



GUIDE for HOME SELLERS



Guide for Home Sellers

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First produced in 9 August 2007
this format 30 June 2007
Revised 1 December 2007

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SELLER'S GUIDE 1

ABOUT OUR GUIDES

The aim of all our **Guides** is to **give answers to questions many clients ask**, and to **give advice that other solicitors have found themselves in trouble for not giving**. The **Guides** contain important information, and are an integral part of our conveyancing system.

PLEASE THEREFORE READ OUR GUIDES CAREFULLY WHEN YOU RECEIVE THEM, AND FROM TIME TO TIME AFTERWARDS. DO NOT JUST SKIM THROUGH AND PUT THEM TO ONE SIDE.

We always welcome suggestions for improving our Guides, or any other aspect of our service.

NEITHER BUYER NOR SELLER IS LEGALLY COMMITTED TO GOING ON WITH THE TRANSACTION UNLESS ITS TERMS ARE SET OUT IN WRITING AND SIGNED.

When the appropriate stage has been reached, we deal with exchange of contracts for you. Both you and the buyer would then become committed to completing the sale. Until exchange of contracts it is important that you should not inadvertently become committed. You should make it clear that all negotiations are not binding upon you until we exchange contracts.

DEEDS

We need the deeds before we can start. Please tell us the name and address of your mortgage lender and your mortgage account number, if you have a mortgage.

When we receive the deeds, we apply to the Land Registry for an up to date copy of the Register of your Title. We can do this straight away if you can tell us your Title Number. Better still, if you have a copy of the register of title, please let us have it.

If you have any other documents, or copies of documents, relating to your property, please let us have them.

When we receive the up -to -date copy of the Register of your Title, and your answers to the questionnaires we send you, we send a draft contract to the buyers solicitors. In the meantime the buyer should be applying for a mortgage if needed. Sometimes, where the buyers solicitors are not relying on the search in a Home Information Pack, buyers ask their solicitors not to do the local search until the results of the survey and mortgage application are known, to minimise expense if the survey reveals anything as a result of which they decide not to buy the property.

OTHER OCCUPIERS

If anyone apart from you lives in or uses any part of the property, it is important that you tell us.

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ACCEPTING A REDUCED DEPOSIT

We will not yet have been asked to accept a reduced deposit. If we are asked, we will let you know, and you should then refer to this section.

It is usual for a buyer to pay a deposit of 10% of the purchase price when exchanging contracts. This can be a problem to a buyer who is borrowing more than 90% of the purchase price on mortgage, or needs the sale proceeds of another property to pay for the property being bought.

Buyers sometimes ask sellers to accept a reduced deposit on exchange of contracts (often, but not always, 5% instead of 10%). If your seller offers a reduced deposit, we will need to ask you for your instructions whether to accept this. The decision must be yours.

A deposit is a part payment of the purchase price. If a buyer exchanges contracts and then fails to complete the purchase, you may under certain circumstances be able to keep the deposit and sell the property to someone else. If this happens and you have accepted a reduced deposit, there is less to keep.

We have never yet had a case where accepting a reduced deposit has caused a seller any problem. There must however always be a first time.

If you refuse to accept a reduced deposit, the buyer may obtain a temporary bank loan (called a "Bridging Loan"). This costs a buyer money, but should be quite easy to arrange.

We must advise against accepting less than a 5% deposit or exchanging contracts without any deposit. The decision must however be yours.

If you are buying another property, you can use your buyer's deposit towards the deposit on the property you buy, if your buyer agrees to let you. This is something we sort out for you. If the deposit your buyer pays is less than the minimum deposit the seller of the property you buy will accept, you will have to provide the difference yourself.

We generally advise accepting a Deposit Guarantee only if no deposit money is available from any other source. With the Deposit Guarantee scheme the buyer does not pay a deposit. Instead, in effect, the buyer takes out an insurance against failing to complete the purchase, and passes the certificate to the seller's solicitor when exchanging contracts. If the buyer fails to complete, instead of having a deposit to forfeit, the seller has to make a kind of insurance claim, which is far less satisfactory.

Sometimes a combination of a part cash deposit plus a Deposit Guarantee can be acceptable.

OUTGOINGS - ALL PROPERTIES

You should continue to pay all outgoing in respect of the property until completion takes place.

We will tell you when contracts are exchanged to sell the property. You should then give the date of completion to all the companies and authorities to whom you pay outgoing in respect of the property.



RECEIPTS - LEASEHOLD PROPERTIES

THIS SECTION DOES NOT APPLY IF THE PROPERTY YOU ARE SELLING IS FREEHOLD

We will need the Landlord's receipt for your most recent ground rent payment.

We will need from you now the last three years service charge accounts, if you pay a service or maintenance charge under the terms of your lease.

If the Landlord or Management Company arranges the buildings insurance, we will also need a copy of the buildings insurance policy. It is most important that we have the current policy schedule and premium receipt. We need to give the buyers solicitors evidence of the current cover, and the date up to which you have paid your premium contribution.

We will also need copies of any notices served by you or by your Landlord or the Management Company.

If you do not have all the documents and receipts mentioned above which apply to your property, you must obtain them from the Landlord or Management Company.

ESTATE AGENTS' PROPERTY DETAILS

If you found a buyer through an estate agent, you should ensure you obtain a copy of the property details prepared by them. Please confirm that you mean to include in the sale, all items referred to in the details. Estate agents sometimes refer in their property details to items the seller does not mean to include in the sale. If this is not pointed out at the earliest possible moment it can cause bad feeling between the buyer and the seller.

We may send you the following although there can be instances where none of the documents listed below applies:-

- a) **Seller's Property Information Form** for you to complete and return to us.
- b) **Seller's Leasehold Information Form**. Please complete this **only** if you are selling a leasehold property. Please return this form **without writing on it**, if the property you are selling is **freehold**.
- c) **Fixtures, fittings and contents** form for you to complete and return to us.
- d) **Clients Details Questionnaire and Sale Questionnaire**. Some Clients find these a useful way of telling us what they want us to know. Some find them a helpful reminder of what decisions they need to take.
- e) **Confirmation of Fees**. When you are ready for us to go ahead with the conveyancing, please sign and return one copy. Please also let us have your cheque for the amount requested (if any).

Please do feel free to contact us if we can help in any way. We can see clients about conveyancing or wills outside normal office hours by appointment.

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SELLER'S GUIDE 2

SIGNING THE CONTRACT (OR AGREEMENT)

THE CONTRACT WE SEND YOU TO SIGN MAY CALL ITSELF EITHER A CONTRACT OR AN AGREEMENT. THESE ARE DIFFERENT WORDS FOR THE SAME THING.

When we send you the contract, please sign it where shown, and return it to we. **Everyone whose name is on the deeds as an owner must sign. You must not date the contract, and you do not normally need any witness.**

If anybody else aged 17 or over lives at the property they must also sign the contract, to confirm they agree to move out on or before completion of the sale. This is important to protect both you and the proposed buyer.

If you are not synchronising the purchase of another property, we may also ask you to sign a confirmation that you wish to exchange contracts on your sale without exchanging contracts to buy another property.

Please confirm that there is no change since you completed the TransAction questionnaires. **By "TransAction questionnaires" we mean the Fixtures Fittings and Contents form, and the Seller's Property Information Form, and the Seller's Leasehold Information Form where applicable.** It is important to tell us if there have been any changes, for example in the list of items included in, and excluded from, the proposed sale.

We may send you copies of correspondence between the buyer's solicitors and ourselves, and additional enquiries made by the buyer's solicitors with our answers. If we do, please confirm what we have said is correct. Let us know if anything we have said is incorrect or you can add to the information we have given. This is important.

FOLLOWING EXCHANGE OF CONTRACTS

We deal with repayment of any mortgage, and ask your mortgage lender for an updated amount required, or "Redemption Figure."

You should inform the Council Tax office of the date the property is last lived in, the date the furniture is removed, and the date we complete the sale.

Please also ask your water, gas electricity and telephone companies to end the services in your name, on the completion date (or possibly earlier if the property is empty). The buyer should arrange to start the supplies in his or her name, and it may be helpful to mention this to the buyer.

It is a good idea to leave one set of keys with the estate agents (if any) before the completion date. When you finish moving out or clearing the property, you can post the remaining keys through the letterbox of the property. Enclose the keys in an envelope if you have a transparent front door. It is important not to give any keys direct to the buyer unless we confirm to you that completion has already taken place.

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Please ensure you are out of the property, and have removed everything not included in the sale, which the buyer does not want, before 2:00pm on the completion date. Sometimes the contract may require you to be out by an earlier time.

We may send you a note of our charges and a preliminary statement. Normally we take the fees out of money in hand or the sale proceeds. We also usually pay estate agents' commission out of the sale proceeds.

Do not let your buildings insurance lapse, or cancel it, until after we have told you completion has taken place.

SIGNING THE TRANSFER DEED

You will need to sign the transfer deed and ensure I have it back before it is returned to us. We can not complete the proposed sale without it. Usually the buyer's solicitors have to have it signed by the buyer after exchange of contracts, and then they will send it to us so we can ask you to sign it. In some cases the buyer does not have to sign the transfer, and only you need to sign.

PLEASE LET US KNOW IF, A DAY OR TWO BEFORE COMPLETION, YOU HAVE STILL NOT HAD A TRANSFER DEED FROM US TO SIGN. WE CANNOT COMPLETE THE SALE WITHOUT YOUR SIGNATURE ON IT, CORRECTLY WITNESSED.

When we send you the transfer deed, you (and all other owners of the property if it is in joint names) must sign it. You (and everyone who signs the transfer) must have your signature witnessed. Please carefully observe the INSTRUCTIONS FOR SIGNING A DEED on the next page of this booklet. Do not date the transfer.

WHAT TO DO FOLLOWING COMPLETION OF THE SALE:-

1. **Notify any buildings insurer of the date of completion**, and ask for any premium refund that may be due. Do not do this until after we report that completion has taken place.

This does not apply to you if the property is leasehold and the landlord or management company arranges the buildings insurance.

If you have a mortgage and your mortgage lender arranges the insurance, your lender may or may not automatically cancel insurance cover when we repay the mortgage. You should check with your mortgage lender about this.

2. **Ensure your bank or building society cancels any standing order or direct debit** for any mortgage, or other regular payments relating to the property sold.

3. **IF YOU HAVE AN ENDOWMENT POLICY, KEEP IT GOING.** Only in exceptional circumstances should you stop an existing policy. **NEVER SURRENDER ANY ENDOWMENT POLICY, OR STOP THE PREMIUM PAYMENTS** before the maturity date, without seeking the advice of an independent financial adviser. We can put you in touch with one if you wish.

4. **IF YOU HAVE STILL NOT MADE A WILL, DO IT NOW.**

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INSTRUCTIONS FOR SIGNING A DEED

Please sign any deed we ask you to sign:

- using your usual signature but including all your initials; and
- ensuring you have your signature witnessed by an independent person aged 18 or over.

Your witness should not have the same surname as you.

Your witness must write his or her signature, name, address and occupation where shown. (If the document actually says what details the witness should write on it, follow those instructions; not all documents require the witness to state his or her occupation).

If you are signing the Deed on your own behalf, using your own signature, you need only one witness for each signature. (You may need more than one witness if you are signing a Deed for somebody else).

It does not matter whether the same person witnesses more than one signature on a Deed, or whether two or more signatures are witnessed by different people.

PLEASE DO NOT WRITE IN ANY DATES, OR COMPLETE ANY BLANKS, OR MAKE ANY ALTERATIONS OR DELETIONS, UNLESS WE ASK YOU TO.

IF THE DEED HAS ANY PLAN ATTACHED TO IT, YOU MUST SIGN THE PLAN AS WELL, AFTER CHECKING THAT IT IS CORRECT. (Signatures on a plan need not be witnessed.)

We can witness your signature if you sign in our presence.

WE CANNOT WITNESS YOUR SIGNATURE UNLESS WE SEE YOU SIGN THE DEED.

Please return the signed and witnessed Deed to me (unless we ask you to send it somewhere else). We may need it urgently.

PLEASE CONTACT US IF THERE IS ANYTHING ABOUT THE DOCUMENT THAT SEEMS WRONG OR YOU DO NOT UNDERSTAND.

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