



Phillips, Green & Murphy Solicitors

First-Time Buyers Guide

If you are looking to purchase your first home but you're feeling a little daunted about where to begin – read our FAQ guide. Making the right property choice means doing your homework before falling in love with your first home.

1. When viewing a property, what should I look out for?

Viewing a property is essential, as photos and marketing material might only show certain aspects of the property. Here are a few questions to ask when viewing a property:-

- How long has the house been on the market?
- Has there been much interest in the property?
- What's the area like?
- Has there been any major work on the building?
- Is the property listed or in a conservation area?
- How long have the owners lived there?
- Exactly what's included in the sale?
- Have the sellers found their next property?
- How much are the Council Tax and utility bills?
- Which way does the property face?



2. How do I make an offer?

Once you have found the property of your dreams, the next step is to make an offer. It is important to consider a variety of factors when choosing your price level in order to achieve the right deal for you. Take a step back to logically look at all the things that matter before making your offer. You can make an offer via an estate agent if a home is sold through one, or directly to the seller for private sales. Offers can be made verbally (over the phone or in person) or in writing.

3. Is my offer legally binding?

An offer isn't legally binding in England and Wales until contracts are exchanged. If a buyer makes an offer 'subject to contract', this means the price can still be negotiated (e.g. if a survey finds a problem with the property).

4. How do I know how much to offer for a property?

First time buyers who have pre-arranged mortgages have a head start on most of the competition. Make the agent and seller aware of this, as this can put you in a very favourable negotiating position, especially if the seller is in a chain. Be sure to check if they are in a hurry to sell or have been trying to sell for a long time. If so, they may be willing to accept a lower offer to make the sale. Sellers who are not in a hurry to move are more likely to hold out for a higher price.

Decide on your budget and a maximum limit from the outset. If the seller refuses to negotiate, you need to think very carefully if the property really is worth the extra money. Check what the property is truly worth. Whilst sold house prices can help give an idea of recent sales, it's better to see what the competition is like now. If there are any faults or repair work required, use this to justify a lower offer.

5. Where can I get a mortgage?

As a starting point your estate agent should be able to help you with what is available. If you already have a relationship with a bank or building society, see what they have to offer. Home builders and developers often have attractive mortgage deals and your employer might be able to help - some financial firms have mortgage schemes for staff.

To get the best deal you need to make sure your money is in order. The better your credit rating and bigger your deposit, the more options you will have when looking for a good mortgage deal.

6. What is conveyancing?

When a house or flat is sold, legal and administrative work is needed so that the person buying the property owns it legally. This is called conveyancing. A conveyancer carries out the legal work that's involved in transferring the ownership (or title) of property from one person to another. Most of the time this is a solicitor, but it could equally be a property lawyer or licensed conveyancer.

7. How do I find a conveyancer?

You might want to look for a solicitor who is a member of the The Law Society's Conveyancing Quality Scheme - the recognised quality mark for legal experts in buying or selling property. Phillips, Green and Murphy are a Law Society CQS accredited firm, so you can be confident that you will receive a quality service.

Also, your conveyancer does not have to be local to you or the property. With modern technology, you can choose the best conveyancer for you from anywhere in the country. Each aspect of the process can be done remotely – documents can be scanned and emailed or sent in the post – and you can speak to your conveyancer on the phone. You may pay a small charge for your identity to be checked electronically, if you don't meet in person.

8. When should I instruct a conveyancer?

You should contact a conveyancer as soon as you are thinking about buying a home. There's no need to wait until you've found home you'd like to buy, and having a conveyancer lined up shows how serious you are.

9. How much will a conveyancer cost?

The cost of a conveyancing service can vary depending on the value of the property and how much legal work is required, plus other factors, such as whether it's a Freehold (most houses), or Leasehold (flats). Conveyancing on Leasehold transactions costs more, because these are more complicated (See 13.)

Make sure you're comparing like with like from one solicitor to another and, if one price seems very low, check what's included. Many firms will give a quote for their fees as well as other factors, like searches and Stamp Duty, which they pay on your behalf, but some will limit what they include to appear competitive.

10. What will the conveyancer require from me?

Your conveyancer will ask for your personal identification, details of the property, influences that may affect when you would like to exchange and complete, how you plan to pay for the property, mortgage application, plans to carry out work, purchasing with someone else, whether you are in a chain or own other residential properties. You may not be asked for all these details, however at some stage you may need to provide this information to ensure legally you can buy the property.

11. What are searches and surveys?

Your conveyancer will carry out property searches and surveys - an investigation into the property you are buying, your mortgage lender, and giving you as much information as possible about the property. Carrying out searches will provide details about issues that could affect your new home including legal disputes, flooding, planning constraints and permissions. Searches and surveys are always carried out before the 'exchange of contracts' to give you an indication of whether your conveyancer will need to manage any property-related legal problems.

12. Is an Energy Performance Certificate necessary?

Yes. The Energy Performance Certificate (EPC) contains a rating for the energy performance of the property, and recommendations for improving it.

13. What is the difference between Freehold and Leasehold?

With a Freehold, you buy the property and the land it is built on, but with Leasehold, you buy a share of what is built on someone else's land. If the property is Leasehold (particularly common when buying a flat), there will be detailed lease terms and conditions. This may include the need to obtain the landlord's prior consent to your purchase or to the carrying out of any works at the property. You will need to check the length of the lease. If it is less than 65 years - discuss this with your solicitor.

14. Signing the contract

If you are still happy to go ahead following your solicitors report on all the investigations that they have made for you so far, they will finalise the terms of the contract and explain it to you. You then need to sign the contract and provide the deposit - often 5-10% of the purchase price.

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15. Exchanging contracts

This is the moment when the agreement is made between you and the seller. The solicitors insert the date you have agreed with the seller in the contract for completing the sale. Your solicitor and the seller's solicitor exchange contracts so that you have the contract the seller has signed and the seller has the contract you have signed. This is then a binding deal which should be completed on the agreed date.

16. When do I pay the final balance on the property?

Between exchanging contracts and completion, your solicitor will request the mortgage money from your lender and the rest of the money from you to purchase the property. This will include costs, VAT, Land Registry fees and stamp duty land tax (if any).

Your solicitor will carry out final searches and make arrangements with the seller's solicitor for paying off any existing mortgages on the property. Your solicitor will also prepare the transfer deed and send it to the seller's solicitor and possibly also to you for signing.

17. When can I collect the keys and move in?

Completion is the final stage in the conveyancing process when your solicitor hands over the money to the seller and the keys are released to you.

Your solicitor will:-

- Pay the stamp duty land tax and Land Registry fees on your behalf
- Register the interest of your mortgage lender and;
- Record you as the new legal owner of the property at the Land Registry

18. Are there any other legal matters I need to consider?

Buying a property may introduce other related legal matters. For example:-

If a husband and wife are buying a home in joint names they should consider how the property will be owned if one of them dies.

If you are buying a home with someone who you are not married to, you may need to enter into a 'deed of trust' to set out what share of the property each person owns.

If you do not have a Will, you should consider making one. If you do have a Will, you may need to update it.

Phillips, Green and Murphy can offer you legal advice as part of a complete professional service.

For further guidance, contact Paula Murphy on 01792 468684 or email enquiries@pgmsolicitors.co.uk.