

Buying and Selling Your Home: All You Need to Know

Buying and selling your home is a memorable experience, not always for good reasons. Much of the process will be out of your control, which can be frustrating. So it helps to at least understand how the process works and be in control of the stages that you can influence.

This is a comprehensive guide that you can use to help you prepare and refer back to so that you are always ready for what happens next. It's likely that you will be buying and selling at the same time but we've separated the guidance for buyers and sellers at each stage to help you find the most relevant information.

Getting Ready

Sellers:

- ✓ Research a realistic value for your home using sites such as Zoopla, Rightmove and OnTheMarket.
- ✓ Work out a budget for agent's fees, legal fees and removal costs. Don't forget that VAT will normally be charged on these. Ask your mortgage lender how much you will need to pay to redeem your existing mortgage.
- ✓ If you are also buying, work out an appropriate price range taking all of the above costs into consideration.
- ✓ Make a list of decorating and minor repair jobs that need to be done to make your home more sellable.
- ✓ Research conveyancing solicitors and their fees. Check online reviews to see what people think of their service. Consider whether a local firm you can visit will meet your needs better than somebody who is only available online or by phone. You can't instruct anyone until you have accepted an offer.
- ✓ If you have had work carried out on your property such as new windows, a heating system or rewiring, make sure you can find details of warranties, certificates (eg FENSA) and building control approval if relevant - this will speed things up later on.



Buyers:

- ✓ Set a budget based on what savings you have and what you can afford to borrow. If you are selling don't forget the costs listed above. And don't forget Stamp Duty on your purchase.

Estate Agents

Sellers:

- It often helps to get valuations from three estate agents. Choose an agent with a track record of selling homes in your area at or near the asking price. Because of the internet it's rarely worth selling your home through more than one agent as this is usually more expensive than sole agency.
- Look carefully at their terms of business and be prepared to negotiate. Look out for:
 - Fees (you can probably negotiate a 1% fee for sole agency if your property is desirable).
 - Exclusivity periods and lock-ins. Avoid tying yourself to a single agent for a long period of time.

Buyers:

- Most of your research will probably be on line. If an agent seems to sell a lot of properties in the area you want to move to it may be worth registering with them directly.

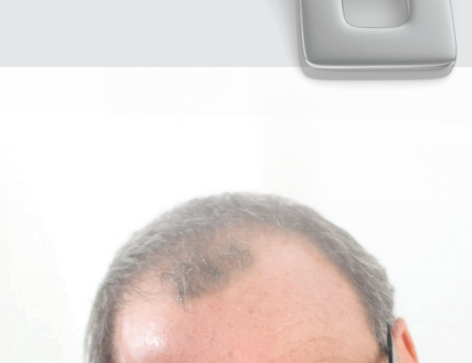
Making and Accepting Offers

Sellers:

- Accepting an offer does not mean that a home is legally sold or that you are legally obliged to complete the sale at that price. But you are ready to move onto the next stage. Your estate agent will issue a memorandum of sale specifying the agreed price and terms along with the buyer's contact details. You can use this to instruct your conveyancer.

Buyers:

- Before making an offer, make sure that you can really afford it. Check likely mortgage repayments and double check all of the fees and costs. Don't be afraid to start with a low offer. You can usually negotiate, particularly if you are in a strong position with an agreed buyer or no chain.



Appointing a Conveyancer

Sellers:

- This is an important step. Your conveyancer will draw up the contract of sale and will deal with queries from your buyer's solicitor. Normally, you will use the same conveyancer for your sale and purchase if you are doing both.
- The draft contract will include the sale price and details of the fixtures and fittings to be included in the sale.
- You will have to complete a detailed questionnaire to document the details of the sale. There will also be a questionnaire covering boundaries, disputes (such as noisy neighbour complaints or boundary disputes), proposed nearby developments, building works, council tax, utilities, sewerage.

Buyers:

- Your conveyancer will play an essential role in progressing your purchase through to completion and ensuring that there are no issues that could affect how you use or enjoy your new home. Check reviews before you make your choice.
- Your conveyancer will be provided with a draft contract by the seller's solicitor, which will include details of the fixtures and fittings included in the sale. Check this information carefully.



Surveys

Sellers:

- It is probable that your buyer will have a survey carried out on your property. This may throw up some issues with damp or other remedial works and your buyer may attempt to renegotiate the price. You are under no obligation to do so but you may choose to complete the repairs yourself.

Buyers:

- There are different levels of survey to choose from. In general, more detailed (and expensive) surveys are a wise precaution for older properties or ones that have been extensively altered. Your mortgage lender will require a valuation survey at least.
- The survey might identify structural issues or problems with damp, roofs etc. Based on these findings you might decide to withdraw or to negotiate a price reduction to cover the cost of remedial work.

Searches

Sellers:

- Searches carried out by the buyer's solicitor may identify further potential issues with planning, drainage etc. that will have to be resolved before contracts can be exchanged.

Buyers:

- Your solicitor will organise searches that will investigate any issues with planning, drainage, flooding. These may result in further queries to the seller's solicitor.

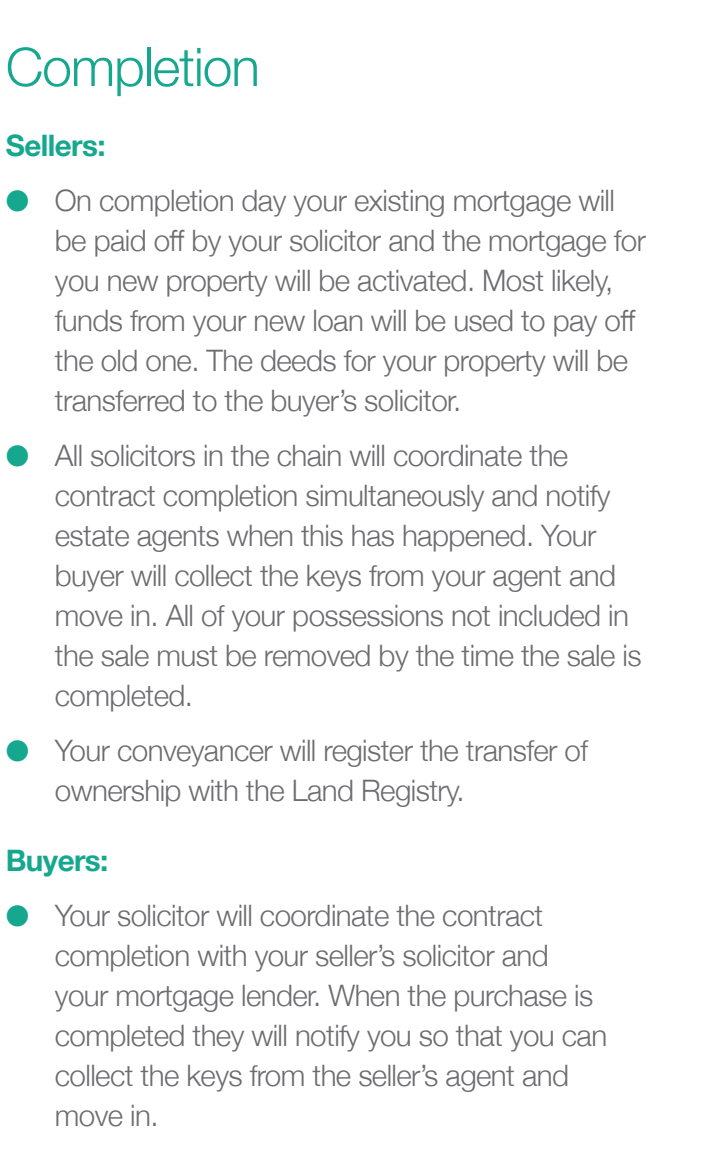
Mortgages

Sellers:

- Your solicitor will obtain a mortgage redemption valuation from your lender. This will specify how much will be needed to pay off your current mortgage. Because the mortgage is linked to a specific property it will be necessary to pay this off to complete the conveyance, even if you are taking out a new mortgage, even if you are taking out a new mortgage, even if you are taking out a new mortgage.

Buyers:

- The process will not proceed to contract exchange before you can prove that you have the necessary funds. Getting an agreement in principle from your mortgage lender that they will be prepared to lend you the money can save time later.
- Your lender will carry out an affordability check with you and will probably ask for proof of earnings before agreeing to lend you the money.
- Releasing the funds will be subject to a satisfactory survey and valuation.



Contract Exchange

Sellers:

- Once all queries and issues have been resolved your solicitor will exchange contracts with the buyer's solicitor. If you are buying another property at the same time this will be timed to coincide with exchanging contracts on your new home.
- Your agent will pay a deposit (usually 10% of the agreed price).
- Both parties are legally committed to completing the sale of the completion date specified in the contract.

Buyers:

- When you exchange contracts with the seller's solicitor you are legally bound to complete the purchase. If you fail to complete you will forfeit the deposit, which is usually 10% of the purchase price.
- If you are also selling a property your solicitor will normally use your purchaser's deposit to fund the deposit on your new home.
- The contract will specify the date on which the purchase will be completed.
- Check with removal firms as soon as you have a confirmed completion date.

Completion

Sellers:

- On completion day your existing mortgage will be paid off by your solicitor and the mortgage for your new property will be activated. Most likely, funds from your new loan will be used to pay off the old one. The deeds for your property will be transferred to the buyer's solicitor.

- All solicitors in the chain will coordinate the contract completion simultaneously and notify estate agents when this has happened. Your buyer will collect the keys from your agent and move in. All of your possessions not included in the sale must be removed by the time the sale is completed.

- Your conveyancer will register the transfer of ownership with the Land Registry.

Buyers:

- Your solicitor will coordinate the contract completion with your seller's solicitor and your mortgage lender. When the purchase is completed they will notify you so that you can collect the keys from the seller's agent and move in.
- Your solicitor will also settle your SDLT payment.

