

Grigor & Young LLP

SOLICITORS & ESTATE AGENTS

Your Quick-Start Guide to Selling a House

<u>Your Key Steps</u>	Typical Countdown	<u>Your Solicitor's Key Steps</u>
Prepare the property	⑩	
Organise Home Report	⑨	
Allow Purchaser to view	⑧	
Verbally accept offer	⑦	
Give detailed instructions re offer	6 weeks to sale	Prepare and send Acceptance
	⑥	Send title deeds and order reports
	3 weeks to sale	
Be available for updates	⑤	Send reports and answer queries
	2 weeks to sale	
Sign documents	④	Arrange signature of documents
	③	Check mortgage redemption
Organise your move	②	
	1 week to sale	
	①	Send final reports
	SALE	
Notify Council Tax, electricity and other suppliers, banks etc and friends and family		Repay mortgage, transfer funds and register Discharge

YOUR QUICK START GUIDE TO SELLING A HOUSE

01343 544077
Elgin

mail@grigor-young.co.uk
www.grigor-young.co.uk

01309 672126
Forres

What does that word mean?

Acceptance – This can mean different things depending on the stage and nature of the transaction. The Estate Agent, or solicitor will confirm with you that the basic points of the *Offer* (price, etc.) are acceptable, usually by phone or email. This is known as *Verbal Acceptance*. At this stage there is no binding contract. The written acceptance is usually a *Qualified Acceptance*. A *Qualified Acceptance* needs to be accepted by a purchaser so at that stage there is no binding *Contract*. More rarely the *Offer* could be accepted without any adjustment. This is called a “de plano acceptance”. If there is a de plano acceptance it means that everything is agreed between the purchaser and seller and therefore there is a binding contract between them. The *Qualified Acceptance* and de plano acceptance are prepared by the solicitor and in most circumstances are signed by them.

Concluded Missives – (also conclusion of the *Missives* or *Contract*) - This indicates that all points have been agreed between a seller and purchaser in writing and that the *Contract* is binding on both parties. The *Contract* is usually made up by an exchange of letters between solicitors known as *Missives*.

Contract – The *Contract* between a purchaser and a seller. Once the *Contract* is in place it is binding on both parties and at that stage is known as “concluded”. The *Contract* is usually made up by an exchange of letters called *Missives* signed by the solicitors acting for the purchaser and seller.

Deposit – A payment made to the seller in advance of the purchase. It would be unusual for a deposit to be payable for a house sale.

Discharge – The document which confirms that the mortgage is repaid. This is signed by the Lender (possibly electronically) and registered at the Land Register.

Disposition– The documents to transfer ownership of the *Property*. It is signed by the seller.

Land Register –The register which has records of Scottish land and properties. This is one of the public registers relating to land and certain legal documents maintained by the Registers of Scotland.

Missives – An exchange of letters, intending to have contractual effect, exchanged between the solicitors of the purchasers and sellers. The *Missives* are the *Contract* and are binding on the seller and purchaser.

YOUR QUICK START GUIDE TO SELLING A HOUSE

01343 544077

Elgin

mail@grigor-young.co.uk

www.grigor-young.co.uk

01309 672126

Forres

What does that word mean? – cont

Mortgage – A loan secured against the *Property*. In Scotland the technical term is *Standard Security*.

Offer – This is a letter offering to buy the *Property* stating the principal terms including price, what is to be included in the price, the date of purchase and any special conditions. The *Offer* will usually incorporate standard clauses dealing with such matters as alterations, Reports, etc. The *Offer* is not binding on the parties and is the first stage of the *Contract* or *Missives*.

Property – Land including any buildings on that land, or a flat in a block. The word also includes any rights included, such as a right of access.

Qualified Acceptance – The letter sent by the seller's solicitor in response to the *Offer*, which is intended to have contractual effect. At this stage the *Contract* has not been finalised and so there is no binding contract between the purchaser and seller.

Reports – These are the Land Register and Local Authority Reports to check matters which will be included as part of the *Offer*.

Settlement – Sometimes also known as Completion. This is the day on which the purchase price is transferred by the purchaser's solicitor to the seller's solicitor, the *Disposition* is delivered to the purchaser's solicitor, the keys are handed over and ownership is transferred.

Standard Security – the *Mortgage* deed. It is registered at the Land Register of Scotland and will need to be discharged following the sale.

Title Conditions – Conditions which affect the *Property*. These can include e.g. a restriction on use, and practical matters such as who is responsible for repairs to fences etc.

Title Deeds – The documents which confirm the details of the *Property*, including the *Title Conditions* and ownership, which are registered at the Land Register of Scotland. It can also include other documents which are relevant to the *Property* such as Local Authority paperwork for alterations or Guarantees for timber treatment work.

Verbal Offer – An approach by telephone or email before an *Offer* is sent. This is often when a purchaser wishes to confirm that a price will be acceptable to a seller, or possibly to check some unusual condition such as the longer than normal timescale. A *Verbal Offer* is not binding on the parties.

YOUR QUICK START GUIDE TO SELLING A HOUSE

01343 544077

Elgin

mail@grigor-young.co.uk

www.grigor-young.co.uk

01309 672126

Forres

The Contract

Both purchaser and seller will wish to have the *Contract* in place just as soon as possible.

Missives. The *Contract* is usually made up by an exchange of *Contract* letters between solicitors. These *Contract* letters are collectively known as “*Missives*”. These letters are sent on your behalf and you will be legally bound by the *Contract* once there are *Concluded Missives*. If you are unsure about any aspect of the *Contract* you should ask for clarification.

Typically, it takes about a week for an *Acceptance* to be issued. Usually the *Offer* will say that the *Acceptance* is to be received within 5 working days, but that is not always achievable.

Once the *Offer* has been received your solicitor will check the details with you before sending an *Acceptance* or *Qualified Acceptance*. This could be done in writing or at a meeting. As you will need to see the *Offer* normally the details are not taken by telephone.

If further amendment to the *Contract* is needed this will be relayed in a further *Contract* letter, but typically this letter has only two or three clauses, which means that when the purchaser’s solicitor is taking instructions the timescale for this should be fairly speedy.

Timescale. You should expect the *Contract* process to take around 3 to 5 weeks, but sometimes the *Contract* is not finalised until the same day as the purchase. If you are relying on the funds for a purchase please remember that the *Contact* for your sale should be *Concluded* too.

Binding Contract. Until the final letter is in place either side can change their mind without being liable to the other. This uncertainty can be frustrating especially if one side feels that the other side is delaying for a reason not directly relating to the *Contract*. Such a delay can make it difficult for both sides to finalise other arrangements. Your solicitor will do their absolute best to make sure that your sale is on the date scheduled and in the vast majority of cases this is what happens. Your solicitor will give you as much warning as possible if something arises and they do not think that your sale will be on the scheduled date.

YOUR QUICK START GUIDE TO SELLING A HOUSE

01343 544077

Elgin

mail@grigor-young.co.uk

www.grigor-young.co.uk

01309 672126

Forres

The Expenses

Check what the expenses will be before you accept an offer.

Expenses or Outlays. Most sellers will pay: -

- Land Register Reports.
- Local Authority & Environmental Reports.
- Advance Notice – Notification to the Land Register that Disposition will be registered.
- Bank charges in connection with repaying your mortgage.
- Land Register fee for registering the Discharge

Tax

If the house you are selling is not your main residence you should check if there is a Capital Gains Tax liability.

Land Register fee for registering the Discharge of the Mortgage. This is £60 or £70 depending on your title and lender.

Bank charges will depend on which bank the solicitor uses and usually the bank charges per transfer are between £15.00 and £30.00. Lenders require that *Mortgage* redemptions are made by CHAPS. Depending on the amount of funds being credited to you and the urgency a CHAPS payment may be needed.

Your Solicitor's Fee

Fee Quotes. If you are thinking about selling, ask for a fee quote. Every *Property* is slightly different and solicitors have a different way of working out their fees so try to give as much information as possible:-

- The price range
- Whether or not there is a *Mortgage*
- The location of the *Property*
- How long you have owned the *Property*

There may be other costs which are not apparent when a fee quote is being provided, or at the beginning of your transaction.

The Fee. Usually, if you have asked for a fee quote your solicitor will be able to make a reasonable guess of the possible complications. They will use the information you have provided as well as local knowledge they have gained from dealing with other

YOUR QUICK START GUIDE TO SELLING A HOUSE

01343 544077

Elgin

mail@grigor-young.co.uk

www.grigor-young.co.uk

01309 672126

Forres

nearby properties to provide a fee quotation which is tailored to you and the *Property*.

Even for a low value *Property* without complications you should budget for a fee of at least £900.00 (inclusive of VAT).

Beware Of Hidden Costs. If you have been given a fee quotation remember to ask whether additional charges are possible and in what circumstances

Don't be fooled into accepting an attractive headline cost and find that your bill has suddenly increased because you were not told of the likelihood of for example, bank charges. However, remember that some of the costs may not be predictable at the outset. Ask if any part of the process is not covered in the Conveyancing fee – e.g. is there an additional fee for checking your ID documents for Money Laundering purposes?

YOUR QUICK START GUIDE TO SELLING A HOUSE

01343 544077

Elgin

mail@grigor-young.co.uk

www.grigor-young.co.uk

01309 672126

Forres

The Property

What is included? The Schedule of Particulars and Home Report will confirm what you are selling. The purchaser's solicitor will check the *Title Deeds* and other documents and confirm the boundaries and *Title Conditions* as well as checking that the *Property* has all necessary rights of access etc. If you are aware of any issues, eg. a discrepancy re the boundary, make sure that you have given your solicitor details at an early stage to avoid last minute complications or delay.

- A purchaser will expect to be owner of the *Property* without challenge and to be aware of what, if any, *Title Conditions* may affect the *Property* from a practical point of view.
- A seller will expect legal ownership and responsibility for the *Property* is transferred to the purchaser and that the seller's *Mortgage* is discharged at the Land Register.
- A *Mortgage* lender will not sign a *Discharge* until they have received full payment.

Title. Ownership to the *Property* is transferred by the seller signing a deed known as a *Disposition*, which is then registered with the Land Register of Scotland. The Land Register keeps electronic records and prepare a Title Sheet for every registered property.

Other documents. The Title Sheet is not the full story. When we refer to the "title deeds" we are including other documents which need to be kept in a safe place such as documents in connection with alterations to the *Property*, guarantees for specialist treatment work, or other documents which are not sent to the Land Register. Your "title deeds" maybe are kept at different places. Make sure you know where the "title deeds" are before you put your *Property* on the market or agree a sale and that you have all relevant documents so these can be handed to your solicitor.

Practicalities. Your solicitor will leave it to you to organise practical things such as arranging your move, notifying the electricity and other services and notifying the Council Tax office. You should not cancel your Building Insurance until the sale is finalised.

YOUR QUICK START GUIDE TO SELLING A HOUSE

01343 544077

Elgin

mail@grigor-young.co.uk

www.grigor-young.co.uk

01309 672126

Forres

ESTATE AGENCY COSTS				To pay asap	To pay at sale
Pre-sale Valuation fee	Y	N	?	£	£
Set Up/ Take on fee	Y	N	?	£	£
Home Report	Y	N	?	£	£
Photos/ Schedules	Y	N	?	£	£
Web advertising	Y	N	?	£	£
Property Centre advertng	Y	N	?	£	£
Press advertising	Y	N	?	£	£
Commission/ Sale fee	Y	N	?	£	£

LEGAL COSTS					
Plans Report	Y	N	?	£	£
Plan	Y	N	?	£	£
Additional Plans Report	Y	N	?	£	£
Legal Reports	Y	N	?	£	£
Property Enquiry Certificate	Y	N	?	£	£
Contamination Report	Y	N	?	£	£
Advance Notice	Y	N	?	£	£
Bank Charges	Y	N	?	£	£
Registration - Discharge of Mortgage	Y	N	?	£	£
Company Search	Y	N	?	£	£
Coal / Mining Report	Y	N	?	£	£
Solicitors fee	Y	N	?	£	£

Is there an additional fee/charge for- Identity/Money Laundering check	Y	N	?	£	£
More than 1 mortgage	Y	N	?	£	£
Plan Discrepancy issues	Y	N	?	£	£
Alterations/ Contamination issues	Y	N	?	£	£
Access or services issues	Y	N	?	£	£

Other typical charges- Copy title deeds	Y	N	?	£	£
Copy alterations documents	Y	N	?	£	£
Title Indemnity Policy	Y	N	?	£	£
Water Report	Y	N	?	£	£

CHECK - DO THE COSTS INCLUDE VAT? Y N ?

OTHER COSTS Anything else	Y	N	?	£	£
------------------------------	---	---	---	---	---

YOUR QUICK START GUIDE TO SELLING A HOUSE

01343 544077

Elgin

mail@grigor-young.co.uk

www.grigor-young.co.uk

01309 672126

Forres