortgage:

It is your responsibility to apply for and obtain a suitable mortgage offer (if required) and to comply with the terms and conditions of this. You will need to rely upon the advice of your lender or mortgage advisor as to the appropriateness of any mortgage to your individual circumstances. Anyone giving advice about mortgages must be authorised to do so by the Financial Conduct Authority (FCA).

2.2 Property Surveys & Valuation Reports:

A survey is always advisable to ensure that you are aware of any physical problems with the property before you commit to the purchase. It is important to remember there is no duty upon the seller to disclose to you any physical defects in the property. Please note this is your responsibility to arrange a Survey and you must do so as soon as possible.

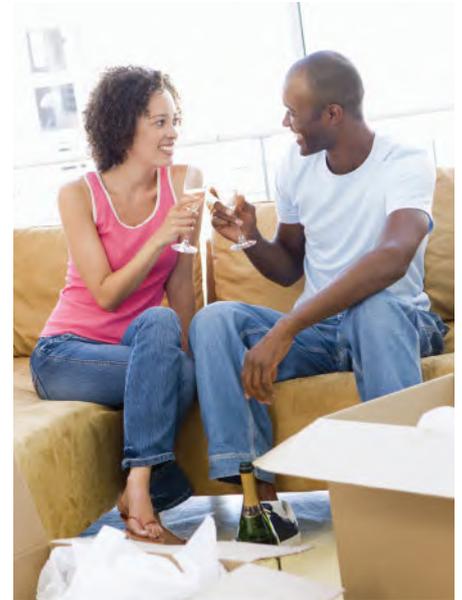
If you are purchasing the property with a mortgage, your lender will carry out a valuation of the property, and a copy of this valuation will be sent to you. This valuation may have been prepared following a superficial inspection of the property.

NB: a valuation report is not a survey and will not reveal sufficient information about the state of the property to enable you to decide whether to proceed. As the valuation has been carried out on behalf of the lender, it is unlikely that you would have the right to sue the surveyor who carried out the valuation should it later transpire that the surveyor was in any way negligent in the preparation of the valuation report.

Types of Surveys

Broadly speaking, there are two types of survey available to you. A “**Homebuyer Survey and Valuation Report**” or a “**Building Survey**”. A survey should be carried out by a surveyor who is a member of the Royal Institution of Chartered Surveyors (RICS). If you are looking for a Surveyor, we would recommend visiting www.rics.org

- **A Homebuyer Survey and Valuation Report** is a survey prepared to a standard format set out by the RICS guidelines. It is generally considered to be most suitable for conventional properties built within the last 150 years, which appear to be in reasonable condition. It will include an estimated cost of rebuilding the property after fire (required for insurance purposes) and an open market valuation of the property.



- **A Building Survey** is a comprehensive inspection of a property. It is particularly suitable for older properties, listed buildings, properties that have been substantially altered, or a property which you plan to renovate or alter. A Building Survey does not include a valuation of the property.

Following either type of survey, your surveyor may recommend further specialist reports be carried out, such as a timber and damp survey, a heating inspection or an inspection of the electrical installation.

Remember, once contracts are exchanged, you will be legally committed to the purchase of the property. It is therefore vital that any surveys or inspections that you arrange are carried out before exchange of contracts, so that you have time to consider the outcome before proceeding. You may wish to renegotiate the price, or even to withdraw from the transaction, if inspections reveal the property to be in a worse condition than you had expected.

If you are unsure as to which type of survey will suit your requirements, a surveyor should be happy to discuss this with you before you instruct him.

2.3

Contracts and Title Documentation:

Once received from the Sellers Solicitors, your Case Manager will investigate the draft contract and supporting legal documents including the 'title register' and 'title plan' – these are the legal documents proving the seller's ownership.

Please remember that we will not have visited the property, and it is always recommended that you provide us with a copy of your survey, so that we can be aware of any building work that has been carried out to the property, or any other unusual features, such as shared access ways or private drainage systems.

It is important that you bring such matters to our attention, so that we may ensure that we raise all necessary legal enquiries in order to be able to advise you fully about the property.

2.4

Property Searches:

A full explanation of searches can be found in section 6 of this guide

Your Case Manager will be undertaking legal searches against the property, in accordance with best conveyancing practice.

There are things you may not know about the property just from viewing it with estate agents or even getting a survey.

Your Case Manager will carry out a set of legal searches to ensure there are no other factors you should be aware of.

Some searches will be recommended by the Case Manager for all purchases and others will be required by the mortgage lender to protect them from any liabilities that the property may have. Please refer to the enclosed "Guide to Searches" for further information.

2.5

Mortgage Offer (if applicable):

Your Case Manager will receive a copy of your mortgage offer directly from the Lender. The offer will be examined and any special conditions will be highlighted by your Case Manager and drawn to your attention.

You will be provided with a mortgage report which will also enclose the Mortgage Deed and any other financial legal documents that need to be signed and witnessed e.g. Occupiers Consent.

2.6

Raising Legal Enquiries:

Your Case Manager will then raise any specific legal enquiries in relation to the Property with the seller's solicitor.

2.7

Reports on Title:

Once legal enquiries have been raised, your Case Manager will report to you on the title of the property. The report will detail the relevant information about the property, including the legal title, boundary information, rights granted for any works undertaken to the property including whether the appropriate consents were obtained from the Local Authority or other Third Parties.

The Pack will contain the legal documentation that you must sign and, where applicable, have witnessed; you will then be required to return all of the documentation to your Case Manager for the next stage of the process to begin.

2.8

Replies to Legal Enquiries:

Once the Sellers Solicitors provide replies to any legal enquiries raised, your Case Manager will examine them and ensure that the replies are satisfactory and appropriate.

A copy of the legal enquiries raised and the corresponding replies will be provided to you for your approval.

2.9

Negotiating a Completion Date:

Once all of the stages detailed above have been completed, a completion date (moving date) must be negotiated between the parties.

The agreed completion date forms part of the Contract therefore exchange of Contracts cannot take place until this date has been agreed.

If you have any timescales or target dates in mind for moving, please let us know and we will do our very best to meet your requirements. However, please remember that until exchange of contracts has taken place, the date for completion (the moving date) is not fixed, and may change.

For this reason, **we strongly advise** that you do not confirm any booking with your removal company, or make any other firm arrangements to move, until we have informed you that exchange of contracts has taken place and can confirm a definite completion date to you.

Your Case Manager will ask you for your preferred date(s) and propose the same to the Sellers Solicitors who will then take instructions from the Seller. Once the Seller confirms they are happy with the date or alternatively proposes another date, they will respond to your Case Manager.

The negotiation can be slightly more complex if there is a chain of transactions as the various parties may want different dates.

This can take a little time and it is recommended that you utilise the Estate Agent to negotiate a completion date, largely because they can speak to all parties in the chain whereas we are prohibited from doing so and can only speak to the Sellers Solicitors.

We would not recommend that exchange and completion takes place on the same day. It will ultimately make the process a lot more stressful than it needs to be. Once you have exchanged contracts, you are legally bound to proceed with the purchase.

2.10

Exchange of Contracts:

Once a completion date is agreed, it is then time to transfer the deposit required to our client bank account so that cleared funds are with us in time for exchange.

The deposit is normally 10% of the value of the property. However even if you agree to pay less than 10% you are still liable for 10% of the agreed value of the property if you later withdraw from the transaction following exchange.

Therefore if you pay a 5% deposit then withdraw from the purchase of the property after exchange you will not only lose your deposit but also legally owe an additional 5% of the agreed value of the property.

2.10.1

Arranging Buildings Insurance:

Either prior to, or no later than, the date of exchange, visit the property with the estate agent and the fixtures and fittings inventory list to ensure that everything you paid for is still there and the property has not been damaged in any way.

You will be responsible for arranging buildings insurance on your new property from exchange of contracts (unless you are purchasing a leasehold property and insurance is effected by the landlord or Management Company, or a newly built property, which will normally be insured by the builder under a block policy until completion). If insurance is not being arranged through your mortgage lender, then you should make sure that this is in force from exchange of contracts and the interest of your lender noted on the policy.

If you require a mortgage, we will need full details of any insurance arranged by you as soon as possible, as we will be obliged by your lender to check that the terms comply with their requirements. Your lender will require that the policy cover the following risks:

- fire; lightning; aircraft; explosion*
- earthquake; storm; flood; escape of water or oil; riot; malicious damage; theft or attempted theft; falling trees and branches and aerials; subsidence; heave; landslip; collision; accidental damage to underground services; professional fees, demolition and site clearance costs; public liability to anyone else*

Your lender will also require the policy to be index linked, and many lenders require that any excess payable under the policy does not exceed £1000.

Please bear these requirements in mind when arranging your building insurance. It would be helpful if, when asking your insurer to confirm to us that the insurance has been effected, they also confirm that the policy meets these criteria (sometimes referred to as the Lender's Handbook requirements).

2.10.2

The Exchanging of Contracts:

You and the seller will agree on a date and time to exchange contracts at any time on any given day and your Case Manager will require consent to exchange in writing (by email) in order to proceed to exchange of contracts.

This is usually done by both parties legal advisors reading out the contracts over the phone (which is recorded) to make sure the contracts are identical, and then immediately sending them to one another in the post. If you are in a chain your Case Manager will do the same thing, but will only release it if the other people in the chain are all happy to go ahead. This means if one person pulls out or delays, then everyone in the chain is held up.

Once you have exchanged contracts you will be **legally bound under the terms of the contract to buy the property** with a fixed date for moving. This means that:

- If you do not complete the purchase, you will lose your deposit and owe the seller more if the deposit was less than 10% of the agreed value of the property;
- the seller has to sell the property to you or you can sue them;
- the seller can no longer accept another offer (you no longer need to worry about being gazumped);
- Between exchange and completion: The seller will move out (although they may leave this to the day of completion) and you should get organised for your moving day.

Your Case Manager will send you a Completion Statement showing the final figure to pay, which will need to be cleared into our bank account at least one working day before completion.

2.11

On Completion Day:

Completion is normally undertaken around midday on the specified date although in practice takes place when the seller's solicitor confirms that they have received all the money that is due. Once this happens the seller should drop the keys at the estate agents for your collection.



YOU CAN NOW MOVE IN.

2.12

After Completion:

Once you have completed on your property, your focus will be very much on moving and settling in (or letting the Property if it is a Buy to Let purchase). Your Case Manager will still have a few items to finalise on your behalf, including:

- Paying Stamp Duty Land Tax or Welsh Land Transaction Tax on your behalf.
- You will receive your legal documents about 20 days after completion after your Case Manager has sent them to the Land Registry unless your transaction is a New Build, Grant of a New Lease or First Registration, the Land Registry are currently taking around 90 days to deal with applications of this type. You will be the legal owner from the date of Completion.
- Send a copy of the title deeds to your mortgage lender for their records
- Notify the freeholder if the property is leasehold

You will want to organise all your paperwork from the purchase of your new property, including the estate agent's brochure, to file away and keep safe for when you move again.



SECTION 3: **GENERAL INFORMATION**

This section provides some general information relating to the purchase of your property including some of the checks we carry out along with an understanding of Stamp Duty Land Tax/Welsh Land Transaction Tax and Anti-Money Laundering Regulations.

3.1 **Lawyer Verification Check:**

In order to protect both you and your lender, our policy is to check the identity of your seller's conveyancer using Lawyer Checker at a cost of £10 + VAT which has already been included in your estimate of costs you received when you first instructed us. This is **NOT** in addition to any fees you have been quoted.

Unfortunately, criminals aren't only taking the identities of individuals, there are a number of cases where criminals are cloning the identities of legitimate legal firms in order to steal purchase funds and we want to protect you from this threat.

Lawyer Checker allows us to check the account details of the seller's conveyancer's firm against a database of previous conveyancing transactions. The results provided by the service will help us to better assess the risk associated with sending your money.

3.2 **Stamp Duty Land Tax (SDLT):**

Anyone purchasing a property now has an obligation to notify the HMRC of the transaction within 30 days of the effective date, which is usually the completion date of your purchase, and to pay any tax due.

The rate of tax depends upon the purchase price of the property. Fixed penalties apply for returns that are submitted late.

We will act as your "tax agent" for the purposes of SDLT in connection with your purchase at the rate indicated in our initial letter. This means that we will complete the Land Tax Return form electronically on your behalf. We will sign the electronic copy for you as your agent (as this cannot be signed until after completion) and will submit the form to HMRC, together with your payment of the tax due, immediately after completion has taken place.

Even though we are your 'tax agents' in relation to DSLT/LTT you are still responsible for payment of the tax due. Prior to completion, we will advise you of the amount, and request payment from you. If you fail to transfer the SDLT/LTT funds to us **OR** fail to provide us with your National Insurance Number, you will be liable for any penalties that re incurred if the Land Tax Return is submitted late.



Where there is more than one purchaser, the liability for payment is joint and several, even if one party is in reality funding the purchase money. We will complete the Land Tax Return form in reliance upon information that we have received from you.

3.3 Higher Rate Stamp Duty:

From April 2016, property buyers now have to pay an additional 3% on each stamp duty band for purchases of additional residential properties.

Buy-to-let and second home Stamp Duty tax bands

Brackets	Standard rate	Buy-to-let/ second home rate (April 2016)
Up to £125,000	0%	3%
£125,001 - £250,000	2%	5%
£250,001 - £925,000	5%	8%
£925,001 - £1.5m	10%	13%
over £1.5m	12%	15%

Source: HMRC

3.4 General Tax Advice:

Other than in relation to Stamp Duty Land Tax or Welsh Land Transaction Tax, we will not provide advice on the tax implications of your sale or purchase as part of the conveyancing service that we offer.

A liability to pay Capital Gains Tax may arise if you work from home, own more than one property, or if your house has grounds of more than 0.5 hectares, in which case you should certainly seek specialist tax advice.

There may be potential Inheritance Tax Implications, or a need to reconsider your tax planning strategies as a result of any sale or purchase.

3.5 Wills, Trusts and Inheritance Tax Planning:

We all have a tendency to put things to the back of our mind that don't require immediate attention; making a Will is a classic example. Far from being a morbid subject, making a Will is just a fact of life and not something that should be looked at negatively as it ensures that your family, home and future generations are protected and cared for in a way precisely designed by you.

If you die without a Will the law steps in and decides who will inherit your assets, according to the Rules of Intestacy. This set of rigid rules may not be what you would have wanted and the people you want to inherit your possessions and look after your affairs may not do so automatically. Having a Will is essential in setting out your wishes.

If you are purchasing a property jointly then please refer to Section 4 entitled Joint Ownership as you may wish to have your ownership protected by a Declaration of Trust which our Wills Trusts & Probate department can assist you with at a discounted cost of £300 + VAT, provided the requirements are straight forward.

To discuss your Will or speak to one of our IHT solicitors you can e-mail willsteam@govins.com or call 0161 930 5117





SECTION 4: **JOINT OWNERSHIP**

THIS SECTION WILL HELP YOU TO COMPLETE THE 'JOINT OWNERSHIP FORM' IN YOUR PAPERWORK

Where a property is to be owned by more than one person there are two ways in which the joint ownership may be recorded.

Please read the following notes and then complete the instruction form contained in your Client Questionnaire and return the same to us.

4.1

Joint Tenants:

If a property is held as joint tenants, each co-owner owns an equal but undivided share in the property. In practical terms this means that if one owner dies the property automatically passes to the survivor irrespective of any provision made in the deceased owner's Will. This method is commonly, (but not exclusively), used by married couples as they would want the property to pass to the surviving spouse on death.

4.2

Tenants in Common:

If the property is held as 'tenants in common' each owner has a specific share in the property. On the death of either owner the deceased's share of the property does not automatically pass to the survivor. The share of the deceased owner will pass under the terms of his or her Will (or in accordance with the Intestacy Rules if a valid Will is not in existence).

This method is particularly advisable in a number of situations:

- Where purchase monies have been contributed in unequal shares
- Where one party has a family from a previous marriage
- Where the combined value of the husband and wife's property is sufficient to attract Inheritance Tax
- Where the parties are not married i.e. co-habitees, brothers and sisters, friends.
- Where the parties are business partners.

The shares in the property need not necessarily be equal. For example, one party may have contributed more towards the deposit than the other or they may be paying the mortgage in unequal shares.

It is possible to stipulate the ratio of the shares e.g. 50:50, 75:25 or in any other combination of shares.

Most of the situations above envisage a property being owned in two names but the same principles apply if the property is owned in multiple names.

4.3

Declaration of Trust:

If you decide you want to own the property as Tenants in Common, we would advise you to have a Declaration of Trust, which our Wills Trusts & Probate department can assist you with at a discounted cost of £300 + VAT, provided the requirements are straightforward.

This will stipulate the shares in which you would own the property and also sets out a procedure for dealing with the situation which would arise if one person wanted to sell his or her share in the property.

**Please call us on 0161 930 5117
or e-mail willsteam@gorvins.com
if you have any questions or wish
to discuss the matter further.**

**Please remember to say you are a
client of the firm to benefit from the
discounted cost.**



SECTION 5: **SOURCE OF FUNDS**



THIS SECTION WILL HELP YOU TO COMPLETE THE 'SOURCE OF FUNDS' SECTION IN THE CLIENT QUESTIONNAIRE

As a law firm, we must comply with the Money Laundering Regulations 2017; Proceeds of Crime Act 2002 and Terrorism Act 2000 and all amending legislation to date. These impose obligations on us to make enquiries with regard to the source of funds and report as required.

Of these obligations, the principle duty is to ascertain the clients' source of funds and ensure that these monies are not the proceeds of crime. To discharge this duty we are required to satisfy ourselves as to the legitimacy of the monies and as a consequence we are obliged to ask our clients about the source of their funds and obtain evidence to show how the funds have been obtained.

It is not sufficient to simply obtain evidence that clients hold the necessary funds to purchase a property, they must provide documentary evidence showing where the money has come from; for example if the monies are savings, we must see evidence of this and that it was reasonable for the client to have saved those monies.

Why do we need to do this even if the bank has already completed the checks?

It is a common misconception that if money is being sent to us from a UK bank then we do not need to raise any enquiries about a client's source of funds, because this will already have been done by the bank. However, banks do not investigate every single transaction as to the source of funds and as such we must still raise enquiries and obtain evidence even when money is coming to us from a UK bank.

If there are additional costs incurred in establishing the source and provenance of the funds; for example obtaining an accountant's report or translating documents, then you will be required to meet these costs: however we will not

incur these costs without advising of the costs and obtaining your consent to incur them. We may require payment on account in some circumstances.

Where all or part of the purchase monies are being/have been given to you by a third party, we will need their full details, confirmation of the amount of money being gifted and evidence from them as to the source of their funds. We cannot receive money from a third party. We can only accept money from clients. Please note that we are also under a duty to report third party gifts to your lender.

The enquiries that we are required to make of our clients are now a standard part of the conveyancing process and are made of every client without exception.

Advice to You:

- If you are uncertain about what evidence you can provide us with to prove the source of your funds, please do not hesitate to contact us and we will be more than happy to discuss this with you however please see the list below for further information.
- Please provide information and documentation to us regarding your source of funds as soon as possible to prevent it causing any delays to the transaction.
- We are unable to accept any money from you until we have received satisfactory evidence of your source of funds.
- We cannot exchange contracts until we are fully satisfied as to your source of funds.

As a firm of Solicitors regulated by the Solicitors Regulation Authority (“SRA”) we have strict obligations, which require us to consider the source of any funds that we handle for clients as part of their transaction. The following information is intended to assist you as our client to understand that process at the earliest opportunity to avoid any delays in the conveyancing process.

Why we have to ask for evidence.

Our obligation is governed by the Money Laundering Regulations 2017 (“the Regulations”) and in particular, ‘**Regulation 8**’

Where there is the obligation to:

‘Scrutinise transactions undertaken throughout the course of the relationship (including where necessary, the source of funds) to ensure the transactions are consistent with the relevant person’s knowledge of the customer, his business and risk profile. It will not be possible to complete your transaction without you providing to us sufficient information as to the source of funds to allow us to discharge our professional and legal obligations.’

Whilst every case is personal and there are many different ways that funds being used towards a purchase can be accumulated, the following examples are what we would

expect to be provided as a minimum to allow us to carry out an initial review.

Please do not be offended if we subsequently ask you more questions regarding the source of funds, we hope you appreciate that we are obliged to do this and the sooner we are able to establish the source of funds the less chance of this causing a delay as we approach completion.

If you are using any of the below sources from 5.1-5.6 please ensure that any bank statements provided detail your full name and address

5.1 Savings:

Where you have accumulated savings over a period of time we would expect to see bank statements showing the build-up of the monies that you will now be using. If you have transferred monies from other accounts in your name to add to this figure we will need to see evidence of those accounts as well.

5.2 Gifted Monies & Monies Transferred from a Third Parties:

Where someone gives you money towards the purchase this is called a gifted deposit. We have an obligation to not only check the source of those funds but also arrange for a declaration to be provided by the third party to confirm that this is a gift. We need to show this to your mortgage provider as well.

Unfortunately, the obligations upon a firm of Solicitors are quite strict and this can mean that establishing proof of funds can be a lengthy process. In order to keep your transaction moving forward please provide us with as much information regarding the source of funds and an explanation about any transfers or transactions that have taken place at the earliest opportunity.

If this is a family member or friend, we will need to see a copy of their account, which shows the transfer taking place but also sufficient information from the third parties’ account to allow us to be satisfied that those monies have built up over time.

In order to keep your transaction moving forward please provide us with as much information regarding source of funds and an explanation about any transfers or transactions that have taken place at the earliest opportunity.

5.3 Release of Pensions:

A copy of the documentation showing that monies have been released to you and a copy of the bank statement which received those funds.

5.4 Inheritance:

For any money which you have inherited we will need to see a copy of the letter from the Executors who are acting for the Estate confirming how much you are to receive and a copy of the bank statement showing those monies being paid in.

5.5 Sale of Shares or Release of Bonds:

Any monies relating to the sale of shares or release of bonds will need to be accompanied with copies of the most recent investment statement that you have and a copy of the bank statement showing the monies being received after those investments have been cashed in.

5.6 Sale of Previous Property:

A copy of the completion statement from the sale and also a bank statement showing the monies being received.

SECTION 6: A GUIDE TO SEARCHES

This section will explain the searches included in your search pack relating to the purchase of your property.



6.1 Local Authority Search:

The official Local Authority search is made up of 2 parts:

Firstly the LLC1 (official requisition of search), which discloses the registered entries affecting the property. Entries appearing may be conditional planning consents, conservation area, tree preservation orders, Council grants that may need to be repaid, agreements and identification of the property as a building of special architectural or historical interest. All of these and many more entries place some kind of a restriction on the property or area that the property is situated within.

Secondly the CON29 (enquiries of the local authority), this form consists of a number of predetermined questions concerning the following areas:

- Planning
- Highways
- Environmental Health
- Housing
- Building Control

The local search provides information about the property that you are purchasing from the records held by the local authority. It is not (as the name might suggest) a search of the locality, and will generally not provide any information about proposals for development of land outside of the boundaries of the property that you are purchasing.

If you require any specific information about any other land in the vicinity, please let us know so that we can carry

out a further search, or make further enquiries as appropriate. Alternatively, you may wish to contact the local authority planning department yourself. This might be of particular importance to you if, for example, you are purchasing the property because it currently enjoys an open aspect over farmland.

If you have any specific plans for the property, such as adding an extension or conservatory, please let us know so that we can check that there is nothing revealed in the deeds to the property, or in the searches that we make, which would prevent you from carrying out your proposals. Remember that building work will almost always require building regulation approval and may also require planning permission or listed building consent.

6.2 Drainage and Water Search:

The CON29DW Drainage and Water Search provides comprehensive data on sewer connection status, water supply and charging arrangements, and is recommended by the Law Society as essential in all conveyancing transactions.

Drainage

- Does foul drainage and/or surface water drain from the property to a public sewer
- Is any sewer serving the property subject to an adoption agreement, what stage of the adoption process has been reached, and whether the agreement is supported by a bond
- Is there a public sewer within the boundary of the property, or within 100

feet (30 metres) of the buildings within the property

- Is there a current statutory agreement or consent to erect a building or extension on the property over or in the vicinity of a public sewer or a disposal main ('Building Over Sewer Agreement')

6.3 Coal Mining Report:

Coal mining has a long and important role in the industrial history of Great Britain. This is especially true of the North East, which has a rich mining heritage.

Coal mining records are held and maintained by the Coal Authority on both opencast and deep mining activities. Not surprisingly, past or current coal mining activity can have an effect on surface property and in coal mining areas a coal-mining search is essential prior to the completion of a house purchase. Coal mining may affect a property due to subsidence, although under the 1991 Coal Mining Subsidence Act, owners of property damaged by coal mining may be entitled to remedies including repair or depreciation compensation payments. A house may have been built over or near to old coal mineshafts and opencast mining can have an environmental impact.

How can a Coal Authority mining search help?

Coal mining searches are considered by property professionals as vital for anyone buying property in any coal mining area in Britain. It is quite often a condition of your mortgage that we obtain this search. The Coal Authority holds and maintains the national coal-mining database and

provides a fast, accurate, property-specific and cost-effective coal mining search service for any property in England, Scotland and Wales.

A coal mining report also offers sections on the following:

- Past and current underground coal mining activity along with details of any recorded old coal mineshafts and licences for future mining
- Current opencast coal mining operations and whether the property was built over a worked out opencast site
- Shafts

6.4

Environmental Search:

This search provides essential site history and quality environmental information to homebuyers and vendors of properties in mainland Britain.

The information included within Environmental Search will help any homebuyer to make an informed decision about purchasing a property and whether it will provide a suitable environment and investment for their family.

This search includes a professional opinion from a leading firm of Chartered Environmental Surveyors. In bringing together specialist knowledge of contaminated land and land surveying, this search is unique in considering the issue of contaminated land in relation to property value and use. A professional conclusion means the burden of interpretation is now left to the experts.

The report includes:

- Details on the presence of any nearby toxic or explosive substances
- Location details of waste landfill sites
- Information on local industrial and mining activity
- Comprehensive details on the risks to the property from past and present contaminating and polluting processes
- An assessment of the risks of subsidence and flooding

- Historical tanks and energy facilities from Ordnance Survey and Telecommunications Base Stations from the Radio Communications Agency. Using information from the Environment Agency, Ordnance Survey and other data providers the Environmental Search is clear and concise. To aid clarity, the report is split into four logical sections:
- Standard environmental enquiries 500m radius
- Land use records 250m radius
- Mining, subsidence and radon
- Flooding and overhead Transmission Lines

6.5

Plansearch:

Plansearch is a unique report providing essential planning information for targeted residential properties and their surrounding area. This includes current and historical information that reaches far beyond the boundaries of the Local Authority Search.

Plansearch covers:

- Planning applications
- Land Use Policies
- Flooding
- Planning applications

Plansearch contains details of applications made for planning permission since 1997 within a 250m radius of the targeted property. The applications have been standardised in the following way:

- Housing
- Civil engineering (e.g. bridges, runways etc.)
- Transportation facilities (e.g. petrol stations, car parks, airports etc.)
- Sports/leisure
- Education/health
- Commercial/retail
- Power/water/telecom
- Hotel/catering
- Industrial/agricultural/demolitions
- Public building

For each application comprehensive information is given that pre-empts any potential surprises around the corner for you. This includes: the development type, its direction and distance in relationship to the target property, category, stage, application reference and date, project size, floor space, number of units, area and positional accuracy.

Plansearch provides a summary of policies for future development and land use within a 500m radius of the property. These follow categories, which have been standardised across Britain to:

- Housing
- Open land (e.g. green belts/nature reserves)
- Heritage environment (e.g. historical buildings)
- Transport
- Town centres and retailing
- Industrial and commercial
- Community and social facilities
- Waste, pollution minerals, water and energy
- Rural/settlement areas
- Other site specific plans

A brief description of the proposed development type, its direction and distance and a list of the related policies are provided for each development. This ensures that if your client has any concerns, further information can be easily obtained.

Plansearch goes further than the local search, which means:

TO THE HOMEBUYER

- **Peace of mind** - greater knowledge of an area
- **Revealing** - no surprises waiting around the corner
- **Value for money** - quality information for an informed decision

TO THE SOLICITOR

- **Total service** - that help clients make the right decision
- **Time-saving** - current and historical planning information in a user friendly and illustrated report
- **Promote best practice** - provides as much information to the client as possible to facilitate an informed purchase

Plansearch Plus includes all of the above as well as:

- Planning decisions
- Aerial photography
- Information on telecoms masts
- Footpaths and Rights of Way
- Local neighbourhood information
- Flooding information

Using the Environment Agency's assessment, Plansearch Residential is able to identify whether the property or surrounding area is in one of the following:

- Natural river floodplain
- Coastal floodplain
- An outline of the floodplain will be illustrated on the floodplain map. This will not show flood defences.

The centre for Ecology and Hydrology provides flooding information for Scotland. This reports on areas that are likely to flood from non-tidal rivers in the absence of flood defences.

6.6

Commons and Village Greens:

This Search will reveal whether or not the property is situated on common land or accessed over common land or village green. It is a criminal offence to travel with motor vehicles over common land or village greens. It is, therefore, important especially when purchasing property in the countryside to establish the existence of common land or village greens near the property.





SECTION 7: **TIMESCALES**

7.1

How long will it take to complete the purchase of my property?

The truthful answer is we do not know. We usually work to a timescale of 6-8 weeks however, certain elements which are out of our control can sometimes arise.

If you do not need a mortgage to buy your property, you are not selling a property and there is no chain then it is possible for the transaction to move faster.

On the other hand, delays can happen due to incomplete information, late arrangement of mortgage, complications in the legal title, long chain of sellers and buyers who are unable to agree on the completion day, people saying one thing and doing something different or simply just changing their minds.

7.2

We will only speak to other solicitors or agents in the chain

Many clients are surprised to know that we do not speak directly to the other parties to a sale or purchase when they have their own solicitors. This is to comply with our rules of professional conduct. Estate agents are not bound by the same restrictions and in our experience they are often best placed to keep you informed as to what is happening up and down the chain.

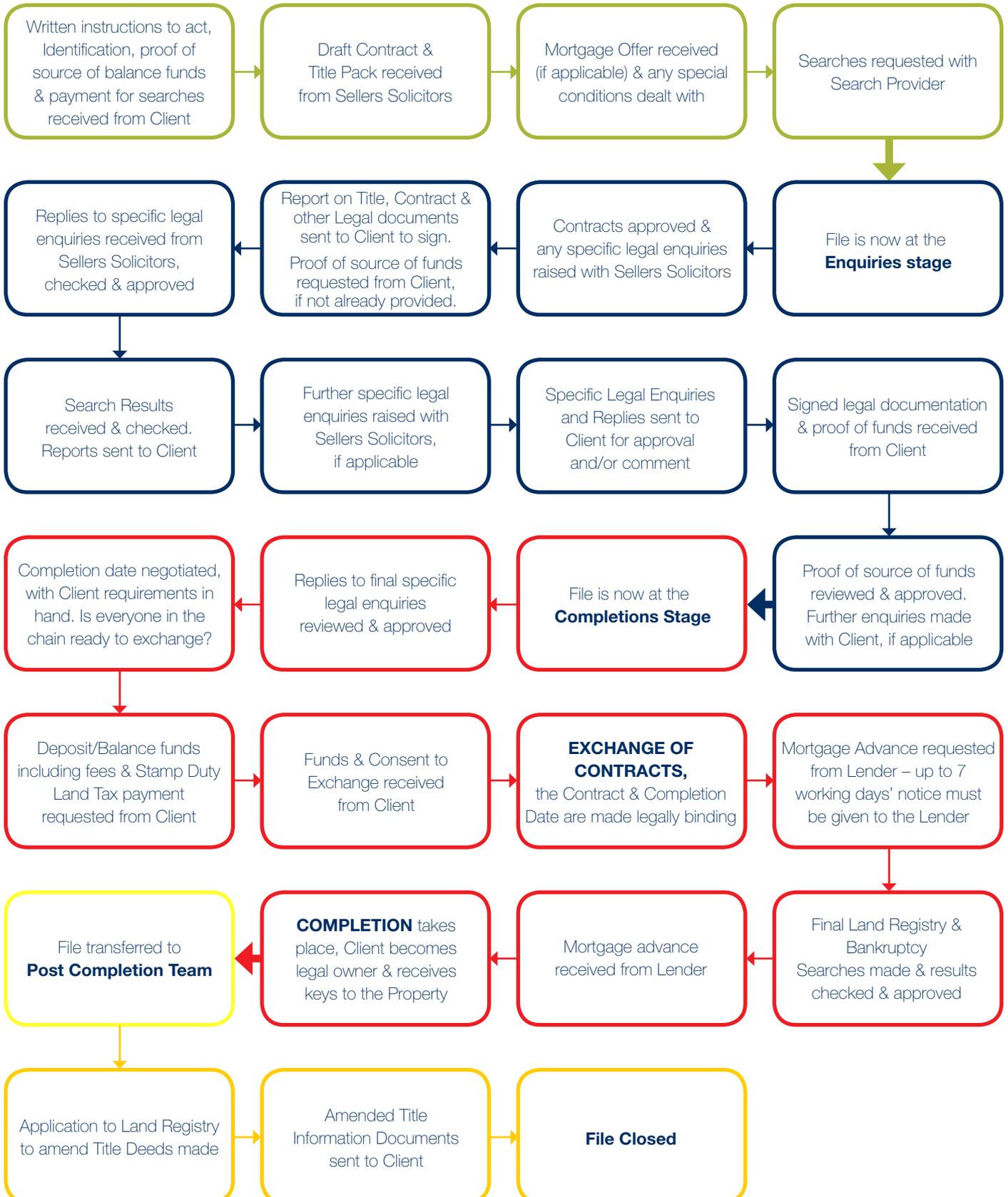
7.3

What if I want you to speak to someone else on my behalf?

As you are our client, we can only take instructions from you about your transaction and can only give you the details of the matter. If you would like us to speak to someone else then we will need your signed written authority giving the name of this person. We will still need to speak to you just before the exchange of contracts so that we can confirm the details of the transaction to you and so that you can give us authority to exchange contracts.

SECTION 8: THE PURCHASE CONVEYANCING PROCESS

Guide to the Purchase Transaction Conveyancing Process



**SECTION 9:
CONVEYANCING JARGON BUSTER**

Here at Govrins we make your transaction process seamless and jargon free as possible however there will be a number of terms used throughout the process that you may be unfamiliar with. Some of the more commonly used terms are detailed below.

Completion Date	The date that the contract states ownership of a property passes from the seller to the buyer. This is the day when the seller is obliged to move out of the property and the buyer moves in, the date you will get the keys!
Contract	A written, signed and legally binding agreement made between the buyer and seller. It will give full details of the property and all of the other terms and conditions of the sale that have been agreed between you. The Contract will not become legally binding until we exchange contracts on your behalf.
Disbursements	These are not our legal fees but fees that must be paid to third parties such as Local Authorities (for searches) or the Land Registry.
Exchange of Contracts	The point at which contracts become legally binding and a completion date is formally agreed.
Freehold	A type of land ownership where you own the building and the land it stands on outright, which runs forever with the freedom to dispose of it at will.
Leasehold	A type of land ownership where you have a lease from the freeholder (sometimes called the landlord) to use the home for a number of years subject to payment of ground rent. The leases are usually long term – often 90 years or 120 years and as high as 999 years.
Mortgage Offer	The formal document making an offer of a loan under a mortgage which will say how much the loan is for, the period and the amount of repayment and all of the terms and conditions attached to the loan. You will receive a copy from your Lender and we will receive our legal copy containing any conditions that we must comply with along with our legal documents.
Searches	We will carry out searches as part of the Conveyancing process. They are done to check that there are no problems with the property. The usual searches that will be carried out are a Local Authority search, Drainage and Water search and the Environmental/Contaminated land search. There are other more specific searches that may also be carried out depending on the requirement of a mortgage lender and which part of the country the property is in. Please see the enclosed Guide to Searches for more information.
Stamp Duty Land Tax (“SDLT”)	A tax payable to the Government on the completion of the purchase of a property or land. The amount of duty depends on its purchase price, the status of the Buyer and whether they own any other Property.
Transfer Deed	The legal document that will be submitted to the Land Registry upon completion so that they will amend the Title Deeds into your name.

SECTION 10: PROCEDURE ON SIGNING AND WITNESSING LEGAL DOCUMENT(S)

Most legal documents, specifically, the Mortgage Deed and Transfer Deed require that you sign them in the presence of an independent witness.

The document(s) must be signed by you in the **presence** (they must see you sign) of an independent witness (the witness must not be a relative, someone under 18 or a party to the transaction). The witness must then sign his or her name and write (so it can be clearly read) their full name in **BLOCK CAPITALS**, their address and their occupation, in the space indicated.

Please **do not date** the legal document(s). If you date the legal document(s), this will invalidate the document(s).

PLEASE NOTE where there are two (or more) clients, each client signature needs to be witnessed separately – it does not have to be the same witness for each signature.



SIGNED AS A DEED BY:

CLIENT NAME(Client signs here).....

IN THE PRESENCE OF:

WITNESS SIGNATURE:(Witness signs here).....

WITNESS NAME (BLOCK CAPITALS):(Witness full name in capitals here).....

WITNESS ADDRESS:(Witness full address including postcode here).....

WITNESS OCCUPATION:(Witness occupation here).....





GORVINS
SOLICITORS