



## THE LEGAL JARGON EXPLAINED

The legal process involved in Buying and Selling is known as Conveyancing. Solicitors use lots of terms which most people will not come across in everyday life and here we try to explain the main ones:

- **Title Deeds** – Prove who owns a property. Nowadays most are registered online with the Land Registry.
- **Freehold** – Means that the property and the land on which it is built is owned outright by the registered owner.
- **Leasehold** – Means that the owner has a right to occupy the property for however long the lease states, but they do not own the building or land on which it is built.
- **ID** – Proof of identity and address that a solicitor will need from their Client, i.e. passport/bank statement/utility bill.
- **Contract** – Document which sets out the selling terms agreed between the parties.
- **Contract Pack** – Prepared by the Seller's solicitor and includes Title Information, Property Information, Fixtures and Contents Forms, Draft Contract and other documents.
- **Disbursements** – All 3<sup>rd</sup> party costs and expenses payable by the Buyer or Seller such as Land Registry Fees, Searches and Land Transaction Tax (explained later).
- **Searches** – Carried out by a Buyer's solicitor and include Water and Drainage, Environmental and Local Authority searches.
- **Report on Title** – Report prepared by the Buyer's Solicitors for the Buyers explaining the information provided in the contract Pack and Searches.
- **Redemption Statement** – from a Seller's mortgage lender, showing how much is needed to repay the mortgage.
- **Completion Statement** – Statement showing how much money a Buyer has to send their solicitor to complete the purchase.
- **Deposit** – The money paid by the Buyer to the Seller's solicitor on exchange of contracts. Usually 10% of the Purchase Price.
- **Exchange** – When Contracts are exchanged between both parties' solicitors and the Deposit is paid. Everybody is legally committed at this point, with a date set for completion.
- **Transfer** – Document signed by the seller to legally transfer ownership of the Property to the Buyer.
- **TT** – Telegraphic Transfer – A same-day money transfer between bank accounts.
- **Completion Date** – Date agreed in the Contract, when the balance of money is paid by the Buyer and they get the keys to the Property.
- **Land Transaction Tax** – If you are buying your main home, you will pay no LTT on purchases under £225,000. If you are buying an additional property, you will need to pay the higher residential rates for each band (see the Kelvin Francis LTT tax calculator in the Advice & Tips section of our website).
- **Memorandum of Agreed Sale** – Issued by the Estate Agent to all parties in the transaction, stating purchase price agreed and any other conditions of sale.

## VENDORS Step by Step Guide

Your Solicitor will advise you on the Selling process, when you have accepted an offer on your property. As an additional service for Clients, we have prepared a general format, which we hope you will find useful, with Solicitors Legal Jargon definitions on the front page.

Kelvin Francis will issue a memorandum of agreed sale, with a copy of the sales particulars, to the Vendor, Vendor's Solicitor, Purchaser and Purchaser's Solicitor. The Solicitors will also receive a copy of the Energy Performance Certificate for your property. In order to ensure a smooth transaction, it is important to return requested paperwork to your solicitor as swiftly as possible.

The selling process can be broken down into 3 Key Stages, where the following happens:



**Please tick the boxes as the sale progresses.**

### 1. Pre-Exchange

- You will instruct a Solicitor, who will ask to see your ID.
- You will complete Property Information and Fixtures and Contents Forms.
- When you return these, your Solicitor will prepare the contract pack and send this to the Buyer's Solicitor.
- Your solicitor will deal with enquiries raised by the Buyer's Solicitor and may need further information from you, to do so.
- Your Solicitor will contact the Buyer's Solicitor, to ensure that they have received the search results and the Buyer's Mortgage Offer.
- You should speak to your Solicitor and try to agree a date for exchange of Contracts and Completion.
- Your Solicitor will arrange for you to sign the Contract and will request a Redemption Statement from your Lender.
- It would be advantageous to obtain a quotation from a removal company (BAR) or (NGRS) registered - see Kelvin Francis website for some recommendations.

### 2. Exchange

- When a Completion Date is agreed by all parties, the Buyer will sign the Contract and provide their Solicitor with the Deposit.
- Your Solicitor will telephone the Buyer's Solicitor and agree the terms of the Contract, the Deposit and insert the Completion Date into the Contract. Contracts can then be Exchanged.
- At this point, you and your Buyer are legally committed to go through with the sale. If either party pulls out from here on, it can be very costly.
- Your Solicitor will receive the Transfer from the Buyer's Solicitor and will send this to you to sign. You must return this before the Completion Date.

### 3. Completion

- The Buyer's Solicitor will send the balance of the Purchase monies to your Solicitor by Telegraphic Transfer. As soon as this is received, legal completion has taken place.
- You will need to have completely vacated the Property by around 1pm and hand the keys to the Estate Agent or Solicitor.
- Your solicitor will redeem your mortgage, settle the Estate Agents fees and any other fees due, as agreed.
- The balance of monies from the sale will then be sent to you, or used in your related purchase.
- A Change of Address check list, of who to notify.

### Time Scale Expected

The Average Time Scale for a sale transaction is 10 to 15 weeks, dependent on the chain below, the upward chain, Lender's speed on issuing the Mortgage Offer for the Buyers (Mortgage Market Review procedures in place since April 2014), and Solicitor's expediting matters.

### Keeping Kelvin Francis Posted

- Please advise your dedicated Sales Progression Manager at Kelvin Francis of the following events:
- When you have completed the Law Society Vendor's Questionnaire, Fixtures and Fittings Form.
- When you have signed your Contract in anticipation of exchanging Contracts.

**We hope that the above selling format will be of assistance,  
but your Solicitor will be your anchor and advise you at each stage of the transaction.**

Your Solicitor will advise you on the Buying process, when your offer has been accepted. As an additional service for Clients, we have prepared a general format, which we hope you will find useful, with Solicitors 'Legal Jargon' definitions on the front page.

Kelvin Francis will issue a memorandum of agreed sale, with sales particulars, to the Vendors, Vendor's Solicitor, Purchaser and Purchaser's Solicitor. The Solicitors will also receive a copy of the Energy Performance Certificate (EPC). In order to ensure a smooth transaction, it is important to return requested paperwork to your solicitor as swiftly as possible.

If you are obtaining a mortgage, at the earliest opportunity you should complete your mortgage application form, with your Bank or Building Society and pay the appropriate mortgage survey fee. Please advise Kelvin Francis, once this has been done.

If you are not having a mortgage, you may wish to have a private survey and Kelvin Francis can assist in providing a list of reputable Chartered Surveyors for you to contact (or see Kelvin Francis website for recommendations).

After you have had an offer accepted on a property, the buying process can be broken down into four Key Stages, where the following happens:



**Please tick the boxes as the sale progresses.**

#### 1. Pre-Exchange

- You first instruct a Solicitor, who will ask to see your ID and for money on account, of around £200, to cover Disbursements.
- Your Solicitor will receive the Contract Pack, from the Sellers Solicitor and check through the paperwork.
- Your Solicitor will order the Searches and raise any necessary enquiries with the Seller's Solicitor.
- At this time you should ensure that your Mortgage application is proceeding promptly.
- Your Solicitor will receive the Search results back, check them and raise any additional enquiries.
- Your Solicitor should receive a Mortgage Offer and as long as all of the enquiries have been answered by the Seller's Solicitor, send a Report on Title to you.
- You should read through the Report on Title and discuss any queries with your Solicitor and make arrangements to get your Deposit to them, in order to be able to Exchange Contracts.
- It would be advantageous to obtain a quotation from a removal company (BAR) or (NGRS) registered. (See Kelvin Francis website for recommendations.)

#### 2. Exchange

- When your Solicitor has the Contract and Deposit from you and a Completion Date is agreed with the Seller, they will call the Seller's Solicitor to agree the terms of the Contract and insert a Completion Date. Contracts are then exchanged.
- This is when you and the Seller are legally committed and must complete on the agreed Completion Date. If you withdraw now, you would lose your Deposit and the seller could re-sell the Property. You have to be entirely sure that you want to proceed and can afford to buy on the agreed Completion Date, before you exchange contracts.
- Your Solicitor will now contact your Mortgage Lender to request the Mortgage monies, send the transfer document to the Seller's Solicitor and carry out Land Registry searches.
- Your Solicitor will also prepare a Completion Statement for you, which will include the balance of the Purchase Price, all fees and disbursements and any Land Transaction Tax payable.

#### 3. Completion

- When your Solicitor receives the Mortgage monies and the balance of money from you, on the day of Completion, they will send the purchase monies by Telegraphic Transfer to the Seller's Solicitor.
- Legal Completion will take place, when the money is received by the Seller's Solicitor and they call the Estate Agents to release the keys to you.
- Your Solicitor will call you, to confirm that you can pick up the keys from the Estate Agents, or from themselves.
- A Change of Address Check List, of whom to notify.

**CONGRATULATIONS – The Property is now yours!!!**

#### 4. Post-Completion

- Your Solicitor will now send the Land Transaction Tax forms to the Inland Revenue, pay any Land Transaction Tax and apply to the Land Registry, to register you as the new owner of the Property. They will send you a copy of the Title Deeds, when the application is completed by the Land Registry.

#### Time Scale Expected

The Average Time Scale for a sale transaction is 10 to 15 weeks, dependent on the chain below, the upward chain, Lender's speed in issuing the Purchaser's Mortgage Offer (Mortgage Market Review procedures in place since April 2014) and Solicitor's expediting matters.

#### Keeping Kelvin Francis Posted

Please advise your dedicated Sales Progression Manager at Kelvin Francis, of the following events:

- When you have completed your Mortgage Application Forms?
- When you have received your written Mortgage Offer?
- When you have paid for your Solicitor's Disbursements and Searches?
- When you have signed your Contract in anticipation of Exchange of Contracts and arranged for your deposit to be transferred to your solicitor?

**We hope that the above selling format will be of assistance,  
but your Solicitor will be your anchor and advise you at each stage of the transaction.**