



Buying and selling houses

All you need to know

The lawyers in Cornwall

-know where you are-

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What's this all about then?

There's an awful lot to think about when buying and or selling a house. We hope this guide is useful in

- explaining the legal process in an easy to follow way
- providing some useful information
- giving some guidance on choosing solicitors and estate agents.

You will find.....

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Buying a property

Make successful offer for property to estate agent



Instruct Sproull Solicitors LLP to act for you. Sproull put in necessary searches.



Seller's solicitors send Sproull contract, copy title deeds and information forms. Sproull consider these and results of all searches as they are received and ask necessary questions of seller's solicitors, councils and search companies.



Mortgage offer made



You sign contract. Exchange of contracts. You pay 10% deposit. Completion (moving day) agreed.



You sign Land Registry transfer document and your mortgage. You pay Sproull money needed taking into account mortgage advance, if any.



Completion day. Sproull receive mortgage advance and pay balance of price to seller's solicitors who hand over the deeds. Agents give you keys and you move in!



Sproull deal with Stamp Duty Land Tax, register the property in your name at the Land Registry and send deeds to you or your lender if you have a mortgage.

Selling your property

Select and instruct estate agent with our help if you wish.



Instruct Sproull Solicitors LLP to prepare home information pack. Sproull get deeds and ask you to fill in information forms



Buyer makes an offer you are prepared to accept.



Sproull send pack (contract, copy title deeds and information forms) to buyer's solicitors and answer any questions they raise



Exchange of contracts. Completion (moving day) agreed.



You sign Land Registry transfer document.



Completion day. Sproull receive balance of money and pay off your mortgage. Balance is sent to you and deeds to buyer.

Agents give keys to buyer and you move out!



Guide to HIPs

1. What is a Home Information Pack?

A HIP is a pack of information about a house. It must include

- an index
- A Property Information Questionnaire
- an Energy Performance Certificate (a measure of energy efficiency)
- a sale statement (details of the seller and class of title)
- title details (land register entries or unregistered title)
- local search
- water/drainage search
- there are certain other optional documents which good quality packs will probably contain, eg Additional Property Information and Fittings and Contents Forms

2. When do we need one?

A Home Information Pack will be needed as follows:-

- Any property with 4 bedrooms or more placed on the market on or after 1st August 2007;
- Any property with 3 bedrooms or more placed on the market on or after 10th September 2007; and
- Any property with 1 bedroom or more placed on the market on or after 14th December 2007

Please note that a HIP must be available before the property can be marketed. If the searches are not available from the first point of marketing, then you may include confirmation from the HIP provider that the information has been requested.

Any property already on the market prior to the dates given above will not need a HIP yet although an Energy Performance Certificate will be needed.

It should be noted that the requirement for a HIP to have been requested at the first point of marketing is temporary. From the 1st June 2008 a HIP must be complete and available at the first point of marketing.

A HIP is not required for

- sales without vacant possession
- non residential properties
- seasonal or holiday accommodation
- sales of portfolios
- properties that are unsafe or due to be demolished

3. What do we do with it?

Estate agents are obliged to supply a copy of the HIP to potential buyers. A charge can only be made for doing so if it is supplied in hard copy. The agent does not need to supply a HIP to someone who

- is unlikely to have sufficient means to buy the property
- is not genuinely interested in buying a property of a general description which applies to the property
- is not a person to whom the buyer is likely to agree to sell the property (the criteria being agreed in advance with the seller)

4. How long does a pack last?

Under the regulations, the pack never goes out of date while the property is on the market. It may be updated, but does not have to be. In reality, the pack will be of limited use after three months have passed as, for solicitors, the local search will be too old. If a sale falls through, or a property is taken off the market, the same pack can be used if the property is marketed again by the same seller within one year.

5. Who is liable if the rules are breached?

The estate agent will be liable to be pursued by Trading Standards Officers.

NOTE: this is a summary of the position as it is understood to be as at 7th January 2010. The proposals have changed often and without notice since originally envisaged in the Housing Act 2004. This information does not constitute legal advice and you should take advice on any issue of concern

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How long.....?

Experience tells us that if a buyer has his finances in order and there are no delays with a chain of sales and purchases (ie with one person buying from another and selling to another and so on) it ought to be possible to exchange contracts (ie pay a deposit and fix a moving date) in about six weeks from agreeing a sale.

There are many things which can affect the timescale, however. These can include the time it takes to get a mortgage offer, the time it takes local authorities to process searches and, yes, slow lawyers.

We will do all we can to try to help make your timescale, but please do not book the removals lorry without talking to us first (its amazing how many people do!!)

How much.....?

Our charges are based on a percentage of the price but are negotiated on a bespoke basis.

We are happy to discuss any individual case with you. Please call our team on 01208 78397 or e mail some details to Daniel Sproull at dms@sproulllp.co.uk

Other payments when buying (£)

Local authority search 160.00*

Water Company search 47.00

Mining search 46.00

Environmental search 48.00

Land Registry Fees - variable depending on price

Stamp Duty Land Tax – depending on price (see below)

* search fees vary between councils.

Please contact us to discuss your case.

Stamp Duty Land Tax

Stamp Duty Land Tax is payable to HM Revenue and Customs on almost every dealing with land or an interest in land* where the price paid is over £125,000 (£150,000 and over for commercial property).

It is payable within 30 days of completion. Duty will be collected by your solicitor prior to completion and must be paid before the property can be registered in your name. You will have to complete and sign a special Tax Return The tax is usually paid by buyers, but can be due from sellers in certain cases.

The rates are....

Price (£)	Rate of Tax
0 - 125,000 (£150,000 commercial)	nil
125,001 (125,001 commercial) - 250,000	1%
250,001 - 500,000	3%
500,000 +	4%

So, if you buy a house for £125,000 you pay **no** SDLT

If you buy a house for £150,000 you pay **£1,500** SDLT (1%)

If you buy a house for £300,000 you pay **£9,000** SDLT (3%)

If you buy a house for £1,000,000 you pay **£40,000** SDLT (4%)

What to look for in a solicitor

It goes without saying that we think you should choose us to do the legal work associated with your sale and or purchase! Here are a few suggestions as to factors you should consider.

Must I have a solicitor? Only a solicitor (or a licensed conveyancer) is allowed to prepare a conveyance of a house for a fee. You can do the whole thing yourself if you want to, although if you are borrowing money from a bank or building society they will not agree to this

Big or small? Solicitors' firms vary in size from the one man band to huge international firms with hundreds of staff. Choose the size you think best for you. The firm should be big enough for there always to be someone available to deal with your case, but not so big that you just become a number on the screen at a call centre.

What about fees? Choose a firm where you are comfortable with the way in which fees are calculated. This will vary greatly. Talk to a few firms, but remember that the cheapest fees are unlikely to bring with them the best levels of service.

Talk is good. There is no substitute for talking to the firm. Are they interested in you and your move? You can soon tell. Are you put through to a senior person, or to a secretary? This may sound an awful thing to say, but the seniority of the person who is assigned to deal with calls from potential new customers is a very good indicator of the seriousness with which the firm treats your enquiry.

Website and e mail. Check out the firm's website (if it has one) and use of e mail. It is amazing how many lawyers still do not make proper use of e mail.

HIPs. Find out if the firm produces HIP and if so on what basis and cost.

Best advice? Choose Sproull Solicitors LLP!!!

How to choose an estate agent

We have many years of experience in dealing with estate agents in our area and will be happy to provide you with suggestions as to which firm would be appropriate for you.

Some considerations are

- **Big or small?** Some agents are part of large national companies, some are small independent firms. You can choose a one man band or a huge corporate organisation.

- **Qualifications?** You do not need any qualifications to be an estate agent. You should enquire as to the qualifications and experience of the people you will be dealing with. Those agents who are chartered surveyors will be members of the Royal Institution of Chartered Surveyors who will have to follow a code of conduct. Some agents are members of the National Association of Estate Agents and the Estate Agents Ombudsman service. If you have a problem with your agent, it may help if they are a member of one of these bodies.

- **High street presence?** Some firms have high street shop fronts, some do not. Decide what you think is best for you.

- **Advertising.** Enquire as to the proposed marketing campaign, how regularly press adverts will appear and whether the agent has existing buyers who may be interested. Check out the agent's website, including by doing a search on the area and agent to see if they come up. Are they members of one of the large property websites eg rightmove.co.uk?

- **Home Information Packs.** Find out how the agent will source a HIP and how you will pay for it. Check if you will be tied to the agents by agreeing to have them produce a HIP. Find out if their HIP will contain a personal local search as opposed to a proper local authority one. Personal searches are not acceptable to many solicitors and lenders. The best way to obtain a HIP is through a local solicitor (ie us!)

- **Terms.** Read the agent's terms and conditions. Be sure you understand what you have to pay and when. Some terms oblige you to pay an agent long after you have stopped using them if, for example, you sell to someone originally found by the agent. Do not let the agent have "sole selling rights". This means you have to pay the agent even if you find the buyer yourself.

LEGAL WORDS EXPLAINED

We cannot avoid some legal words and phrases. Here are a few common ones with their meanings explained. If we use a word you do not understand, please tell us.

Completion - moving day! The purchase money is handed over in return for the keys and the deeds

Contract- the document you sign that sets out all the details of the deal

Covenant - an obligation that affects the property (see separate fact sheet)

Defective Title Indemnity Insurance - insurance that helps with problems in the deeds (see separate fact sheet)

Easement - a right that affects the property, eg a right of way (see separate fact sheet)

Exchange of contracts - the day you become legally bound to buy or sell

Land Registry - the government agency that keeps a record of who owns what land

Mortgage - the document that gives your lender the right to sell your house (and other rights) if you do not repay and follow your other obligations

Searches - we ask various bodies for information they have about the property eg the local council, the water supplier and environmental search companies

Statutory Declaration - a document that confirms information to be true under a special legal procedure

Stamp Duty Land Tax - the tax paid to the government by the buyer based on price paid

Transfer - the document you sign that transfers the ownership of the house

Please visit our website

- for a series of fact sheets on common legal issues
- to see full details of our team
- to contact us by e mail post fax or phone
- to download forms you may need
- for full details of all our other services including.
 - accident compensation
 - business issues
 - children
 - debts
 - disputes
 - divorce
 - elderly issues
 - probate
 - trusts
 - wills

and more!

The Team

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Please ask to talk to Daniel Sproull or e mail him at dms@sproulllp.co.uk

We are next door to Lloyds Bank in the main street. Car parks are nearby and signposted. We are also pleased to see clients at home and at our office at 8 Fore Street Camelford.

Change of address record

General

Name	Account or reference	Phone/www	Tick when done
Bank			
Bank			
Building Society			
Council			
DVLA		www.dvla.gov.uk	
Insurers			
Stockbrokers			
Accountants			
Other investments			
Bonds/National Savings			
Credit card			
Credit card			
Store card			
Store card			
Breakdown company			
Catalogues			
Revenue & Customs			
Employer			

Services

Phone			
Gas			
Electricity			
Water			
Mobile			
Oil supplier			
Broadband			
Milkman			
Newsagent			
TV Licensing			
Satellite TV supplier			
Doctor			
Dentist			
Health Insurer			
Electoral Roll			

[your current address]

.....
.....
.....
.....
.....
.....
Postcode.....

Date.....

Dear Sirs

Account/reference number.....

Please note that with effect from
address:

I/we have moved to the following

New address

.....
.....
.....
.....
.....
.....
.....
Postcode.....

Please update your records.

Yours faithfully

.....
[Print full name below signature]

[addressee details]

.....
.....
.....
.....
.....
.....
Postcode.....



We're on the move!!!!!!!!!!!!!!!!!!!!

.....has moved to/is
moving on to

.....
.....
.....
.....

Postcode.....
Telephone.....

We moved with



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