



GILSON GRAY

LAW • PROPERTY • FINANCE

Important Information

Important Information about Moving Home

1. Ownership of the land

As part of our service we look carefully at the detail of the ownership ("the title") of the land. Sometimes problems may arise and we will advise you of them. If we recommend that you take out a defective title policy it will be because, in our view, the title to the property is not acceptable in the market place without the cover being in place. Such a policy therefore resolves the problem with a defective title. We purchase the insurance policy for you. No commission is received by ourselves in connection with this.

Where a defective title insurance policy is required to enable your transaction to proceed, in addition to the cost of the policy, we will make a charge for advising on and arranging this.

Where insurance for you in connection with this transaction is needed we will not research or conduct any analysis of the market before making the arrangements. We only arrange this type of product with a limited number of insurers, who we have found to be prompt and efficient to deal with in the past and whose names we will provide on request, but we are not contractually bound to conduct business in this way. If you wish to use an alternative insurer then you are free to do so but must advise us in writing.

2. Searches

Local Search

The Local Search is carried out to check there is nothing of any concern registered against your property such as a compulsory purchase order, road scheme, enforcement action for breach of planning permission, etc.

Please note the Local Search is not a survey but a search of the register held by the Local Authority. In addition, the search only relates to the property you are purchasing and if you have any concerns regarding adjacent properties or land I recommend you contact the Local Authority Planning Department. The results of the search are a snapshot of the council's records on the date the results are issued. For mortgage purposes the results can usually be relied upon for a period of six months but of course records can change on a daily basis.

Please note that the Local Search will not necessarily reveal all matters known to the Local Authority and there will also be some matters not known to them such as plans by the Highways agency and Department for Transport to build new roads and tunnels. We therefore strongly suggest you contact the relevant government agency and ask whether they are aware of any proposals that might affect the property

You can contact or visit the Local Authority and obtain details of the Local Plan/Unitary Development Plan, which often provides useful information about the area. We can also advise you of organisations, which provide additional information on environmental matters, local schools, transport, proposals for surrounding areas, etc.

Drainage Search

A Drainage Search will be carried out to ascertain the position confirming liability and maintenance of the sewers and mains water at the property, we will report to you on this

Commons Search

Should the property you are purchasing be close to rural land or land known to be registered as a common, or town or village green a commons search may be necessary. It will reveal whether local rights exist over the land.

Mining Search

In addition, if the property is located in a mining area, we will need to conduct a search where we ask the Coal Authority to prepare a report on your property. Your case handler will advise you whether this is necessary.

Chancel Search

Chancel repair liability is an interest dating from medieval times benefiting approximately 5,200 pre-reformation churches in England and Wales. It allows a parochial church council to require the owner of any land that historically

formed part of the original rector's endowment (which is known as the "glebe") to contribute to the cost of repairing the church chancel – that part of the church containing the alter, communion table and choir stalls. Prior to 13 October 2013 this obligation passed with the affected land whether or not the owner of the land knew of the liability. From 13 October 2013 Chancel repair liability has to be protected by way of registration of a notice or caution on the deeds, however the fact it has not been registered it doesn't mean it ceases to exist. For this reason, in certain circumstances, we recommend that clients purchasing a property have the benefit of an insurance policy.

Other Searches

Depending where the property is we may need to do additional specialist searches.

3. Contaminated land

In most purchases we will receive a Property Information Form completed by the seller which specifically asks the seller to confirm if the property has ever suffered from flooding. We will send you a copy of that form and you should ensure you have both received and read this before you authorise us to exchange contracts. If you are concerned about the risk of flooding, please raise it with us and we will advise you further.

You must make sure that insurance can be obtained for the property on acceptable terms. The easiest way to do this is to log on to an insurance comparison website and check whether the premiums available for the address are reasonable and do check that the insurer is not planning on increasing premiums due to any flood risk.

We will arrange an environmental report on the property you are purchasing. This might also cover radon gas, flooding and subsidence. The Search Company will provide a certificate indicating whether the property has passed or failed in terms of contaminated land and confirming what other issues may affect the property.

We will also check if any matters relating to contaminated land are registered (in respect of the property only) in the register maintained by the Local Authority. However, in the absence of any information or registration by the Local Authority Search this does not mean that such matters do not exist. Please note however we are not qualified to advise on the contents of the result of an environmental search.

A property affected or potentially affected by contamination can be a health hazard and its value may also be affected. Where contamination is found, the Local Authority can determine that there is a need to clean up the land and will, in the first instance, look to the original polluter to meet the cost. If the original polluter cannot be found, the current owner or occupier of the land may be expected to meet such costs.

For further information regarding environmental matters including flooding we recommend that you access www.environment-agency.gov.uk a website offering lots of useful information about the area you are purchasing your property in.

4. Surveys

Whilst we are anxious to help you in any way, please note our fee and therefore the scope of our work will not include advice on the structural condition, environmental or other surveys and inspections. Only where these matters are the subject of especially agreed written terms are we able to advise or able to arrange advice from a third party.

With regard to the state and condition of the property you must satisfy yourself with the surveys and inspections. Any faults found in the property after exchange of contracts will be your responsibility and therefore the surveys and inspections must be carried out prior to exchange.

5. Leasehold Properties

If the property you are buying is leasehold you will be responsible for the payment of ground rent and service charges on the property during your ownership. We will provide you with as much information as we can regarding the service charge. Estimates for service charges for the future are usually based on previous accounts and should not be taken as a definitive indication of future service charge costs. If you have any further enquiries in this regard, you should make enquiries directly with the Landlord or Management Company.

We would refer you to Leasehold Guide produced by the Conveyancing Association <http://www.conveyancingassociation.org.uk> and The Leasehold Advisory Service which is a Non Departmental Public Body funded by Government to provide free advice on the law affecting residential leasehold property. There are some useful guides in particular Living in Leasehold Flats - A guide to how it works. Please visit <http://www.lease-advice.org>

In addition, with leasehold properties there will invariably be additional expenses to pay to third parties for example:

- Notice fees to a Landlord and/or Management Company to register the change of ownership to you

- Deed of Covenant fees to cover the cost of preparing a document you sign to confirm you will observe the terms of the lease once you own the property.
- Fee to become a member of the Management Company or to transfer share certificate
- Fee on Licence to assign
- Fee to obtain Certificate of Compliance
- Exit Fee
- Administration fee based on a percentage of the Sale/Purchase price (usually 0.5% or 1%)

The list is not exhaustive.

We will not be aware of the expenses until later in the transaction once all the paperwork has been received and reviewed, but we recommend you account for additional leasehold expenses. They vary but would suggest you budget about £250. The figure may be more or could be less and we will advise you when the figures are known to us.

Following completion it will be your responsibility to pay the ground rent and service charge. You must ensure the Landlord/Management Company responsible for collecting the ground rent and service charge have your up to date correspondence/contact details.

6. Unforeseen work

We will inform you if any unforeseen extra work becomes necessary - for example due to unexpected difficulties, or if your requirements or the circumstances change significantly during the matter. We will also inform you in writing of the cost of the extra work as soon as we are able. No extra work will be carried out until we have obtained your approval of the cost we propose to charge for it and as such will form a separate contract to that covered by the above illustration.

7. Acting For Lenders

In the case of a purchase that is dependent upon mortgage, we will receive instructions from your lenders to act on their behalf. If so, we will have to pass them information you give to us that might be relevant to their decision whether to finance the purchase. If you tell us things that you do not want the lenders to know and the information is of relevance to the lenders, I may have to stop acting for the lenders and possibly also for you.

8. Buildings Insurance

You will need to have buildings insurance in place and on risk as soon as we have exchanged contracts. This means that you must contact your insurer to arrange suitable cover in readiness for us exchanging contracts. You must then call your insurer to put the policy on risk as soon as we confirm to you that contracts have been exchanged.

If you are obtaining a mortgage and arranging your own Buildings Insurance we must make sure on behalf of your lender that adequate Buildings Insurance cover is in place before they will release the advance. You should in particular consider the risk of flooding and prior to authorising us to exchange contracts obtain an insurance quotation and check whether flood risk will be included, and on acceptable terms. I also suggest you check with the proposed insurers that they have no proposals to significantly increase premiums or withdraw cover because of increased flood risks in the area. You may be aware that a number of insurers are doing so.

This also applies if you are not having a mortgage as you will still need to have adequate Buildings Insurance cover in place. This is because the contract provides that the property becomes your risk on exchange of contracts.

We will carry out a search to help establish whether the property is in an area of potential flooding, but there are steps you can take in addition to the search we do, for example, discuss the situation with the seller, who may have personal knowledge of actual past flooding and make enquiries of the neighbours and the employees/owners of local amenities.

For further information regarding flooding we recommend that you access www.environment-agency.gov.uk for further information.

9. Completion dates

This is the day when we pay the money to the seller's conveyancer to complete and they give us the transfer document to transfer ownership of your new home to you. You collect the keys and physically move into your new home.

Until contracts have been exchanged, the completion date is not fixed for definite and the agreement to sell or buy a property is not binding.

Throughout your transaction up to the stage of exchange of contracts, we may well discuss with you tentative completion dates in readiness for exchange of contracts. Until you hear from us with confirmation that we have exchanged contracts, you must not take any estimated/tentative dates as final confirmation of the completion date.

There are occasions when exchange of contracts and completion takes place on the same day, quite often it occurs because clients want to aim for a date and all parties in a chain are not ready to commit to exchange until the last minute. It can be stressful for all parties and we don't recommend it. In these circumstances we cannot give you definite confirmation of the completion date until exchange has taken place on the day. In these circumstances we cannot guarantee the completion date and if, in anticipation of a simultaneous exchange and completion, you make your removal arrangements, we cannot be held liable if the transaction does not, in fact, exchange and completion on the proposed date.

As soon as we have exchanged contracts we will telephone and/or write to you confirming that exchange has taken place and the completion date agreed. Until this time we would advise you against making firm arrangements to physically move which is why we also suggest that you allow enough time between exchange of contracts and completion to organise removals etc, and allow us time to put in hand arrangements to complete.

10. Vacant Possession

Most people want to buy their property with vacant possession on completion. In particular they want to be sure that the property is free of tenants. If you are aware that there is a tenant in the property please let us know so we can check the position with your sellers' solicitors. To be on the safe side we would strongly advise that you do not exchange contracts and commit to completion until the tenant has moved out and the property is empty.

11. Our Account and Completion Statement

We will submit a bill for charges and expenses normally after exchange of contracts. This enables you to pay the account before completion so that all the financial issues can be resolved when the purchase is completed.

If you have any query about the bill you should contact us straight away.

12. Stamp Duty Land Tax

Stamp Duty Land Tax does change from time to time and while we will endeavor to provide you with an accurate fee estimate, any Stamp Duty Land Tax will be payable by you at the prevailing rate within 14 days of completion, until Stamp Duty Land Tax has been paid we cannot register your ownership of the property.

Please note the Stamp Duty Land tax Return charge is incurred when completing the Stamp Duty land tax form.

The benefit of Gilson Gray completing the form online is that the information is validated by us before it is sent to the Inland Revenue saving delays and potentially fines from the Inland Revenue as the required information must be submitted to the Inland Revenue and received by them within 14 days of completion.

13. Your best interest

If we have received instructions from a third party such as a broker or introducer our direct relationship is with you and not the referrer. You are free to choose another firm of Solicitors if you wish. Please rest assured we will be acting in your best interests at all times, even if that is to the detriment of any referrer.

Any advice given by us will be independent and you are free to raise questions on all aspects of the transaction,

14. Proposed high speed rail link

You may be aware of the proposed high speed rail link known as 'HS2'. Proposed routes have been confirmed and the property you are purchasing may or may not be near to or in any way effected by the proposal.

We will not be making specific checks as to whether the property you are purchasing is near to a proposed route. You should be aware of the scheme and consider whether the property you are purchasing is affected in any way that causes you concern. We suggest you research the matter to your satisfaction before exchange of contracts, you can find more information at the following website <http://www.hs2.org.uk>.

15. Lower Thames Crossing

A Lower Thames crossing is needed to reduce congestion at the existing Dartford Crossing and support economic growth. Highways England proposes a dual carriageway connecting junction 1 of the M2 and the M25 between

junctions 29 and 30. This crosses under the River Thames just east of Gravesend and Tilbury. They have developed 3 routes north of the river and 2 routes south of the river. You should visit the Highways England website for further details and to consider whether the proposed plans could affect the enjoyment of the property you are buying. – <https://www.gov.uk/government/organisations/highways-england>

Aberdeen

Blenheim Gate, Blenheim Place, Aberdeen, AB25 2DZ
T: 01224 011700 F: 01224 011701

Dundee

2 West Marketgait, Dundee DD1 1QN
T: 01382 202 208 F: 01382 202 208

Edinburgh

29 Rutland Square, Edinburgh EH1 2BW
T: 0131 516 5354 F: 0131 516 5378

East Lothian

33 Westgate, North Berwick EH39 4AG
T: 01620 893 481 F: 01620 894 442

Glasgow

160 West George Strret, Glasgow G2 2HG
T: 0141 530 2021 F: 0141 530 2035

Lincoln

Olympic House, 995 Doddington Rd, Lincoln, LN6 3SE
T: 01522 503500

gilsongray.co.uk

