

SELLER'S SURVIVAL KIT

14 tips - read them now.

HIPS and Energy Performance Certificates

- 1 The Government has introduced a system of compulsory "Home Information Packs" in the hope of speeding up property transactions. However the property industry is sceptical both of their usefulness and their cost. Some points:
 - You don't always need a HIP. If the property is not marketed with vacant possession, at the moment they are not required.
 - If you do have a HIP, make sure it is genuinely useful. It is better to ensure your HIP has official searches that can be used by a Buyer rather than the cheapest option. We can arrange a HIP for you via the Law Society's scheme. This HIP becomes your property and can be used with any agent.
 - Beware of "free HIPs". Will you have to pay for them if you change estate agents? Are they tied to one agent? Are their hidden credit agreements? No-one offers something for nothing.

If you are selling a flat or a maisonette.....

- 2 Bear in mind that if your lease has fewer than 80 years unexpired on the Lease many buyers are reluctant to purchase, and under 75 years, some lenders are reluctant to lend.

The cost of renewal of a lease which has more than 80 years to run is fairly modest: once the lease has fewer than 80 years left it increases dramatically. As you are not entitled to extend your lease until you have been registered as owner for two years, you may find that buyers want you to extend the lease (or at least get the process going) before the sale starts. Older leases may also contain defects which may in themselves make them unacceptable as security for a mortgage. If you own a share of the freehold or in a company which owns it, perhaps it is time to think about having your lease extended. Obviously, in such a case, the cost of extension should be much less.

- 3 Try to get together as much information about past service charges and proposed works as possible, and get hold of a copy of the Buildings Insurance: it's sure to be needed. Also try to make sure you're up to date with payments due to the Landlord/Managing Agent. If there are any disputes, it is best to get them sorted out if possible.
- 4 Do let us know if any other flat owners have had difficulties with their sale. Many problems can be "nipped in the bud"!

If you are selling any property...

- 5 Your Buyer is certain to do a survey. It's quite likely that this may be used to try to reduce the price. It's not a bad tactical move to accept the offer on the basis that you aren't going to reduce the price on account of obvious defects, such as the exterior condition of the property, or minor defects, such as a renewal of a damp course or small items of woodworm treatment.
- 6 You should instruct your agent to monitor very closely the course of your Buyer's Mortgage application.
- 7 If you're selling a house, the buyer may still want to take over the Insurance Policy. You may wish to raise this with them privately.

8 If you have altered your property in any way, then you'll need to find all the paperwork. This includes:

- (i) Extensions
- (ii) Loft conversions
- (iii) Pavement crossovers
- (iv) Internal structural works
- (v) Window replacements and double glazing (since 2001)
- (vi) Electrical works (since 2004)
- (vii) Gas installations and plumbing

If there are any works which need permission but have not got them, it is normally best to get them approved now.

9 If you have let the property, you must advise us. If it is intended that the tenants go before the property is sold it is important that this is arranged so as to lead to minimum delay.

If you have a mortgage.....

10 Is there a penalty associated with the redemption of your mortgage? If there is, look into ways of having it waived. Some lenders will allow you to transfer the mortgage without paying the penalty to a new property.

11 If you have an endowment mortgage, will you want to keep your policy going or cancel it. If you have it, please let us know.

Generally - keep your eyes open and keep us informed.

12 If something comes up which you are not sure about, ask. Never assume that 'it will be OK'.

13 Have you checked up to see if your sale has tax implications? Will it give rise to a capital gains tax bill? You may need to take advice from an accountant.

14 Please do share your problems with us:

- (i) If you need to move before a particular date
- (ii) If you are in arrears with your mortgage
- (iii) If you are in dispute with neighbours or a freeholder
- (iv) If you get any official notices relating to the property
- (v) If your financial arrangements change
- (vi) If anything else arises which may affect the transaction

Do let us know.

©A. L. HUGHES & CO. Solicitors, Anno MMVII.

340 Streatham High Road

LONDON SW16 6HH

DX 58457 NORBURY

TELEPHONE: 020 8769 7100

FAX: 020 8677 6644

E-MAIL mail@alhughes.co.uk

www.alhughes.co.uk

WHAT HAPPENS NEXT!

This is a guide to what you can expect to happen in your Conveyancing Transaction.

Time	Things you do.	Things done by the Your Solicitor	Things done by the Buyer's Solicitor	Things done by others.
Before marketing	If you need a HIP, you will have to get one. We can help with this.	If instructed, we can arrange for a HIP to be produced that you can use to market your property.		
Once a sale is agreed	Complete instruction forms so as to instruct your Solicitor and authorise him to obtain the Deeds from your Lender (or hand them over if you have no mortgage). Produce evidence of ID.	Sends you an estimate of fees on request and sends you a Questionnaire so that Buyer's Enquiries can be answered, together with a list of fixtures and fittings. Writes to Buyer's Solicitor.	Makes contact with your Solicitor	Buyer makes and offer via Estate Agents (if any) and instructs Solicitors. Sends Solicitor a cheque to cover Search Fee. Estate Agents notify all parties of sale.
	Complete Questionnaires.	Sends off for up to date copies of the Land Registry Entries. Issues contract.	Sends off any additional searches. If your HIP has a personal search, it is often necessary for extra searches to be done, which will add to the time taken.	Buyer applies for Mortgage and arranges for Survey. Lender does survey, as does Buyer's surveyor, if different.
Sorting out money			Receives draft contract and raises any extra questions. Approves contract.	Mortgage Offer issued by Lender and sent to Buyer and Buyer's Solicitor. Any searches are finalised.

Getting ready	<p>Start thinking about what date you would like to move.</p> <p>Provisionally book removals.</p>	<p>Sends contract to you for signing or gets you to authorise its signing by your solicitor.</p>	<p>Prepares reports on:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Title to the Property <input checked="" type="checkbox"/> The Lease (if Leasehold) <input checked="" type="checkbox"/> Planning Search <input checked="" type="checkbox"/> The Contract <input checked="" type="checkbox"/> The financial implications of the sale. 	<p>Buyer reads report and sign Contract, after asking any questions. They pay a deposit (usually 5-10% of the price) to their Solicitor.</p>
Doing the exchange		<p>The two Solicitors find out from their clients what completion date is required and seek to agree it.</p> <p>When everything is agreed, contracts are exchanged on the telephone.</p>		
Preparing for completion	<p>Finalise removal arrangements.</p> <p>Attend your Solicitor's office and sign final papers, bringing proof of identity.</p>	<p>Approve transfer Deed and have it signed by you.</p> <p>Find out how much money is owing on your Mortgage (if any)</p> <p>Answer Requisitions and provide a Completion Statement.</p>	<p>Send draft transfer deed to Buyer's Solicitor for approval, with completion arrangement questions (Requisitions)</p> <p>Send off to Lender for mortgage money.</p> <p>Make final Searches at Land Registry.</p>	
Completion nears		<p>Check that all is in order.</p>	<p>Make sure that everything is ready for completion.</p>	<p>Buyer pays any money due to finance the transaction so that it is in your Solicitor's hands in time to be cleared for completion.</p> <p>Finish packing.</p>
The Big Day	<p>Move out.</p> <p>Telephone Solicitor at mid-day to check all has gone well.</p> <p>Make sure keys are with estate agent.</p>	<p>Release keys.</p> <p>Pay off your Mortgage.</p> <p>Send Deeds to Buyer's Solicitor.</p> <p>Send rest of money to you.</p>	<p>Send purchase money by Bank transfer to your Solicitor.</p>	<p>Buyer moves in.</p>

Afterwards	You live happily ever after....	When form of receipt and discharge for your Mortgage is received, send it off to your Buyer's Solicitor.	Attends to post-completion work.	
And finally...		Keep file for 10 years in case there are any queries.		