

Conveyancing Guide

Moving home? Relax,
you're in safe hands.





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We are dedicated to ensuring that your move will be a complete success.

One of the first things we ask our clients is when they want to move. For most people, time is of the essence, so once we have established the preferred completion date we do everything we can to ensure that it is achieved. Thinking ahead, chasing others and being proactive are essential parts of our approach.

Communication is vital, we always keep in touch. As we proceed with your move we will explain what we are doing and why. We will let you know how things are going and what will happen next.

We are a Conveyancing Quality Scheme firm which is the Law Society's acknowledgement of the high level of integrity and client service offered by this firm.

Awdry Law conveyancing app.

Have you downloaded our free Conveyancing app yet?

For 24/7 access to your case, where you can complete all forms with no printing, no paper required, certify ID's remotely, and much more, visit the App Store or Google Play today.



At Awdry Law, when it comes to moving home, we speak your language...

For most of us moving home is an exciting and positive time and as property lawyers we are here to make sure that your move proceeds smoothly and successfully.

This guide is intended to help you understand some of the important aspects of the conveyancing process. At Awdry Law we focus on 3 things;

- 01 Working promptly
- 02 Being proactive
- 03 Keeping in touch with you every step of the way

Moving home can be stressful, but we aim to take the worry off your shoulders and we hope that by the time you move you will be able to say "Awdry Law made it so easy for me".

So what will happen during your move and what other information do you need to know? These questions are answered by the sections in this guide.

Key steps when selling your home.

01. Getting started

We will ask you to fill out a Fittings and Contents Form and a Property Information Form.

These forms will be sent to your buyers' solicitor together with the Sale Contract and Land Registry documents relating to your property.

02. Dealing with the questions

The buyers' solicitor will set about checking the documents and undertaking the Local Search and any additional searches.

Often a considerable number of questions are raised by a buyers' solicitor at this stage - these can relate to matters such as guarantees, planning permissions, building regulation approvals or queries over boundaries.

We will discuss with you any questions which we cannot answer from the documents and information held by us.

03. Exchange

Once all the enquiries have been dealt with, the searches have been received by the buyers' solicitors and the buyers have a mortgage offer (if they are obtaining a mortgage), a Completion date is then agreed. This is the date of the actual move. We can then proceed with Exchange of Contracts.

After Exchange has taken place there will be a legally binding agreement and neither party can withdraw.

If there is a long "chain" every party in the chain must be ready to Exchange and agree on a Completion date.

04. Money and final details

During the period between Exchange of Contracts and Completion, we will obtain a final Redemption Statement from your mortgage lender. This will specify the amount required to fully repay your mortgage on the day of Completion.

We will prepare a statement showing how much will be due to you after the sale and make arrangements for you to sign the Transfer Deed.

05. Completion

On the day of Completion we will receive the balance of the sale money by bank transfer from the buyers' solicitor.

At that stage we will ring you and your estate agents to confirm that the keys can be released to your buyers. Receipt of the money from the buyers' solicitor will signify Completion of the transfer of your property

Following Completion we will settle your account with the estate agents, pay off your mortgage, send the net proceeds of sale to you (or if you are buying another property it will be used on your related transaction) and forward the original copies of important property documents to your buyers' solicitor.



Key steps when buying your home.

01. Getting started

The sellers' solicitor will provide a Fittings and Contents Form, a Property Information Form, the Contract and Land Registry documents.

When we receive these documents we will check them and will then report to you on all aspects of the property. This will be by way of a written report (in plain English) or if more convenient for you, by way of a meeting.

We will undertake a Local Search and any other required searches. For certain types of properties, or homes in certain areas, additional searches are required - for example, properties in coal mining areas may require a Mining Search.

02. Checking and reporting

The paperwork we receive may give rise to extra questions. We will raise any necessary questions with your sellers' solicitor.

They may relate to matters such as guarantees, planning permissions, building regulation approvals for

extensions or alterations to the property or ownership of boundary hedges and fences.

Importantly, we will also require confirmation from the sellers' solicitor that any existing mortgages on the property will be paid off on Completion.

03. Mortgage offer

If you are obtaining a mortgage your lender will forward a copy of the mortgage offer to you and to us. We will not be able to Exchange Contracts until the mortgage offer is received.

When the mortgage offer is received we will calculate the amount of money which will be required from you for Completion and prepare a "Completion Statement" and send it to you.

04. Exchange

Once we have received the search results, replies to all questions and your mortgage offer we can move towards Exchange of Contracts. By this stage there will need to be agreement on

a Completion date. If there is a long "chain" every party in the chain will need to be ready to Exchange and in agreement on the Completion date.

After Exchange of Contracts has taken place there will be a legally binding agreement and neither party can withdraw.

05. Completion

On the Completion day we will forward the balance of the purchase money to the sellers' solicitor by bank transfer. Upon receipt they will confirm to the estate agents that the keys can be released to you.

Following Completion the sellers' solicitor will forward to us any original copies of important property documents and we will register your ownership at the Land Registry.

Following completion of the registration we will forward a copy of the Land Registry certificate to you.

“Please see below a list of some of the questions you may have about the conveyancing process...”

How long will my transaction take?

Across the country many transactions take three months or more from start to finish, but we know that for most of our clients time is of the essence and for that reason (subject to your instructions to the contrary) we look for all ways to reduce delays.

We have completed transactions within a few days. The most important thing is that you let us know your required timescale and any dates to aim for or to avoid and we will keep in touch with you on timings.

What do Solicitors actually do?

If you are buying, we will check that you will not be taking on any unexpected legal problems which could affect your use or ownership of the property or

which could cause problems when you come to sell it. We will investigate potential legal pitfalls and will also provide you with useful and practical legal information relating to your new property.

If you are selling, we will put together all the necessary legal information and answer all the questions raised by the other solicitors. We will also deal with the repayment of any mortgages secured on the property.

What can be done to minimise delays?

It is important that people make their mortgage applications as soon as possible as mortgage lenders are often slow in processing and issuing mortgage offers. Until a mortgage offer is received Exchange of Contracts cannot take place.

If a survey is to be undertaken, it is also important that the surveyor is instructed at the earliest opportunity. Lateral thinking, expertise and common sense make a big difference when it comes to solving unexpected legal problems.

Will I need a survey?

If you are buying a property and require a mortgage your mortgage lender will probably undertake a valuation. A valuation is not the same as a survey. With many properties it is a good idea to have a survey.

There are two types of surveys. A home-buyers survey or a building survey (previously known as a structural survey). We can advise you on whether you will need a survey and if so what type will be best for you. There is more information on surveys later in this guide.



What is exchange of contracts?

Exchange of Contracts is the stage at which everyone is legally committed to proceed with the transaction on the agreed Completion date.

Exchange takes place between the sellers' solicitor and the buyers' solicitor on the telephone.

Each solicitor will be holding a Contract signed by their clients. Exchange can only take place when a Completion date has been agreed and each solicitor is instructed by their clients to Exchange.

During Exchange the two solicitors agree on the telephone to date the Contracts and fill in the Completion date.

Once Exchange of Contracts has taken place the sellers and the buyers are legally committed to proceed and cannot then back out of the transaction without risking heavy financial penalties.

When can a completion date be set?

There is no harm early on in the transaction in proposing a Completion date to aim for. We will always do our best to try to achieve the Completion date that our clients want. However unexpected complications often occur and delays elsewhere in a “chain” can put back the proposed dates for Exchange of Contracts and Completion.

It is important to be reasonably flexible over Completion dates. A precise date must be agreed before Exchange of Contracts. As we approach Exchange we will take your instructions in order to firm up on a date for the move.

How much time should there be between exchange of contracts and completion?

We recommend a period of one or two weeks between Exchange and Completion.

Remember that you may need time to book a removals van, arrange for time off work, notify everyone of your new address and pack all your belongings.

Most banks and building societies also require at least a week's notice for the mortgage advance to be sent. On a purchase the mortgage money is not usually requested until after Exchange of Contracts.

What can be done to minimise the stress of moving?

Be organised, let us know early on if you have any particular legal concerns, have funds readily available for Exchange of Contracts and Completion, try not to commit yourself too early to a particular Completion date and prepare to be flexible on dates if required.

Choosing the right type of mortgage can be time consuming, but it is time well spent. There are two decisions that need to be made early on (i) whether you want an interest only or a repayment mortgage and (ii) what type of mortgage will suit you best.

Interest only mortgage

With an interest only mortgage you only pay the interest on the sum borrowed, which means that at the end of the mortgage term the amount that you initially borrowed will still be outstanding.

Repayment mortgage

With a repayment mortgage each month you pay not only the interest, but also a proportion of the loan amount initially borrowed. As you will be paying off both capital and interest the monthly instalments will be higher than with an interest only mortgage but you will be reducing the amount of your indebtedness as each month goes by.

The second big decision is what type of mortgage will suit you best. There are a number of alternatives.

Standard variable

With this type of mortgage the interest you pay is linked to the lender's Standard Base Rate which will move up and down with changes in the Bank of England Base Rate.

Fixed

The interest rate will be set at a fixed percentage for a certain time period. The advantage is that you will have the certainty of knowing how much you will need to pay each month.

Capped

With these mortgages you will know that your monthly instalments will not go above a set figure within the fixed period. Below the capped figure however the interest rate can vary.

Discount

You will have an interest rate which is discounted below the lender's Standard Variable Rate for a fixed period.

Tracker

The interest rate on a tracker mortgage tracks the Bank of England Base Rate which may be different to the Standard Variable Rate set by the lender.

Offset

With this type of mortgage you can offset your savings against the mortgage loan amount. This will mean that you won't receive any interest on your savings but you will pay less interest on your mortgage.



Other things to look out for are:

Early redemption charges

With many fixed rate, discounted or capped mortgages you may be required to pay an Early Redemption Penalty if you repay your mortgage within the first few years.

Cashback

Some lenders will give you a lump sum payment when your mortgage starts, which can be helpful when you are moving home.

Interest period

Interest can be worked out on a yearly, monthly or daily basis. Daily interest is usually better because you will pay less interest overall as each payment you make reduces the balance on which the next interest instalment is calculated.

There are two main types of surveys.

01. Home buyer report

This is a survey designed to provide simple and easy to follow information on the physical condition of the property.

A Home Buyer Report is particularly suitable for properties of a relatively standard construction and will cover all the major aspects of the property including its structural integrity and will identify any apparent risks, hazards or defects. It will also provide a current market value assessment.

02. Building survey

Building Surveys used to be known as Structural Surveys. This type of survey is suitable for older, listed or unusual properties. It will provide detailed information on the structural condition and construction of the building.

It can be useful if you are planning to undertake major works to the property or if it appears that the property has in the past been extensively renovated or changed. The information will be more in-depth than a Home Buyer Report and it may, for example, include a number of photographs.

For every property we undertake a search with the Local Authority which reveals any information they may hold about that particular property (the local search), a water and drainage search and an environmental search. There are a number of additional searches which can also be undertaken.

Water and drainage search

This search is undertaken for every property. It will show the location of the mains water pipes and sewers nearest to the property which is not information usually discoverable from the Title Deeds. It can be helpful to know the extent of any private supply pipes which will be your responsibility to maintain and the route of any pipes because if you are thinking of extending the property, you may not be permitted to build over them.

Environmental search

Contamination of land is now an important issue with many properties being built on or near former industrial sites, landfill sites and

potentially contaminated agricultural land. This search will provide information on the site history and known environmental factors. It will certify whether or not there is a risk that the land on which the property is built could be defined as "contaminated". This can affect the future value and marketability of a property.

Flood search

If there is a risk that the property may be in a potential flood zone, it may be advisable to undertake a flood search. The Environmental Search contains some flood information and may flag up a potential risk. If you require more detailed information, a flood search will provide plans showing rivers and other watercourses and

will mark the extent of flood zones including problems with poor drainage. The same applies for coastal areas. We would recommend a flood search if you are aware of a history of flooding in the vicinity or if a potential risk is mentioned in the Environmental Search.

Planning search

This will provide details of all applications for planning permissions over the last few years within 250 metres of the property. A detailed plan and information on land use policies are also provided. This is an extremely useful search. It will show if the owners of any neighbouring properties have applied for consent to erect an extension, if there have



been any applications to develop nearby open space, if there are plans to construct a telecommunications mast and it will also show the nature and extent of planning zones and limits of development.

Other searches

There are numerous other searches that can be undertaken such as a Mining Search (to reveal possible ground instability and the presence of disused mine shafts), Radon Gas Search, Tin Mining Search, British Waterways Search etc. After we have received the Contact paperwork we will undertake any additional searches that are required.

If you are buying a property jointly you can purchase either as "Joint Tenants" or "Tenants In Common".

Shares in the property

If you purchase as Joint Tenants you will each have a one half share in the value of the property.

As Tenants in Common however you can choose any distribution of value. You can choose a 50/50 split, or you may decide that one of you should be entitled to a larger share.

Many married couples choose a 50/50 split but this is not appropriate in all circumstances. It is especially important for unmarried couples to be very careful in deciding the division of the equity.

Considerations such as financial contributions, length of the relationship and tax planning can be important.

Death

As Joint Tenants on the death of one party the property and all the value in it will pass to the survivor. As Tenants in Common however the deceased's share will not automatically pass to the survivor but will pass in accordance with the deceased's Will.

We can prepare a brief Declaration of Trust if you would like, which will confirm the shares that you will have in the property.

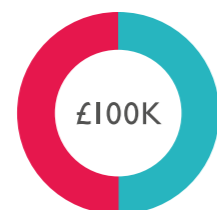
Where two or more people are buying a property jointly, often one of them is making a larger initial contribution than the other. The following examples show some of the ways this can be dealt with:

In this example, Peter and Jane jointly purchase a property for £240,000. There is a joint mortgage of £180,000. The balance of £60,000 is provided by Jane. The property is sold five years later by which time it has increased in value to £280,000. The mortgage is still £180,000, so the equity has increased to £100,000.

Peter and Jane agree in principle to a 50:50 split of the equity. The three alternatives show the different ways in which Jane's initial contribution can be dealt with.

01. 50:50 Division

Jane decides that she does not want the division of equity to take into account her £60,000 contribution and that there will be a straight split of the equity. When the property is sold in five years time the equity of £100,000 is split as follows:



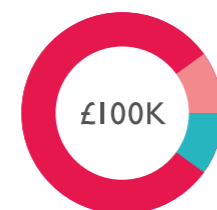
JANE
£50,000 (50% of equity)

PETER
£50,000 (50% of equity)

The result is that despite an increase in the value of the property by £40,000, Jane receives £10,000 less than her initial contribution.

02. Return of lump sum plus 50:50 division

It is agreed that Jane will receive the return of her lump sum contribution of £60,000 from the proceeds of sale with the balance of the equity to be divided equally.

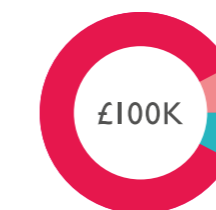


JANE
£60,000 (return of lump sum)
£20,000 (50% of balance of equity)

PETER
£20,000 (50% of balance of equity)

03. Lump sum equates to proportion of equity with a 50:50 division

It is agreed that Jane's £60,000 initial contribution will represent an entitlement to an additional proportion of the equity. In this case, £60,000 represents 25% of the purchase price of £240,000. Therefore Jane will be entitled to the first 25% of the eventual sale price of £280,000 (i.e. £70,000). Thereafter there is a 50:50 division.



JANE
£70,000 (25% of £280,000)
£15,000 (50% of balance of equity)

PETER
£15,000 (50% of balance of equity)

As you can see, the way in which the initial contribution is dealt with can have a significant impact on the financial position of the parties.

Consideration needs to be given in all joint ownership situations, whether the parties are married or unmarried and whether the property is purchased for private or investment purposes. Unforeseen events such as separation, death or bankruptcy can result in the forced sale of a property.

We have lots of experience helping people decide on a fair division of the equity to avoid the risk of any misunderstandings or disputes at a later date, but it is important that you talk to us about your plans, financial calculations and any concerns you may have.



Owners of leasehold properties have more rights than many people are aware of. The four main ones are:

Buying the freehold

A group of long leasehold owners can require the landlord to sell the freehold of a building to them. This is called Leasehold Enfranchisement.

In a shared building at least two thirds of the flats in a building must be owned by “qualifying tenants” with long leases and at least half of those leasehold owners (if they have one flat each) must agree to buy the freehold.

If there are a sufficient number of qualifying tenants notice can be served on the landlord but the notice will be invalid unless it includes a realistic purchase price so valuation advice from an experienced surveyor is required early on.

The leaseholders must be well organised and there will usually need to be a “Participation Agreement” which should

set out how they will proceed jointly and manage the building after the purchase.

If agreement cannot be reached with the landlord an application will need to be made to the First Tier Tribunal (Property Chamber). This used to be called the Leasehold Valuation Tribunal.

It is also possible for a leaseholder of a house to purchase the freehold.

Extending your lease

Individual leaseholders of a flat can demand a 90 year extension of their lease from the landlord. A payment must be made for that term extension.

The leaseholder must have been a “qualifying tenant” for at least 2 years.

If you are thinking of selling your flat, it is important to consider if extending the lease term could add value to your

property and if so you should contact us early on. Many mortgage lenders are reluctant to lend on leases with less than 80 years remaining.

The right to a lease extension can be transferred to a purchaser provided that the previous leasehold owner served the necessary statutory notices on the landlord before the property is sold.

The price to be paid to the landlord will be lower if there are more than 80 years left to run on the lease so it is important to make the application while there is still a sufficient number of years to run.

You can also extend the term of a lease of a house.



Right of first refusal

When a landlord proposes to sell a building containing at least two flats they must first offer it to the leaseholders. There are penalties if the landlord fails to do so.

Right to manage

If the leaseholders are unhappy with the landlord’s management of a building they can apply to the Property Chamber to appoint a new manager or enforce new management arrangements.

Additional rights include:

- The requirement for a landlord to provide information such as a summary of service charges and insurance details.
- Consultation on major works. A landlord cannot undertake major works without first consulting with the leasehold owners. If the landlord fails to do so they may not be able to recover all the costs of the work.
- Charging service charges and administration costs.

- Leaseholders can apply to the Property Chamber to obtain a determination of the reasonableness of a landlord’s or Management Company’s charges.
- Consultation on long-term agreements. A landlord must consult with leaseholders before entering into contracts for services to exceed a period of 12 months.

The rules relating to all these aspects are complex and so it is important that you consult a solicitor who has specialist knowledge. We have extensive experience of dealing with a wide range of leasehold issues.

We may be able to add substantial value or improve the marketability of your leasehold property or resolve long outstanding management issues. Please ring us to discuss any questions or concerns you may have. We can help.

Moving home is an ideal opportunity to make a Will or update an existing Will.

Here are 10 good reasons to have an up to date Will:

1. Control what money gifts you would like to make and to whom.
2. Specify what personal possessions and other items should be left to family members and friends.
3. If you have young children you can choose their guardians.
4. Specify your preferred funeral arrangements.
5. Indicate who you would like to be the Executors of your Will.
6. If you don't have a Will there could be uncertainty and confusion for your family and loved ones.
7. Without a Will the Intestacy Rules will apply (see the next page). You may not want your estate to be distributed in accordance with those inflexible rules.
8. If you are an unmarried couple, your partner may not be entitled to any part of your estate without a Will.
9. If you have married since you made your Will, that Will is probably no longer valid.
10. Wills bring peace of mind and limit the possibility of family disputes.



If you don't have a Will your estate will be distributed under the intestacy rules. This is how they work. All references to spouses include registered civil partners.

Married (or registered civil partnership) with children

- £270,000 to your spouse plus all personal possessions.
- Of the remaining balance, half goes to your spouse and the remainder goes to your children when they are 18.

Married (or registered civil partnership) without children

- Your entire estate passes to your spouse.

Single

Your estate will be distributed in the following order. Any relative in the list (starting at the top) will inherit the entire estate or it will be divided between as many relatives in that category as there are:

1. Children (or if deceased then to their children, if any)
2. Parents
3. Brothers & sisters (or if deceased then to their children)
4. Half brothers & half sisters (or if deceased then to their children)
5. Grandparents
6. Uncles & aunts (or if deceased then to their children)
7. Half uncles & half aunts (or if deceased then to their children)
8. If none of these relatives then your estate will go to the Crown

Living together

Couples who are unmarried and who are not in a registered civil partnership have no automatic inheritance rights or property rights under the Intestacy Rules and the general law. Your partner will have to go to the Court to apply for a share of your estate unless you make a Will or put your assets in your joint names.

Step children

Step-children and foster children have no automatic inheritance or property rights either.

Jargon Buster A-E

Adverse Possession

This arises where someone is in possession of property without the permission of the owner.

If possession has lasted for a minimum of 10 years (in some cases 12 years is required) it may be possible for the person in occupation to claim ownership of the property. The ownership would be classed as "Possessory Title".

Breach of Contract

This occurs where a party to a Contract fails to comply with the terms and conditions of the Contract. For example where one party fails to complete a sale or purchase transaction on the completion date set out in the Contract.

Building Regulation Approval

Building work often requires Building Regulation Approval in addition to Planning Permission. It is sometimes said that Planning Permission governs what a building looks like externally

whereas Building Regulation Approval applies to how a building is constructed. It covers matters such as structural integrity, insulation, heating and electrics.

Caveat Emptor

This is a Latin phrase which means "Let the buyer beware". Caveat Emptor applies on the purchase of a property because there is usually no recourse against the sellers if the buyers discover after Completion that there are defects with the building.

It is up to the buyers to ensure that they are happy with all aspects of the property before Exchange of Contracts.

Client Account

This is an account in the name of a firm of solicitors where money belonging to clients is held and is separate from the normal trading bank account of the business.

Completion Date

This is the date specified in the Contract upon which the sale or purchase transaction will be finalised. This therefore represents the date when the buyers and sellers move and the exchange of money and keys takes place.

Completion Statement

The statement which we prepare showing the financial dealings relating to your transaction including any money required from you or due to you on Completion.

Contract

The signed agreement made between the buyers and the sellers of a property which sets out the agreed terms. Our Contract refers to the Law Society's "Standard Conditions".

We do not provide a copy of those Standard Conditions but we check the Contract on your behalf to ensure that it is effective and satisfactory. You must check that your names, address and the property price are correct.



Contract Interest Rate

This is the rate of interest payable by the buyers if they delay Completion (the sellers may be entitled to other compensation too). Contracts often incorporate the Law Society's standard Contract Rate, which can vary substantially from the banks' base rate

Conveyance

This is an old style of document by which freehold property used to be transferred. These days a Transfer Deed in standard Land Registry format is used rather than a Conveyance.

Covenant

This is a binding obligation or enforceable promise. Covenants will normally bind both the current owners of a property and future owners. This is certainly true with "Restrictive Covenants" which are covenants not to undertake certain actions or allow certain things to occur. Sometimes "Positive Covenants" which are requirements to undertake certain actions or

make payments (i.e. an obligation to pay maintenance charges) are not binding on future owners of freehold property.

Deposit

This is the money paid by the buyers of a property (via their solicitors) to the sellers on Exchange of Contracts. Normally a 10% deposit is payable. It is paid to the sellers' solicitors and is usually held by them. However, if the sellers are themselves buying another property the deposit is usually passed "up the chain" and used on that related purchase transaction.

Disbursement

This is a term used by solicitors to refer to fees paid to third parties such as the Land Registry or to the Local Authority.

Easement

A right over someone else's land which benefits your property is an Easement. There are many types of Easements including rights of way, the right to use the pipes and

wires which pass under or over a neighbouring property and rights of entry to undertake repairs.

Exchange of Contracts

This is the point at which the Contracts signed by the sellers and buyers are dated by their solicitors and the agreement to sell and buy the property is binding.

Each solicitor holds a copy of the Contract signed by their clients and the solicitors agree with each other on the telephone that they will each date their part of the Contract and that copy is then posted to the other solicitor.

The buyers' solicitor sends the deposit money to the sellers' solicitor together with the Contract.

Jargon Buster F-S

Fittings And Contents

The items which are left at a property and are included in the sale. Often these are items physically attached to the building such as fitted wardrobes but items such as carpets and curtains would also fall within this category if they are shown on the Fittings and Contents Form as being included.

Freehold

Properties are usually either freehold or leasehold. Leasehold properties are those held under a Lease. Houses are normally freehold properties, whereas flats are usually leasehold.

Full Title Guarantee

Properties are usually sold with a Full Title Guarantee which means that the sellers confirm that they have full authority to sell it and it is free from any undisclosed rights or other burdens. Also see Limited Title Guarantee.

Joint Tenants

If people own a property as Joint Tenants it means that they are entitled to an equal share of the equity and if one of them dies the survivor(s) will automatically acquire the deceased's share. Also see Tenants in Common.

Lease (Leasehold)

A Lease is a document between a landlord and a tenant. Flats are usually held under a leasehold arrangement because with a shared building many rights are granted, restrictions and obligations imposed on the occupants and the best way to ensure that those rights and obligations can be enforced is to put them into a Lease. The landlord or Management Company can then exercise control over the effective functioning of the shared building.

Limited Title Guarantee

Limited Title Guarantee is a guarantee which is similar to "Full Title Guarantee" but the sellers are only liable for the accuracy of information which is within their direct knowledge. Limited Title Guarantee will usually be provided by Executors or Trustees who have limited knowledge about the property.

Management Company

A Management Company is a Limited Liability Company which either owns property or has responsibility for maintaining a property or part of it. They occur with both freehold and leasehold buildings.



With freehold properties a Management Company is sometimes created to hold the ownership of a shared or common area such as a private driveway used by the owners of a number of houses.

Instead of the driveway being owned by one person who grants a right of way to the others, all the owners of the houses would be members of the Management Company.

With leasehold flats the structure and common parts of the building will be owned by a landlord or by a Management Company. If there is a Company, the landlord will either retain control and ownership of the Company or transfer the shares in the Company to the owners of the flats, so that the leasehold owners will have control over what happens at the building.

Mortgage

A mortgage is a loan secured against a property. A mortgage lender is usually able to enforce the sale of a

property to recover money due to them or if there has been any other breach of the terms of the mortgage agreement.

NHBC Guarantee

A guarantee which gives protection against structural and other defects which are discovered within a specified time period after a property has been built.

Planning Permission

This is consent granted by a Local Authority in respect of works carried out at a property. Technically Planning Permission is required for a very wide range of works including any extensions, creating a new driveway and even painting the front of a house.

However, "Permitted Development Rights" allow many works to be undertaken without the need to apply for Planning Permission. Sometimes Permitted Development Rights are withdrawn for particular

properties or in certain areas and so if any works are to be undertaken it is necessary to check whether Permitted Development Rights have been excluded.

Possessory Title

See comments under "Adverse Possession".

Redemption Figure

The amount required to pay off a mortgage secured on a property. We will obtain a redemption figure from your mortgage lender if you are selling a property which is subject to a mortgage.

Service Charge

There is usually a service charge to be paid by a tenant to a landlord with a leasehold property, but sometimes with freehold properties there are also maintenance charges for items such as the maintenance of a shared driveway or parking area.

Jargon Buster S-V

Share of a Freehold

Sometimes when buying a leasehold flat or apartment, a share of the freehold of the building is included. This will not apply if the landlord has retained ownership of the structure of the building.

It can however arise in two situations. Firstly, there may be a Management Company which owns the freehold of the building and the leasehold owners each have a share in the Management Company.

Secondly, the freehold may be held in the joint individual names of the leasehold owners. In either of these situations the purchase will still be a leasehold purchase because most of the value of the property rests in the leasehold ownership.

So if you are offered a share of a freehold, you will almost certainly be buying a leasehold property with a joint ownership arrangement for the retained parts of the building.

Stamp Duty Land Tax

Stamp Duty Land Tax is payable to the government by buyers of most properties over a threshold figure. The sum due will be shown in the estimate which we provide at the beginning of a purchase and will also be shown in the Completion Statement.

Bank Telegraphic Transfer

This is the electronic transfer of money from one bank to another. On the day of Completion money is submitted by bank telegraphic transfer. On a sale we will also forward the net proceeds of sale to you by BTT unless you prefer a cheque.

Tenants in Common

If more than one person owns a property they can hold that property as Joint Tenants (see earlier definition) or as Tenants in Common.

If the property is held as Tenants in Common it means that the parties are each entitled to a specific share of the

equity and if one of the owners dies their share does not automatically pass to the survivor.

Title Indemnity Insurance

This is an Insurance Policy which protects against a legal defect with a property.

Transfer Deed

This is the document which transfers the ownership of property and is registered at the Land Registry.

Vacant Possession

Vacant possession must be provided on Completion of a sale.

This means that the property is free of occupants and of any moveable items unless, it has been agreed that those moveable items are to remain.



Reminders

The following is intended as a reminder of some of the things to be done before the day of completion:

- Arrange Removals
- Contact Service Suppliers (ie Gas, Water, Electricity, Telephone & Broadband) to arrange for the reading of meters at your current address and the continuity of service at your new address
- Arrange re-direction of mail
- Settle outstanding bills

Notify all interested parties of your new address (and date of move) including the following (as applicable):

- Family
- Bank/Building Society Employer
- Service Suppliers
- Credit Card Companies
- Insurance/Pension Companies
- Inland Revenue
- Local Authority (Council Tax Department)
- Dentist and Doctor
- DVLA
- Hire Purchase/Rental Companies
- Schools/Colleges
- TV Licence Authority
- Professional Associations
- Motoring Organisations Clubs and other Associations

Congratulations, you're in!

Welcome to your new home, from all of us here at Awdry Law.

One last thing, don't forget to make or update your Will.

Our friendly and knowledgeable lawyers are on hand to provide you and your family with peace of mind.

Contact us or pop in to see us today.

Awdry LAW



“You made the process of buying our first house so easy, from start to completion.”

“Thank you for keeping us informed every step of the way. Nothing was too much trouble. I would recommend to anyone.”

“Very thorough – great attention to detail. I felt safe that everything was covered when exchanging and completing.”

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