

BUYING YOUR NEW HOME – A LEGAL GUIDE

Congratulations on reserving your new home!

Your sales negotiator will be monitoring the smooth purchase of your new home every step of the way and will assist you in achieving your 4 week deadline to an exchange of contracts. They will be in touch with you regularly to progress the sale and to answer any questions you need and help progress your new home purchase.

Below is a step by step guide to the entire process focussing on, in particular, what your role in the purchase, this is intended to help smooth the progression and assist you in understanding what is involved:

Stage 1 – Reservation

A price is agreed and a reservation form is filled in with details of the property of your choice, price, buyer(s), seller and any special conditions (e.g timeframe) and the solicitors' details. Don't worry if you don't have a solicitor as we have identified a highly respected local solicitor Temple Heelis who can act on your behalf at a competitive cost, but either way you will need to instruct a solicitor quickly to get the purchase moving.

A reservation deposit of £500 is paid by you to secure the property and we take it off the market. This allows the builders solicitors (Progression) to send a legal information Pack to your solicitor which will include all of the information necessary for your solicitor to understand the ownership and progress the legal purchase.

The Solicitor you have chosen will write to you to confirm their instructions to purchase the property. They will ask you to provide personal identification information and the search fees which are crucial to your purchase – please pay these as soon as possible, otherwise the purchase cannot begin.

Stage 2- Valuation and Mortgage Offer

If you need to borrow to buy the property then you will need to apply for a mortgage, (the sales negotiator is able to recommend a mortgage or financial advisor to help should you need one). The mortgage advisor will find the best mortgage to suit your needs. He/she will also need a copy of your identification information (passport and utility bill for example).

You may need to pay to the valuation fee (usually approx. £250) to the bank or building society who offer you the mortgage and they will instruct a surveyor to undertake a mortgage valuation. The valuer will visit and inspect the property. The valuer will send the completed valuation report to the lender and will usually also send a copy to the buyer.

Following this the lender will send both you and your solicitors the formal mortgage offer letter.

Stage 3 – Contract

Your solicitor will check the Legal Information Pack and agree the Contract and Transfer with the Sellers solicitors. There may be specific queries which require clarification by the seller's solicitors, however, the Legal Information Pack will be as comprehensive as possible so it is unlikely there will be many additional questions.

Stage 4 – Signature

Once a mortgage offer is received by your solicitor and your searches have been returned (around 10 days after application), your signature will be required on the following documents:

1. Contract
2. Mortgage Offer

Please contact your solicitor regularly to ensure you can make an appointment prior to your deadline.

At this point you must pay to your solicitors a deposit of 10% of the purchase price in readiness for exchange and completion. It is usually given to your solicitor on the day of your signature appointment. Please be aware that deposit funds should be paid by Telegraphic Transfer, Electronic Transfer (internet banking) or Bankers Draft not a personal cheque as they take 5 working days to clear putting you at risk of missing your deadline. If you do wish to pay by personal cheque, ensure this is sent to your solicitor 1 week prior to exchange being due.

Stage 5 – Exchange of contracts and legal completion

When both the buyers and sellers solicitors have signed contracts available, the Contract is exchanged, and the deposit monies are paid to the sellers solicitor, this is the point at which you are committed to the purchase, legal completion follows at a date agreed when the balance of the purchase price is paid and you take ownership of your new home.