

We have produced this handbook with the purpose of helping you to understand how the transaction you are about to enter into is likely to work. By following this handbook it is hoped your transaction will progress smoothly to a successful completion but you will play an important part in achieving this by responding quickly and honestly to any points put to you and raising any questions you may have at any appropriate time.

As this booklet forms part of our Terms of Engagement, which you have accepted by instructing Dyer and Crowe, it should be read very carefully by you and considered in detail.

**Contents**

---

What we do for you on a Sale of your property	Page 5
What we do for you on a Purchase of your property	Page 5
Enquiries	Page 7
Sale and purchase generally	Page 8
Revenue and Customs formalities	Page 8
Title	Page 9
Contract	Page 9
Mortgage	Page 10
Completion	Page 10
<b>What you must do:-</b>	
Surveys	Page 11
Dealing with enquiries	Page 11
Joint ownership	Page 12
Unforeseen disbursements	Page 12
Insurance	Page 12
Payment of monies	Page 13
Agreeing the completion date	Page 14
Guarantees	Page 14
General Matters	Page 14
<b>Leaseholds</b>	
Purchasing a leasehold property	Page 16
Mortgage requirements	Page 16
Management	Page 17
Insurance	Page 17
Registrations	Page 17

---

### What we do for you on a Sale of your property

---

On a sale, we will ask you to complete a Property Information Form and Fittings and Contents Form relating to your property. If the Property is Leasehold you will need to complete an additional form being a Leasehold Property Information Form.

On receipt of the completed forms we will prepare the Contract for sale and send this together with copies of your Title Deeds and other relevant documentation to the Buyer's Conveyancer for approval. It is our job to deal with any reasonable questions asked by the Buyer's Conveyancer. This can often be done by reference to the Deeds or if necessary by asking you, the Seller, for information.

On any sale involving the repayment of an existing mortgage, we will deal with the Lender at the appropriate time and repay the mortgage on completion of the sale.

#### What you must do

- Read through all information sent to you.
- Complete all forms and answer all questions accurately and promptly.
- Advise us of any discrepancies or errors.

---

### What we do for you on a Purchase of your property

---

Firstly, and foremost as your Conveyancer we will satisfy ourselves that Legal Title to the land you are to purchase is in order. This is done by following certain laid down procedures depending on whether the Title to the land is registered or unregistered. Amongst other things, your Conveyancer will ensure that the Seller owns the land outright and has the power to sell it to you.

As your Conveyancers we will ensure that the property has all necessary rights to enable you to enjoy the property. Examples of such rights are joint driveways or rear access. If the property you are to buy appears to have or need such rights you must tell us so that we can check the deeds.

#### Searches

We will instruct a third party company with the relevant experience and insurance to carry out any necessary desktop searches. They are referred to as "desktop" as no physical inspection of the Property is carried out the information is obtained from computer records. This is a common misconception by buyers and it is important to note that searches are no substitute for a professional survey.

#### The Essential Searches

The following searches will be carried out in nearly all transactions:-

**A Local Search** - Local Searches reveal anything of an ongoing statutory nature affecting the property e.g. smokeless zones, Tree

Preservation Orders. It also reveals a number of more practical things relating to the property and its use.

The Local Search will also reveal the planning history of the property in question and in particular any planning consents or refusals or building regulation approvals issued. Where such consents are conditional it may be necessary to obtain copies of those consents from the Local Planning Authority in order that we can ensure that no conditions to such consents would have an adverse effect on the property. Should it be necessary to obtain any such consents at any time this will be paid by you as a disbursement nearer the time of completion.

Unless the result of the Local Search reveals anything untoward we will report to you on the result of the Local Search with the report immediately prior to exchange of contracts.

**A Plan Search** - the Local Search will not however, reveal any planning or proposed development in the immediate area. To this end we will also carry out a plan search. This search gives full details of planning applications made within 250 metres of the property together with details of Telecom Base Stations, footpaths and rights of way and neighbourhood information such as school results, amenities, crime and Council Tax information.

**A Water and Drainage Search** –made with the relevant water authority is also necessary. This will reveal whether the property you are buying is connected to the public drainage system both as to sewerage and surface water and will give information as to whether or not the water supply is metered. Please note the information the water company provide within the search is based on their own billing information; it is not unheard of for a property to be incorrectly billed.

The Water Company does have the right to require a water meter to be installed in every transfer of a property but do not always exercise this right.

The drainage and water search will be produced to you and explained to you. New regulations came into being on 1<sup>st</sup> October 2011 making all sewer pipes that serve more than one property public drains. The sewage undertaker is now responsible for those public drains. Whilst the drainage and water search made will identify the old mains public sewers and drains a detailed drainage survey is the only way to discover the existence of the new public sewers under the new regulations. It should in particular be noted that there are restrictions preventing building over public sewers or within certain distances of them and to move them or divert them in any way will need the approval of the sewage undertaker. Accordingly therefore should you plan to extend or alter the property you are to acquire you must make all relevant enquiries of the local water company and sewage undertaker to ensure that you will firstly be able to do so and secondly the cost of doing so meets with your approval. This should be done prior to exchange of contracts.

**An Environmental Search** – this will include the opinion of a Chartered Environmental Surveyor using a test of reasonableness, as to whether the property you are acquiring, is or is not affected by any contamination. A copy of this search will be supplied at the start of the transaction. If a certificate cannot be given it may be necessary to obtain indemnity insurance or take other appropriate action and this will be discussed with you should the situation occur.

If you are buying in an area that is known for mining the appropriate mining search will be carried out automatically.

The above searches are the searches any prudent buyer and most Lenders will insist on. If you do not require a mortgage it is essential to discover any issue before your purchase so it is resolved at your seller's expense and not at a future date. Dyer and Crowe cannot advise on a Purchase without these essential searches.

There are many additional searches available to buyers and if you have a particular concern about the property we will be happy to discuss if there is any further search that can help with this. However one issue that does come up fairly frequently relates to future development of open land. Until an application is made it is not known what will happen with land however there is now a report known as a DevAssess report, this was devised by an individual who scoured the country for development land. The report includes:-

- A professional opinion about future development risks within a 75m radius of the property
- Identifies development potential of the intended property
- Site specific mapping showing any identified potential development sites
- Information about the size of each identified site, together with density predictions
- Includes a full GroundSure Planning Report or Plansearch Plus report, providing information about current commercial and residential planning applications (including larger and 'minor applications' such as single storey extensions and dormer windows within the immediate vicinity), together with information on land use designations, rights of way, mobile phone masts, housing and neighbourhood data, together with crime, amenities and education information
- Aerial photography

If this is of interest to you please let us know and we can advise on cost.

## Enquiries

As well as searches numerous enquiries are also made of the Seller via the Sellers Solicitors; many are standard enquiries, some will be added by us and only be appropriate to the Property you are to acquire. However, if there is anything unusual about the property such as rights of way across garden etc then you must draw this to our attention in order that we can carry out the necessary investigations. You will also see later in this booklet our advice that you have a survey carried out on the property by a professional Surveyor. Should the Surveyor draw anything to your attention, which we would need to check the legalities, you must in turn draw them to our attention, if necessary, supplying us with a copy of your Surveyors Report.

You will in due course be supplied with a copy of the Fixtures and Fittings Form. To ensure that we can contractually bind the Seller you must also advise us, preferably in writing, of any arrangements that you make with the Seller with regard to the sale or purchase of fittings or furnishings and the like in order that these can be recorded and if necessary included in the contract.

The purchase of Property is still subject to the rule "Buyer Beware". When a sale is subject to this warning the purchaser assumes the risk that the product might be either defective or unsuitable to his or her needs. This rule is not designed to shield sellers who engage in **Fraud** or bad faith dealing by making false or misleading representations about the quality or condition of a particular product. It merely summarises the concept that a purchaser must examine, judge, and test a product considered for purchase himself or herself.

Further on this point the Contract of Sale will contain a provision that you cannot rely upon any representations made by the seller or his agent other than those made in writing in the course of correspondence between your Conveyancer and your Sellers Conveyancer. Accordingly if there is anything you wish to rely upon you must advise us in writing.

### **Mortgage Finance**

With regard to any mortgage it will be our job to liaise with the Building Society, Bank or other lending institution. On most mortgage application forms you will be asked to give them our name and address to enable the proposed lender to contact us. There are a few lenders who insist their own legal advisors act for them and will not instruct those acting for the Buyer. Although such lenders are very small in number, it does occasionally mean that a Borrower will pay not only his own Legal Advisors, but also those the Lenders Solicitors for what is, for the large part, the same work. If in doubt, please ask your proposed lender when making the application. Once the application is made and the offer is received and accepted by you, your lender will correspond with us with regard to obtaining the mortgage advance money.

If your new mortgage involves taking out any new endowment policy you must be in a position to put such new policy into effect as soon as contracts are exchanged.

### **Improvements and Council tax banding**

When a property is improved (e.g. an extension is built), legislation prevents the Valuation Office Agency (VOA) from increasing the existing band of that property until there is a relevant transaction.

The term "relevant transaction" simply means that the property has been sold as a freehold, or a lease for a period of seven years or more has been granted or transferred (i.e. sold to another party). A freehold sale also covers the situation where a leasehold owner/occupier pays a ground rent to a landlord who owns the freehold of the property, and the freehold only is subsequently sold on or bought by the leasehold owner/occupier. A 'right to buy' purchase is also a "relevant transaction" which could lead to a band increase.

As a potential purchaser, you should be aware that, if a property has been improved since 1993, the council tax band will be reviewed after the transaction has taken place. If a higher band is warranted, the new band will be based on what the property would have been expected to sell for on 1 April 1991. This is because all properties are allocated a band based on the price it would have fetched had it been sold on the open market on 1 April 1991. The subsequent increase in council tax will be effective from the date that the council tax valuation list, which contains the bandings of all homes, is altered.

Please note that the overall process may take some time, and that following the property's re-banding, the resulting bill from the local authority will be backdated to the date that the council tax valuation list was altered.

To find out the Council Tax Band of the Property and whether the same is likely to change upon your acquisition please visit <https://www.gov.uk/council-tax-bands> and put in the Property's postcode.

## What you need to do

- Arrange any Mortgage finance
- Arrange your Survey
- Read through all information provided and alert us to any discrepancies
- Advise us of any particular concerns you have in respect of the Property
- Advise us of anything you have been told and wish to rely upon
- Arrange Buildings Insurance for the Property

---

## Sale and Purchase Generally

---

As home ownership becomes more and more common, it does mean that chains of dependent transactions become longer. It will, therefore come as no great surprise to you to know that the synchronization of any sale and purchase is getting more difficult. Accordingly, if you have any reasonable date in mind for your move or if there are any dates in the near future that would be impossible for you, perhaps because of holiday or other commitments, you should advise us at the earliest opportunity. You should **not** make any removal arrangements or agree a completion date with any other party without first consulting us.

**Please note even if all parties inform you, they are working to achieve a particular date that date will not be legally binding until contracts are exchanged.**

Following completion of your sale and/or purchase, all aspects of registration (if necessary) and reporting to your lender will be carried out by us.

---

## Revenue and Customs Formalities

---

In due course we will deal with all necessary Stamp Duty Land Transaction Returns to Revenue & Customs and pay any Stamp Duty Land Tax on your behalf. The amounts of any duty will be included on any Financial Statements supplied in due course you can find out your liability ahead of time by visiting <https://www.gov.uk/government/publications/rates-and-allowances-stamp-duty-land-tax> .

Please note that if the price changes from that quoted or during the transaction it will have an impact on the amount of tax due and you should take this into consideration. Whilst we will do our best to inform you of any changes this is a personal taxation and accordingly it is your responsibility. Your instructions to act on the transaction include your authority for us to act as your attorney when making the return. Any return made by us to the Revenue will be made using the information you have supplied and we cannot be held responsible for that information should it prove to be wrong or misleading and it is your responsibility to supply us with accurate information in all respects.

Rules relating to second properties are due to come into force on the 1<sup>st</sup> April 2016 and we will require a Declaration from you in this regard.

You will be called upon to supply certain information for this form during the transaction such as your National Insurance Numbers etc and you must supply these promptly. The Revenue will charge penalties that start at £100 for the delivery of the Return Form later than 28 days after the date of completion. There have been a

number of incidences with the Revenues processing system whereby they mislay payment, these are always resolved but the Revenue may write to you asking for payment. If this occurs please do not make any such payment and let us know immediately so we can resolve the same with the Revenue.

#### **NOTE**

**We cannot accept payment for this via credit card.**

---

#### **Title**

---

The majority of titles in England and Wales are registered at the Land Registry and where a Property is purchased with an unregistered title it is obligatory to register that title immediately following completion of any purchase. We will obviously deal with this on your behalf. It is the Government and the Land Registry's intention to have all land in England and Wales registered in due course. Included with the registered title is a plan known as the Title Plan that shows in suitable colouring the extent of the land included in the title you are to acquire. This will be produced to you at some stage of the transaction and if, in your opinion it is incorrect in any way, you must advise us immediately.

Please note the Land Registry do not have a policy of merging titles so it is possible that land you are buying or selling is contained in more than one Title so you should consider the same carefully and consult a surveyor if necessary. The Land Registry will merge the titles for an additional fee please let us know if you require this.

Occasionally, defects in the title, problems in connection with or in planning matters are encountered which can easily be rectified by

an Indemnity Insurance being taken out with one of the leading Insurance Groups. Should this be necessary in your transaction it will be explained to you at that time and an opinion will be expressed by this office as to who we believe should pay for that Indemnity Insurance Policy Premium. It is often a requirement of the Mortgage Lender that certain small defects in properties are covered by such Indemnity Policies. Therefore in practice one does not always have a choice as to whether the policy is necessary or not, as the situation is dictated by the Mortgage Lender. Should this arise in your transaction you will be advised.

---

#### **Contract**

---

When we have completed all pre-contract searches and enquiries and we are happy on your behalf that you can proceed to become legally bound to the transaction and exchange contracts, we will advise you and invite you to sign such a Contract., The Contract will be explained to you in due course but if there are any particular arrangements you have agreed with the other party, they will more often than not need to be reflected in the Contract in some way. They must therefore be brought to our attention immediately. Up to the point of exchanging contracts any transaction involving the sale and purchase of land in England & Wales is entirely unenforceable and can be renegotiated or broken without redress. However, once contracts are exchanged the transaction becomes legal and binding and if necessary enforceable through the Courts. Accordingly therefore if at any time your ability to be contractually bound in this way is conditional upon anything then you must draw it to our attention immediately.

---

## Mortgage

---

If the transaction you are connected with involves borrowing money on a mortgage it will be your responsibility to make the appropriate mortgage application and when the mortgage offer is received to ensure that the offer is everything that you requested and that you are able to fulfil all and every one of its requirements. If there is any doubt about any mortgage term once you have received your mortgage offer then you should discuss it with Dyer & Crowe immediately.

If you are to arrange the finance for any purchase with the aid of a mortgage sometime during the transaction, prior to exchange of contracts, you must receive a Mortgage Offer. If you are dependent upon mortgage finance contracts cannot be exchanged until you are in receipt of a satisfactory offer of mortgage and if necessary you have accepted that offer. We will rely entirely upon you to ensure that the mortgage offer is everything that you have applied for and that you are able to fulfil each and every one of its requirements. Failure to comply with any requirement of a mortgage offer may result in the mortgage offer being rescinded or withdrawn and if that happens after exchange of contracts you could suffer severe financial penalties.

Many mortgage offers have time limits, some not restrictive, i.e. one year from the date of offer, but others particularly if you are receiving a certain package that was being offered at that time can have short time limits i.e. three months. If your mortgage offer has a time limit then the transaction must be completed within that time limit. If it goes beyond that time limit then it is your responsibility to ensure that the mortgage offer you have is open and capable of use on the day of completion. Again, if there is any doubt in this

respect it should be discussed with Dyer & Crowe. You must make sure that you have sufficient monies available to complete the transaction together with all costs associated with that transaction. It is your responsibility to ensure you have a valid in date offer at the point of completion.

The vast majority of lenders will instruct the lawyers acting for the borrower in connection with any mortgage advance. A minority of lenders will insist upon their own lawyers verifying the work that has been done by the purchaser's lawyers. You will be notified of this as soon as the same is known to us (if applicable) advising you of any additional requirements you are to fulfil and any additional fees that may be payable in this respect.

**NOTE:**

**Any amendment to the offer could result in you receiving a new offer, each time this happens you must read through the offer and check everything that you applied for is still correct. The most recent offer will always be the offer that applies.**

Please advise us immediately if you notice an error in the offer we will have no way of knowing without your input.

Ensure that you return all necessary forms and provide all necessary information to your Lender within the time period requested by them to avoid delays with the release of funds.

If you are re-mortgaging an existing property to purchase the new Property you will need a Conveyancer to act on the re-mortgage; it is not uncommon for the Lender to package the re-mortgage with free or cheap legal fees by using their appointed lawyers. This is not a problem but you must make us aware if you are dependent on this finance for the purchase and give us full details of the firm you are using, at the earliest possible date.

---

## Completion

---

The day of completion i.e., the moving date, can be a stressful and anxious experience. Although, like all conveyancing firms, we are heavily in the hands of the High Street Banks to telegraphically transfer the money from account to account, nevertheless some simple guidelines can be given to make the day as stress free as possible. Generally speaking completion monies are received into the correct account by approximately 1pm on the day of any completion. It is prudent to work on the basis that you will move out of or vacate the property you are selling on the day of completion by approximately 1pm. You should be able to collect any keys to the property you are buying by the same time. If by 1pm on the day of completion you have not received the keys to the property you are buying and cannot move, then you should notify the person dealing with your transaction in this office who can either advise you of the situation or endeavour to rectify any problems which exist. Often the problem is the lack of communication between the professionals concerned that can be easily remedied by one or two phone calls. However, you must draw the problem to our attention at the time.

---

## What you must do

---

### Surveys

It is our standing advise that no matter what representations are made to you by the Seller you must satisfy yourself entirely as to the physical condition of a property and anything within that

property or anything which serves the property whether within the boundary or outside with the aid of a Surveyor.

**Dyer and Crowe will not be inspecting the property and cannot take any responsibility for advising you on its structural or decorative condition. Your surveyor must deal with this and satisfy you in this regard.**

There are two types of Surveys available. The most common type is a Home Buyers Survey and we would strongly advise that you should have at least this Survey carried out on any property you are to acquire. If, in the Surveyors opinion, a Full Structural Survey of the property is necessary then this must be undertaken. You must appreciate that we cannot be held responsible for the structural or physical condition of the property or anything therein, in any way and the only way you can satisfy yourself as to the condition of the property is to employ a qualified Chartered Surveyor. A survey on your behalf can often be undertaken at the same time your mortgage lender carries out a valuation of the property.

Please note the "Survey" your Lender carries out is merely a valuation for the purposes of the Lending, in some instances the Surveyor does not even attend upon the Property. This is solely for the benefit of your Lender and cannot be relied upon by you.

If requested by you we can recommend a local Surveyor to undertake a survey for you but without liability on our part. By making such a recommendation we cannot be responsible and it will be for you to engage the services of the Surveyor direct.

If you are purchasing the property to extend, renovate or generally improve you will of course need to satisfy yourself prior to exchange of contracts that any extension renovation work or improvement works will meet the approval of the local planning

authority, if indeed, such planning permission is required. We will leave it with you to discuss with your surveyor/architect what consents are necessary for the work you intend to carry out, if necessary making all suitable enquiries of both the local planning authority and building control section of the local council in this respect. Dyer & Crowe cannot be held responsible for planning permission being refused for any works and you must satisfy yourself with all enquiries at the local authority in this respect before any commitment to purchase the property. In particular you must satisfy yourself that any Permitted Development Rights have not been removed from the property. This should be done by direct enquiry with the Local Planning Authority by you or your architect/surveyor.

### **Dealing with Sale Enquiries**

During the transaction you will be called upon to answer a number of enquiries concerning the property, yourself and the transaction generally, on many occasions using printed forms for such replies. However, on occasions it is necessary to write to you for information. To ensure that the transaction proceeds smoothly we would ask that you respond to any such points as quickly as possible and in writing to avoid any confusion. This can be done by post, fax or email. We can only be held responsible for any reply given or any instructions received in writing.

### **Joint Ownership**

If you are purchasing a property in anything other than a sole name you will be required to advise us of the capacity in which the property is to be held.

Briefly, where two or more people are to be the owners there are two ownership capacities available. The first is, "Beneficial Joint

Tenants". Upon the death of one owner the property will automatically vest in the survivor. This will happen whether a Will is made or not to that effect. There is no need for any further legal formality. Accordingly, neither joint owner can leave their share of the property to somebody else and the survivor will be free to deal with the property in any way that they choose. The alternative capacity is as "Tenants in Common". This means that the parties own separate shares in the property. Provided it is clear, the shares can be in equal or unequal proportions. Upon the death of one of the owners, the survivor would then retain their declared share whilst the share of the deceased owner would pass in accordance with any Will made or under the Laws of Intestacy. Irrespective of the capacity in which the property is to be owned, where there is more than one owner it is always advisable that the owners make appropriate Wills. Unless we receive one of our instructions sheets completed by you or advise in writing to the contrary we will, provided no evidence is given to the contrary, proceed on the basis that the property held by one or more owner is to be held by them as beneficial joint tenants.

### **Unforeseen Disbursements**

At the outset of any transaction you will have been supplied with a quotation of this firm's costs for the relevant transaction and an estimate of the likely disbursements involved. However, at the start of any transaction there are often unknown disbursements which can arise whilst, in most cases the cost of those additional disbursements are minor, they will nevertheless be included in your invoice near the time of completion. They often relate to leasehold matters that are explained later in this booklet. However, there is often the need to obtain copy Planning documents from the Local Authority and if the Property you are involved in is relatively new these documents can be numerous. Nevertheless it is necessary to see them to satisfy your Mortgage Lenders requirements. We are

quite happy to explain to you at the appropriate time any additional costs incurred and to tell you why they were necessary, but you must accept that they are indeed necessary.

### **Insurance**

One very important aspect to always consider when purchasing a Property is the insurance of that Property. As soon as you are satisfied with the structural condition of the Property with the aid of your Surveyors Report you should discuss with your Insurance Company how the Property is to be insured. Any points arising in the Surveyors Report of a structural nature should be advised to the Insurance Company and you must satisfy yourself that you will be able to adequately insure the property at the appropriate time. You will on **EXCHANGE OF CONTRACTS** acquire an insurable interest in the Property you are buying and the Property must be insured from exchange of contracts. You must have the ability to put the insurance on risk at very short notice and the insurance must comply with and satisfy the Mortgage Lenders requirements. You must therefore ensure before exchange of contracts that you are able to effect the correct insurance on exchange. Once the property is insured you should arrange for your Insurance Company or Broker to confirm this in writing or by fax or email to Dyer & Crowe. Acting on behalf of your Mortgage Lender we will be obliged to see that the property is adequately insured before using the mortgage advance monies on completion.

You may on occasion experience difficulty in insuring a property on exchange of contracts where that property has been vacant for a period prior to exchange. Most insurance companies will not cover against risks such as burst pipes etc. if the property has been vacant for some period. If the property you are to acquire has been vacant or is vacant at the time of exchanging contracts please make sure that the insurance cover you effect will cover all risks irrespective of

the fact that the property is and has been vacant for some time. If you experience any difficulty in effecting insurance on the property please speak with Dyer and Crowe immediately.

If you are obtaining mortgage finance and are choosing insurance cover from a third party it is your responsibility to ensure that any cover you select meets with your Lenders requirements throughout your mortgage term; as a general guide this is by no means an exhaustive list:

1. The cover must be for at least the minimum rebuild value set out on the mortgage valuation.
2. Your Lender should be a joint policy holder with you.
3. Any excess must usually not exceed £1000.00 for subsidence and less for all other risks
4. The following risks must be covered: -
  - 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 and
- public liability to anyone else.

A copy of the insurance schedule must be forwarded to us prior to completion.

### **Payment of Monies**

To comply with our professional accounts rules and regulations we can only utilise cleared client's funds. Any cheque presented to this office will take at least 7 working days to clear. When you pay money to Dyer & Crowe for completion by personal cheque the cheque must be received by at least 7 working days before the date of completion. Although Bankers Draft and Building Society counter cheques do not clear instantly, we are on occasions able to treat them as cleared funds.

Please note we cannot accept more than £300 in cash.

Our preferred method of receiving funds from you is by Bank CHAPS (same day) transfers and to this end the firms account details are:-

Dyer & Crowe Client Account.

Lloyds Bank, Chelmsford

Sort code 30-91-85

A/c No. 04441720

Ref : Please use your surname or the Property address

### **NOTE**

**25 We will never contact you to advise that these bank details have changed, so please do not ever send your funds to any other account.**

26

If you ever receive any such request by whatever means please notify us immediately.

If you are providing funds from your own private monies you will be required to show where those monies originally came from for Money Laundering purposes. Please tell us at an early stage if you are to receive monies from any third party even if they are a gift.

Shortly following exchange of contracts you will receive a Financial Statement showing the allocation of monies on completion. This will include all payments including Estate Agents Commission which we will pay unless we receive instructions from you in writing to the contrary. Any redemption figure referred to in respect of the repayment of any mortgage on your property must be verified by you including in particular any early repayment penalty or the like.

We will work on the basis of this statement from completion so any errors or omissions known to you must be notified by you to us prior to completion taking place. We cannot be responsible for any such errors or omissions notified to us following completion.

### **Agreeing the Completion Date**

Modern communication technology has made the conveyancing process in England & Wales quicker. However, delays do occur often due to the human element involved in the transaction. You must therefore notify Dyer & Crowe of any events or circumstances which could possibly affect the timing of the transaction such as

forthcoming holidays, hospital appointments etc. If at any time anybody advises you of a proposed timescale, in particular a completion date, then it should be notified to this office at that time. We will always give an honest opinion as to whether any proposed date is likely to be achieved, but at any time up to exchange of contracts any such opinion can only be given generally and should not be acted upon. A completion date only becomes firm and legally and binding on exchange of contracts and the proposed date is likely to change frequently up to the point of exchange. No matter how short or long any chain of transactions you are involved in, the completion date must be a date that is convenient to everybody. It is quite often the case that one end of the chain has one date in mind whilst the other have a completely different date in mind. The date needs to be agreed by all parties involved at the last minute prior to exchange of contracts. If at the time there are any dates upon which you cannot complete you should notify Dyer & Crowe and any Estate Agent involved in your transaction. Buying and selling properties in England & Wales is a stressful experience, but it can be made less stressful by showing patience and tolerance when discussing likely timescales and in particular when agreeing any proposed dates for moving.

### **Guarantees**

If any property you are to purchase purports to have the benefit of any guarantees you will be advised of those guarantees during the transaction. However, Dyer & Crowe will not investigate either the validity or enforceability of those guarantees. If you are to rely on any guarantee relating to the property you must make your own investigations to satisfy yourself that they are enforceable and can be relied upon. Any required notices to the giver of any guarantee will be for you to deal with following completion.

---

## **General Matters**

---

### **Dyer and Crowe acting for Both Parties**

Both existing clients and new clients often ask Dyer and Crowe whether it is possible for Dyer and Crowe to act for both sides on any transaction. It is perfectly possible to do so but can only be achieved if both parties are happy for Dyer and Crowe to act in this capacity. Internally each party will be assigned a conveyancer and partner in Dyer and Crowe who would be ultimately responsible. In that way each party will receive independent advice. However, in the unlikely event of a dispute between the parties from which a conflict of interest arises, both parties would be advised to seek independent advice. We are only able to act on both sides if both parties confirm their agreement in writing. Should you find yourself in this position and you are happy for Dyer and Crowe to act on both sides, you will need to confirm this in writing to this office at some stage during the transaction. If the situation arises and you have any concerns then you should speak to one of the Partners at Dyer and Crowe who will be only too happy to recommend an alternative local Conveyancer to you.

### **Complaints Procedure**

In the unlikely event of you not being happy with the service given to you by Dyer and Crowe and you feel you have a legitimate complaint under Dyer and Crowe's professional code of practice there will always be a complaints procedure. This can be produced to you should you desire. Initially any such complaint should be made to the person handling your transaction. If that is not one of

the Partners in Dyer and Crowe then you are quite entitled to make that complaint to the appropriate Partner. If you are unhappy with any response given at that time one of the other Partners in Dyer and Crowe will assess any situation and advise. In the more unlikely event of you still not being satisfied at that time you are perfectly at liberty to make a complaint to the Legal Ombudsman, PO Box 6806, Wolverhampton WV1 9WJ.

### **Money Laundering and The Proceeds of Crime**

Under the Proceeds of Crime Act 2002 Licensed Conveyancers have been placed in a special category of persons who can incur personal criminal liability if we became involved in money laundering or other fraud. Accordingly one of the basic requirements is that we require evidence of the address and identity of all of our clients at an early stage in the transaction. At the outset of the transaction you will be supplied with a list of items you need to produce to us to establish your identity and address. The simplest way to satisfy this requirement is to produce to Dyer and Crowe both your passport and driving licence. If either or both of these are not available a list will be supplied showing alternatives. We will be unable to proceed with your transaction and will certainly be unable to exchange contracts until satisfactory identification has been provided.

As Licensed Conveyancers we are under a general professional and legal obligation to keep all aspects of your transaction private and confidential. However, by current legislation we are required to make a report to the Serious Organised Crime Agency or its successor, a serious organised crime agency, where we know or suspect that a transaction involves money laundering or terrorist financing. By instructing us to act on your behalf you are giving us irrevocable authority to make a disclosure to the aforesaid organisations if we consider it appropriate. This authority over

rides any confidentiality or entitlement to legal professional privilege and we are prohibited from telling you if we have made such a report.

You must present your identification documentation at this office in person to satisfy the appropriate legislation. If for any reason you do not believe that this can be achieved prior to exchange of contracts then speak with your Conveyancer at Dyer and Crowe to explore the alternatives.

### **Trust Deeds and Living Together Agreements**

Where more than one person is to acquire a property and those persons are unmarried or friends it is often advisable to consider entering into a Living Together Agreement to record the intention of the parties at the outset in relation to their arrangements regarding the property itself or incidental matters arising from the ownership of the property. Such Living Together Agreements will incur an additional cost. It is nevertheless advisable to be able to show what the intention was at the outset of any living together arrangement. If this applies to your arrangement we strongly advise that all parties instruct a family lawyer to independently advise.

---

### **Leaseholds**

---

The buying and selling of any leasehold Property is more involved and certainly more time consuming than dealing with freeholds. Additional costs can often be incurred on both the sale and purchase of leasehold Properties where information needs to be obtained from any landlord or management company, or registrations made with one or other following completion. It is

often the case that some of these additional costs are not known until immediately prior to exchange of contracts or even completion and may on occasion need to be estimated. These will always be explained to you in more detail upon request.

One of the most difficult things to do when buying and selling leasehold Properties is to make sure that the seller has paid everything necessary by way of service charge and ground rent up to the date of completion, so that any purchaser can take up occupation on the day of completion knowing that they will only be responsible from that date onwards. This can often be overcome in practice by a retention. A realistic sum can be agreed to be retained by the seller's conveyancer from the net proceeds of sale until any additional costs for service charge etc can be calculated when audited accounts are issued for the period in which completion takes place. Any sums then due from the seller with regard to additional service charge etc can be paid from that retention and any balance returned to the seller. This is the standard way of dealing with this particular aspect. Unless we receive instructions from you in writing to the contrary we will always adopt that procedure wherever possible.

When you own a leasehold Property you should keep records of all payments made under the terms of the lease and where possible receipts for those payments. This paperwork will be invaluable if and when you come to sell your leasehold Property.

There is always a number of documents and/or confirmations that we need to obtain from the receivers of both service charge and/or ground rents when selling a leasehold property to supply to the Buyers Conveyancer. The cost of obtaining such can be considerable but nevertheless unavoidable. We will pay the sum demanded by the said receivers on your behalf which will be payable by you on completion of sale. If you need to know the sums

involved prior to that time you must make your own enquiries of the said receivers.

---

### **Purchasing a Leasehold Property**

---

The information set out herein is intended to highlight certain aspects relating to both the purchase of and the owning of a leasehold residential property. It is not a report of the particular lease that you are to purchase but general points regarding a leasehold property that we believe you should be aware of before any commitment to purchase. This is therefore a general view and is not in anyway in substitution for a report on a particular lease in question, which you will receive either verbally or in writing during the transaction. However, should you have any general concern at this stage with regard to a leasehold Property then please do not hesitate to contact this office.

---

### **Mortgage Requirements**

---

The lease you are to purchase will need to satisfy certain criteria so has to be acceptable to any properly advised mortgagee for a mortgage loan. You should consider not only that the Lease is acceptable to your proposed mortgagee at this moment in time but also to any future mortgagee if and when you come to sell/remortgage the property.

Generally, for the Lease to be acceptable to them the mortgagee will require the remaining lease term to be at least the mortgage term plus 30 years. This does vary from one mortgagee to another

and at present 55/60 years can be acceptable to most lenders. An increasing number of lenders, do, however insist upon as much as 70 years being unexpired on the lease to make the same acceptable to them. This means that you should seriously consider whether you should purchase the property if the term remaining is getting anywhere near 70 years unexpired. In particular give thought to how many years will be remaining when you come to sell the property. There are statutory provisions for forcing a landlord to grant an extension of the lease after you have resided at the property for two years and these can be explained to you at any time on your request. Many landlords are prepared to extend the lease term at any time, but obviously for a price often which is an extortionate amount to which must be added legal and other costs. This can make the selling on a residential leasehold property extremely expensive if you have to apply for and pay for an extension of the lease from the landlord before being able to sell.

---

### **Management**

---

There are a number of ways in which the management of a leasehold property can be dealt with. All are often satisfactory but it can to some extent depend upon the type of leasehold property that you are to acquire. Many purpose built blocks of flats or flat developments will have an independent management company which is owned collectively by the tenants. This system means that there are three parties to the Lease, the landlord who merely collects his annual ground rent, the management company owned and controlled by the tenants collectively and of course the individual tenant. The management company itself can be two kinds of company. It can be a company limited by guarantee where all the tenants are by virtue of owning a flat members of that company or it can be a company with an issued share capital where

all the tenants are shareholders. In either case the management company must be run as a proper limited company with audited accounts being issued on an annual basis and must fulfil certain statutory criteria. The management company's obligations are often conducted in turn by managing agents who will deal with the formalities on behalf of the tenants collectively. The management company is often responsible for the maintenance of everything outside the individual flats or apartments and the lease will undoubtedly contain provisions for the calculation and collection of service charge. Like all company's the management company will have at least one annual general meeting and with special meetings being called when the occasions arises. It is obviously advisable that you attend such meetings and take an active part in the running of the company. An alternative to the management company scheme is whether the lease either specifies that the landlord or tenants are responsible for certain aspects regarding the property itself. These types of arrangements often apply to buildings where there are a small number of flats or maisonettes within the building sometimes only two or three and where the creation of and the running of a management company would not be viable. The obligations on you the tenant and the landlord will be explained to you during the transaction.

---

### **Insurance**

---

One of the most important aspects of any lease is the responsibility for the insurance of the building. We will ensure that the insurance is not only acceptable to you the tenant but also acceptable to your mortgagee. As any insurance is an indemnity it follows that somebody who has an interest in the whole of the building or development must be the person or body whom insures. You need

to be assured that at any given time you are aware that not only is your particular apartment insured but that the whole of the development or the building is insured. The obligation to insure normally falls upon either the landlord or the management company and during the transaction we will receive an up to date copy of the insurance policy or schedule showing the terms of the cover and the limit of the cover. The premium for the insurance is often payable under the lease as part of the service charge payable to the management company or to the landlord to its managing agents. The insurance will not cover any of your contents, furniture or effects and you will need to insure your contents separately.

---

### **Registrations**

---

Invariably the lease will oblige us on your behalf, following completion, to follow certain procedures including the giving of notices to the landlord, and (if applicable), management company of both your purchase of the property and any mortgage you have secured thereon. This often results in a registration or administration fee being paid to the landlord, and (if applicable), management company. Often the lease will define the amount of such fee but can simply provide for whatever the landlord or management company reasonably demand. During your transaction we will endeavour to find out the cost of such registration/administration fee but if this information is not available this will be estimated by us on completion. We therefore reserve the right to refer to you for any additional costs in this respect. Some landlords or managing agents also call for a deed of covenant to be entered into and again more often than not the lease provides that the cost of entering into a deed of covenant are paid by you. Again we will endeavour to ascertain costs in this

respect but they are not always readily ascertainable until after completion. Again we reserve the right to revert to you for any additional costs in this respect. The deed of covenant is a simple deed that will provide that you will comply with the terms of the lease.

---

### **General Leasehold Provisions**

---

A lease will also undoubtedly contain certain provisions dictating exactly what you can and cannot do at the property without first getting the landlord's permission. There will certainly be provisions in the lease which will oblige you to get the landlord's permission for any alterations or additions to be made to the property or anything that will change the appearance of the exterior of the building. Normally the placing of aerials or satellite dishes etc on the exterior of the building are completely prohibited. There will also be provisions to the effect that you should not make too much noise and invariably an obligation on your part to keep the floors of the flat properly carpeted at all times so as to cut down the likelihood of noise to the flat below. You will also be responsible for the maintenance and repair of the flat itself and all services exclusively serving the flat. As we stated earlier in this Handbook, you should have a survey carried out on the property to help you understand the extent of your liabilities under the Lease.

---

## After Completion

---

Whilst your instructions to Dyer and Crowe will come to an end once any leasehold sale or purchase is completed and all necessary registration arising from that transaction is dealt with, you should nevertheless show to Dyer and Crowe or any other qualified property lawyer any Notice you receive during the ownership of any leasehold property served by any landlord, management company or anybody on their behalf. There are some statutory laws relating to residential leasehold property that lay down very strict timescale limits that must be adhered to if one is to have the protection of such statutory law.

Following completion and all registrations applicable to your transaction you will be supplied with a complimentary copy of your title deeds and any necessary documentation. Please note that this can in some cases take a couple of months depending on the complexity of the registration and the work load of the Land Registry – we will continue to push through your registration and ensure your interest is protected during this time. It is the advice of Dyer and Crowe that you keep these safe so that they can be given back to Dyer and Crowe if and when you come to sell your property. This can often lead to a speedy and smooth sale taking place in the future.

**The Directors and Conveyancers in Dyer and Crowe enjoy and take pride in their work and the service that Dyer and Crowe provide. Very rarely, if at all, will you hear of anyone suffering from want of title to a house (as you do hear of people being swindled through want of title to a motor car etc) or of a person being legally committed to buy a house and then losing his or her**

**deposit because on completion he cannot find the money to pay for it, or being legally committed to sell and move out of the house without being able to gain possession of the house he is currently buying. This in itself is some evidence that the Conveyancing system works for the good of the buying and selling public in England and Wales. Dyer and Crowe will always strive to achieve even better service to its clients. The further use of improving technology and following updated legislative procedures will always assist but nevertheless there will always be the requirement of human input and the intention of this booklet is to help you, the client, achieve this with Dyer and Crowe's help.**