

# Guide For Buyers

Before making your offer we urge you to consult the Solicitor who will be dealing with your purchase for a broad ranging discussion about the purchase. Your Solicitor will be able to advise you about surveys, mortgages and insurances, and by having a discussion at the earliest possible time your Solicitor will be able to give useful guidance and assistance.

## 1. SURVEY

We advise that a survey should be carried out in respect of the purchase of any house or flat. Where you are having a mortgage the inspection may be limited and we advise a full survey be carried out for your benefit. Your Solicitor or your lending institution should be able to assist in arranging the appropriate survey.

## 2. INSURANCE

### a) Buildings

It is essential (even when you are having a mortgage) that the property is insured to its full replacement value from time to time because if it is not and you suffer a loss then the insurance company is entitled to impose a penalty in respect of any under-insurance. We are unable to advise you as to the amount for which the property should be insured. If in doubt then you should please check with your surveyor. Even if you are having a mortgage, then please do check with your lender that the property will be fully comprehensively insured.

Where you are purchasing a leasehold property the building itself will usually be insured under a block policy and you will usually only be concerned to insure contents and public liability. It is usually better to insure the contents with the same company which insures the building because experience has shown that where contents are insured with a different company than the building, difficulties can arise where it is not clear under which policy a particular loss is covered.

### b) Contents

Unless you arrange specifically with your lender then, even when you are having a mortgage, it will be a matter for you to arrange contents insurance. Please don't forget to arrange for coverage while your possessions are in transit.

c) Life/Endowment Assurance

If you are having an endowment mortgage then the insurance policy will be held by the lending institution and while the death benefit under the policy is guaranteed the payment at the end of the term is not guaranteed; it is therefore essential that you check from time to time with the insurance company that the policy is on target to do that which it is intended to do, (ie) at the very least to pay off the mortgage at the end of the term. If it is not on target at any time then it will then be open to you to take out "top up" coverage to make sure that the policy will be sufficient at the end of the day. It is essential to make sure that the premiums due under the policy are paid when they are due or the policy will lapse and no benefit will be payable.

d) Mortgage Protection/Term Assurance

If you are having a repayment mortgage you may wish to consider mortgage protection assurance to pay off the loan in any event of death during the mortgage term.

3. LEASEHOLD

When you are purchasing a lease, it is essential you make the ground rent and maintenance payments as and when they are demanded, because if you fail to do so, then the ground landlords may forfeit your lease. If, for example, you are going to be away from the property at any time when ground rent/maintenance which will become due in your absence – cases have arisen where the owner of a leasehold property has found that his or her lease has been forfeited because ground rent/maintenance demands have come in during the absence, which have not been dealt with.

4. JOINT OWNERSHIP

If you are buying with others, for example where a husband and wife buy in their joint names, please consult your Solicitor as to which one of the two types of joint ownership is to apply.

5. SECOND/INVESTMENT PROPERTIES

If you already own a property which you are not intending to sell, please be aware that there may be Capital Gains Tax (CGT) implications arising from your purchase. We would recommend that you consult your accountant for specific tax advice.

6. COMPLETION

Please note that generally the keys of the property will not be released to you by your Seller or their representatives until the sale monies have been paid over, and because often there is a chain of transactions involved no guarantee can be given as to what time on the completion day you will be entitled to the keys, although every effort will be made to minimise any possible delay in your receiving the keys and any inconvenience to you.

7. AFTER COMPLETION

After completion your Solicitor will be dealing with the stamping of the transfer document and registration of title at H M Land Registry, and afterwards the title deeds and documents will, if the property is mortgaged, be sent to the lending institution for retention. Indeed, increasingly, lenders are requiring the Land Registry to keep the original Charge Certificate for them and are reluctant to hold on to what they would consider to be unnecessary documents.

8. STORAGE OF PAPERS AND DEEDS

After completing the sale/purchase, we are entitled to keep all your papers and documents while money is owing to us for our charges and expenses. We will keep our file of papers (except any of your papers which you asked to be returned to you) for not less than six years and on the understanding that we have your authority to destroy the file six years after sending you our final bill.

We will not destroy documents you ask us to deposit in safe custody. At the moment, unlike the banks, we make no charge for this service.

If we retrieve papers or documents from storage in relation to continuing or new instructions to act in connection with your affairs, we will not normally charge for such retrieval. However we may make a charge based on time spent producing stored papers or deeds or documents to you or another at your request. We may also charge for reading correspondence or other work necessary to comply with the instructions given by you or on your behalf.