
FAQs – Residential

Conveyancing



1. What is conveyancing?

Conveyancing is the legal transfer of property from one owner to another. This ensures that when you buy a property, you are getting exactly what you've paid for and you legally own the home you're purchasing. Conveyancers, or property solicitors, act on behalf of their clients to carry out the whole process, from providing forms of ID to receiving the title deeds to the property.

2. What is the difference between a freehold and leasehold property?

The freeholder of a property owns it outright, including the land it's built on. If you buy a freehold such as a house, you're responsible for maintaining your property and land, so you'll need to budget for these costs.

With a leasehold, you own the property (subject to the terms of the leasehold) for the length of your lease agreement with the freeholder. When the lease ends, ownership returns to the freeholder, unless you can extend the lease.

Most flats and maisonettes are owned leasehold, so while you own your property in the building, you don't have a stake in the building it is in. Some houses are sold as leaseholds. If this is the case, you own the property, but not the land it sits on.

3. Title Plan – What should I check?

When HM Land Registry (HMLR) registers a property, they give it a unique reference called a title number and, in most cases, prepare both a register and a title plan.

The register shows important information about the property which you should check, such as, the names of the legal owners and whether there are any mortgages, rights of way or other legal matters that affect it.

The title plan supports the description of the property in the register; HMLR use an extract from the Ordnance Survey map to give a visual indication of the registered land in red edging which they call the extent.

4. When should I instruct a solicitor?

Instructing a solicitor before an offer is accepted can significantly speed up your move and reduce stress in the process. Many of the initial legal steps can be completed in advance, potentially shaving weeks off the conveyancing process. Such as completing the initial formalities; the property information forms; and locating documents.

Although much of the pre-offer legal work needs to be completed by the seller, instructing a solicitor to act on your purchase ahead of finding a property still has significant benefits. Examples include, saves time once your offer is accepted and prevents mortgage-related legal delays.

5. When should I apply for a mortgage?

It is best to start the process before you even start seriously looking for somewhere to buy. If you're looking at properties before starting to arrange your mortgage, you've left it too late.

There are a number of reasons to begin applying for a mortgage before you start viewing properties or putting in an offer:

- You need to find out for sure [how much you can afford](#). This is particularly important if you're in a more complex financial position, such as being [self-employed](#).
- Starting the mortgage process early will help to avoid delays and problems with your mortgage.

- If you have your finances in place, you'll be at an advantage compared to rival buyers who do not have a [mortgage in principle](#). Most estate agents and their home selling clients will expect you to have a mortgage in principle when you make an offer.
- If you are thinking about buying jointly with anyone (e.g. a partner or parent) or [buying with a friend](#), then this will affect the sort of mortgage you can get. And, how much you can borrow – so best to sort this out before you start looking.

6. What is a typical transaction

The Conveyancing process for a typical property sale and purchase transaction:

Conveyancing process for buying a house:

- **Choose a solicitor**

Once your offer has been agreed on a property, we recommend your first step is to instruct an expert conveyancer. They will then send initial forms for you to complete, including identification requirements. Your solicitor will also request payment for searches to be carried out on the purchase property.

- **Contract, deeds and mortgage**

Your solicitor will request the contract from your seller's solicitor, who will proceed with drawing it up. This will include any issues raised in the documents, any discounts applicable and all of the forms that the seller has completed.

Your solicitor will also request a copy of the Land Registry title for the property.

If you are applying for a mortgage, the mortgage offer should now be forwarded to your solicitor.

- **Search and enquiries**

The next step is to obtain searches, which is an essential part of the Conveyancing process, to ensure the property is not adversely affected by anything. A variety of searches may be needed, some specific to a location, but the most common are:

- (a) Environmental search – checks for flooding predictions, ground stability, contamination hazards, the presence of landfill sites etc.
- (b) Local authority searches – provides details regarding planning permissions granted and refused, building regulations certificates and information as to works carried out at the property. This also includes whether the property is in a conservation area and/or whether there is a tree preservation order connected to the property. The list goes on, but this search provides very important information.
- (c) Water and Drainage search – checks that the property is connected to water and sewerage.
- (d) Land Registry searches – the title register and title plan will confirm the seller's right to sell the property.

Your solicitor will review the search results and the mortgage offer.

Your solicitor will then raise enquiries based on the Contract pack and search results.

- **Exchange of contracts**

Once everything has been agreed, including the completion date, you will receive a final version of the contract. This will need to be signed by both parties. At the same time, you will sign the Transfer. You pay the deposit of 10% and your solicitor will request the mortgage funds from the lender, if applicable.

From this point, both you and your seller are legally obliged to buy/sell the property.

Once the contract is signed by both parties, the seller has until the completion date to vacate the property. This can happen at any point, as long as the property is available to the buyer on the day of completion.

- **Completion**

Before completion, your solicitor will carry out final searches and lodge an interest in the property with the Land Registry. This will mean the deeds are frozen for thirty days, allowing you to complete and apply for registration. Your solicitor will also send a final statement of monies due, which must be cleared in the solicitor's bank account by the day before completion.

On completion day, all outstanding monies will be transferred to the seller's solicitor. Once this is confirmed, you can collect the keys to your new home from the estate agent, and the title and transfer deeds are forwarded to your solicitor. Your solicitor will then register the property in your name and forward all official papers.

All that then remains is the final step of the Conveyancing process, which is for all outstanding monies to be paid, such as solicitor fees and any outstanding mortgage balance.

Conveyancing process for selling a house:

- **Choosing a solicitor**

Despite many people waiting until they have accepted an offer on their property, we strongly recommended that you instruct solicitor at the stage of putting the property on the market.

With lots of forms to complete, including identification requirements, it is better to be prepared and proactive. If you can do this before you accept an offer, then we can be ready to send the contract out when this happens.

- **Initial Documents**

The next step is to obtain and complete a number of documents. Your solicitor can guide you through this process, but in general these documents will be:

- (a) Proof of identity — a passport or driving licence, together with proof of address, such as a bank or utility statement.
- (b) Fitting and contents form (TA10) — this needs to be filled in and will specify what is included in the sale, both inside the property and in the outdoors areas.
- (c) Property information form (TA6) — this requires a declaration about a range of matters concerning the property, from defining the boundaries to environmental concerns. Your solicitor will advise you on what needs to be included.
- (d) Copies of any documents specified in TA6 — e.g. a Building Regulations sign off.
- (e) Leasehold or shared freehold documents — a copy of the lease, if appropriate, or documents such as the Share Certificate.
- (f) Management Information Pack — in the case of a leasehold, this should be ordered from the freeholder or their agent. It must be ordered promptly, since it can take some time to arrive.

- **Contract, deeds and mortgage**

Your solicitor will draw up the contract pack, which will include forms from the second step/point above and send these to your buyer's solicitor.

Title deeds for the property will be requested from the Land Registry, if they are not paper deeds.

If you have an outstanding sum remaining on any mortgage on the property, your solicitor will request confirmation of the amount from your lender.

- **Enquiries**

The sellers solicitors will then write to us with any enquiries they wish to make from the information contained in the contract pack and their search results.

- **Exchange of contracts**

Once everything has been agreed, your solicitor will draw up a final version of the contract, and this will be signed by both parties. From this point, you are both legally obliged to buy/sell the property.

Once the contract is signed by both parties, you have until the completion date to vacate the property.

This can happen at any point, as long as the property is available to the buyer on the day of completion.

- **Completion**

The final step of the conveyancing process is on completion day. Monies will be transferred to your solicitor and the keys will need to be made available to the buyer. Your solicitor will forward the title and transfer deeds to the buyer's solicitor.

All that then remains for the Conveyancing process is for all outstanding monies to be paid. This may include estate agent's fees, solicitor fees and any outstanding mortgage balance. Your solicitor will then transfer any funds remaining to you.

7. What is a registered title?

Most of the land and property in England and Wales is registered at HMLR. Any that is not yet registered is 'unregistered' land. Registration gives the legal owners a state guarantee in respect of their land title.

On first registration of title, a title number is allocated by HMLR. By this title number, the land and the interests in and affecting that land are subsequently identified.

The registered title includes a title plan of the land and/or property

8. What are searches and how long do they take?

Conveyancing searches take between 48 hours and 10 days depending on the type of search being carried out. Searches are a critical part of the conveyancing process.

Searches can be broken down into five main categories:

- (a) Local authority searches: These take between 48 hours and several weeks, depending on the local authority in question.
- (b) Water and property searches: These take between 1-10 days, depending on the conveyancer.
- (c) Environmental searches: These take between 1-10 days, depending on the conveyancer.
- (d) Land registry searches: These take between 4-6 weeks; however delays in the Land Registry caused by a backlog in applications due to coronavirus could cause this to be significantly longer. The Land Registry launched a digital registration service in April 2021 to try and deal with the issue.
- (e) Chancel repair liability: These take between 5-10 days.

9. What is a local search?

Local authority searches provide details regarding planning permissions granted and refused, building regulations certificates and information as to works carried out at the property. This also includes whether the property is in a conservation area and/or whether there is a tree preservation order connected to the property. The list goes on, but this search provides very important information.

10. How much deposit will I need to pay?

When a conveyancing solicitor talks about a 'deposit', they mean just one thing. The amount of money (usually 10% of the purchase price) that a buyer is obliged to pay to the seller at the point of exchange of contracts. This is a part-payment of the purchase price, which if the buyer then fails to honour and 'complete' the contract after the completion date, the part-payment can actually be forfeited as the minimum amount the seller can take from the buyer for breach of contract. This amount of money is called the 'deposit'.

11. What are disbursements

Disbursements are part of your conveyancing costs. They are fees that your [conveyancing solicitor](#) has to pay to third parties, rather than forming part of your solicitor's own costs. They are itemised separately when you request a conveyancing quote and again on your completion statement. It's important to remember that these are costs that cannot be avoided.

12. What is exchange of contracts?

Exchange of contracts is when both parties swap and sign the contracts. This is the point where you as the buyer will be asked to put down your deposit.

This is a crucial stage of buying a home. Once the contracts are signed, you will be legally bound to buy the home. If you wanted to pull out after this stage, you will lose your deposit. It also protects you if the seller backs out of the deal.

Once the contracts are exchanged, you and the seller can agree your completion date. This is when you will get the keys to your new home.

13. What is the difference between exchange of contracts and completion?

The main difference between exchange and completion is that 'exchange' is an exchange of contracts, which makes the matter legally binding between the parties, whereas 'completion' is the date the parties physically move and transfer legal ownership of the property.

14. Do I pay capital gains tax?

For the majority of people selling their home in the UK, [Capital Gains Tax \(CGT\)](#) will not apply.

You do not have to pay any Capital Gains Tax (CGT) when selling your home if all of the following apply:

- (a) you have one home only and have lived in it as your main home for the whole time you have owned it
- (b) you haven't let part of it out
- (c) you haven't used part of it for business only
- (d) the grounds, including all buildings, are less than 5,000 square metres in total
- (e) you didn't purchase the property purely to make a gain
- (f) If you meet all of the above criteria, you will qualify for [Private Residence Relief](#) and no CGT will be payable.
- (g) If any of the above do apply, you may have to pay some CGT.

You will normally have to pay CGT when selling a second home such as a buy-to-let property or holiday home. This means that if your second property has increased in value by more than your annual CGT allowance then there will be tax due.

You may also have to pay CGT if you use your home partly as a business premise, e.g. a [live/work property](#).

Please note we are not tax advisors, therefore, please seek any tax advice from an expert tax advisor.

15. What is a contract race?

A contract race is where a seller agrees to have contracts with two or more potential buyers with the expected - but not necessary - result that they sell to the buyer who is ready to exchange contracts first.

The process isn't normal or straightforward and attracts substantial additional costs on the part of the seller along with regulatory restrictions.

It is, however, a solution for a seller who has been frustrated by a buyer who has delayed in getting to exchange or has multiple offers for varying prices. The seller can benefit by finally selling, perhaps not at the highest price, but in the fastest possible time.

16. Who decides on the completion date?

As the sale is progressing however and a clearer picture of the timescales involved with the sale/purchase are evident, a proposed exchange and completion date would likely become apparent. If you have a specific date or requirement on completing a property sale, it is imperative you communicate this at the earliest opportunity to all parties concerned (estate agent, vendor or buyer and solicitor). If this date is achievable and suits everybody, then it can hopefully be worked towards.

17. Do I need a survey?

You don't *need* to get a survey done on the property you are buying. But a survey can help you avoid expensive and unwanted surprises, like an unexpected rewiring job, as well as giving you peace of mind.

Given the hundreds of thousands of pounds it costs to buy a property, a few hundred pounds on a survey to have the reassurance of an independent, expert surveyor looking over it feels like a good investment.

With the information from the survey you might reconsider whether to buy the property or use the unbiased information you have to renegotiate the price. If you find for example it needs £15,000 of roof repairs, it is reasonable to ask for £15,000 off the price. Alternatively, you might ask the seller to fix any problems before you buy.

Benefits in obtaining a survey:

- (a) you have specific worries about any part of the property
- (b) you're unsure about what sort of condition the property is in
- (c) you are looking to buy an old or unusual property
- (d) the property has a thatched roof or is timber framed
- (e) it is a listed building

18. What is a chain?

A property chain is a series of linked sales & purchases where each transaction is dependent upon the other. The key definition of a chain is 'dependent'. This means that each transaction HAS to co-ordinate to simultaneously complete things like move dates, new mortgages and so on.

In short, apart from the person at the bottom of the chain, each buyer/seller HAS to sell their existing home in order to buy their new home. This dependency is what creates problems with chains (and particularly when they break).

19. What is gazumping?

Gazumping occurs when a buyer has had an offer to purchase a property accepted by the seller, but before the sale is completed the seller accepts a better offer from another buyer.

20. What is a lease extension and how much does it cost?

Owning a leasehold property means you own the right to live in a property for a set period of time rather than own the land it stands on. The land is owned by a freeholder or landlord who will charge a ground rent.

When flats are built leases tend to be for 99 or 125 years. In theory, when this time period is up, the flat is returned to the freeholder or landlord. However, in reality, most leases are extended well before then.

When you extend your lease you'll need to pay the freeholder a premium. The freeholder is entitled to money when a lease is extended as it means they'll wait longer for possession of the property and also because once a lease extension is granted there will no longer be any ground rent payable.

21. Pulling out / other side pulls out

To cancel a house purchase, you'll need to notify your housing solicitor or conveyancer, who can inform the other side and take the necessary steps. But the decision should not be taken lightly. Pulling out can have serious financial implications:

Doing so before exchanging contracts might mean losing non-refundable costs, like surveys.

Pulling out after exchanging contracts might mean you lose your deposit.

22. What is stamp duty?

You must pay Stamp Duty Land Tax (SDLT) if you buy a property or land over a certain price in England and Northern Ireland.

The tax is different if the property or land is in:

- (a) Scotland - pay Land and Buildings Transaction Tax
- (b) Wales - pay Land Transaction Tax if the sale was completed on or after 1 April 2018

You pay the tax when you:

- (a) buy a freehold property
- (b) buy a new or existing leasehold
- (c) buy a property through a shared ownership scheme
- (d) are transferred land or property in exchange for payment, for example you take on a mortgage or buy a share in a house

23. What are restrictive covenants?

Restrictive covenants are binding conditions that are written into a property's deeds or contract by a seller to determine what a homeowner can or cannot do with their house or land under particular circumstances.

They can cover a wide range of issues, but the most common examples tend to include:

- (a) preventing owners from making alterations to a property (such as building an extension or converting a house into flats, for example)
- (b) preventing buildings or other substantial structures from being erected on a section of land or
- (c) preventing trades or businesses from operating on the land.

24. When should I insure my property?

Under standard conveyancing contracts the risk of the property passes to the Buyer on exchange of contracts. At this point both parties are legally committed to selling or buying the property. The effect of this is that if the property is destroyed or damaged between exchange and completion the buyer would still be required to buy the Property at the full contract price. It is essential therefore that the Buyer appreciates this and ensures that appropriate insurance is in place on or before exchange.

25. When do I know the property is mine?

Upon completion and once advised by your Conveyancer that it has completed. E.g. regarding a sale, once we have advised the other side solicitors we have received funds which they sent. E.g. regarding a purchase, we were advised by the other side solicitors that they have received our funds which we sent to them.