

Our guide to buying a property



Before you start looking for your new home, here are a few tips to make sure you are in the best possible position to put in an offer on a property:

1. Get a Mortgage in Principle

Knowing how much you can borrow ahead of time will help convince the sellers and their estate agents that you are a serious buyer who can move forward on a purchase. Ensure you get a PDF of your DIP/AIP (Decision or Agreement in Principle) as this is very useful when submitting an offer and will be required for AML purposes (see Step 2:1 below).

2. Where are your funds coming from?

Make sure that the funds being used to purchase the property are easily accessible and the portion of cash can easily be shown to your agent when they carry out their Anti Money Laundering (AML) checks. If any amount is being gifted (eg from a parent, relative, friend) the estate agent is required to carry out AML on the giftor as well as the buyer, and will request the same proof and source of these funds. We strongly advise that this documentation is readily available when you put in an offer otherwise this will slow down the process if the offer is accepted and won't put you in a strong position to move quickly.

3. Are you in a chain?

Are you renting or do you have a property to sell? If you are in a chain, we recommend that your property is on the market before you put in an offer. It is common practice for purchasers to link their purchase with the sale of their current property, so making sure you are actively marketing your own property will help to ensure a simultaneous exchange and completion on both your sale and your purchase. NB: You will not technically be considered 'proceedable' by a vendor if you are not under offer yourself. Any offer you make on an onward purchase would be deemed 'an expression of interest' until you are under offer and proceedable.

4. When do you want to move?

Think about your timeline and when you ideally need or want to move into your new home.

5. Choose a solicitor

It costs nothing to research and find a solicitor and it saves time once your offer is accepted. It is hugely beneficial to choose a good, efficient solicitor. Personal recommendations are very useful - you need the best one you can find. Your agent will have a list of recommended solicitors with a proven track record so do ask them. NB: Your solicitor will request the same AML documentation and proof and source of funds so it would be prudent to have all of these documents immediately to hand in PDF format.



You've found your dream home and your offer has been accepted – what are the next steps?

IMMEDIATELY/WEEK 1:

1. Anti Money Laundering (AML) checks

Your agent is required by law to carry out Anti Money Laundering (AML) checks on the individuals purchasing the property. Note that anybody gifting money towards the purchase will also be subject to the same AML checks. The documents required are certified ID (passport); proof of address (a document dated within the last 3 months); proof and source of funds (ie where the money has come from e.g. payslips/bonus statements/inheritance). It is strongly advised that these documents are submitted to your agent **within 24-48 hours of your offer being accepted**. At this point, the agent will also require your solicitor and surveyor contact details together with the contact details of your mortgage broker too if necessary.

2. Put your solicitor in funds

Your solicitor will need to be put in funds in order to pay the local council for requisite Local Authority Searches and these usually take approximately 3-4 weeks for Hammersmith and Fulham council to return to your solicitor. Your solicitor will raise any enquiries that may arise from the searches. For more information visit: www.lbhf.gov.uk/environment/local-land-charges

3. Memorandum of Sale

Your estate agent issues this to all parties once all the necessary AML processes have been completed. The Memorandum of Sale is a legal document that essentially introduces the buyer's and seller's solicitors to each other and is the official commencement of the conveyance.

4. Complete your mortgage application

You should already have a DIP/AIP from your lender but ensure your actual mortgage application is submitted immediately after your offer is accepted. Follow up with your broker to find out when the mortgage valuation is being carried out on the property and update your agent accordingly. Your agent will be monitoring the progress of the sale and will keep all parties up to date and ensuring that the conveyance moves forward promptly.

5. Book a structural/building survey

We recommend that you book in your mortgage and building surveys immediately after your offer is accepted – it shows commitment to the purchase and gives the seller confidence in you, the buyer. The building survey determines the condition of the property. Your solicitor will check any legal issues and your mortgage lender will arrange a "valuation survey". Your agent will have a list of recommended surveyors who are familiar with the properties in the area. Your surveyor will send you a report that should be shared with your solicitor so that they can raise any necessary enquiries about the property. If there are any issues do report/discuss these with the selling agent.

6. Fixtures and Fittings forms and Property Information forms

These are also known as Fittings & Contents Form or TA10 Form and they are provided by the vendor's solicitor to your solicitor who will share them with you the buyer. This form itemises the furniture/contents/light fittings etc that the vendor is either including or excluding in the sale or that are available to purchase. Do ensure that you read these so that you are fully aware of what is or isn't included in the sales price and so that there are no surprises on completion!



AFTER APPROXIMATELY 4-6 WEEKS:

7. Arrange Home/Building Insurance

You are required to have building insurance in place on the day of exchange. Your solicitor will require a copy of the insurance certificate prior to an exchange of contracts. Your agent will have a list of recommended insurers.

8. Solicitors Report and Contract

Your solicitor will formally report to you and send you a contract to sign and return. Once both vendors and buyers are happy with the contract then EXCHANGE can take place. NB: Ensure that your solicitor is put in funds for the deposit monies (10% of the purchase price) which are deposited in the seller's solicitor's account on exchange of contracts. Your solicitor will usually request this at least 48 hrs in advance of exchange.

9. Book your removals

Approximately two weeks before exchange, you will need to reserve your parking bays for your removal van. This can be done via the council website: www.lbhf.gov.uk/parking/suspensions-and-road-closures. Invariably the Removals Company will make their own arrangements to suspend the bays but it is advisable to check with them that this has been done. After exchange has taken place, you will need to confirm the date with the removals. It is also advised to set up internet etc at this point as you now have a definite completion / move in date.



THE WEEK OF EXCHANGE:

10. Prior to Exchange of Contracts

Prior to exchange of contracts a completion date (move in day) needs to be agreed by both the seller and buyer and this date is noted on the contract prior to signature and exchange.

11. Exchange of Contracts takes place

Exchange of contracts is when you pay your deposit and this is usually 10% of the purchase price. NB: Once exchange has taken place you are **legally and contractually bound** to purchase the property. The completion date is the day you hand over the remaining funds for the purchase and get the keys to your new home!

THE WEEK OF COMPLETION:

12. 48 hours before Completion - send the balance of the purchase monies to your solicitor

You must ensure that your solicitor has all the money required to complete the purchase of the property at least 48 hours before your completion day. As with any large funds transfer you must **check you have the correct bank details for your solicitor** by calling your solicitor's office using the number on their website to avoid the risk of fraud. Your solicitor will have requested a draw down of the mortgage monies directly from the lender approximately 5 days prior to completion.

14. COMPLETION DAY!

This is the day you've been waiting for! You complete on your new home! Your solicitor will forward the remaining funds to the vendors solicitor and once received, the agent will be contacted and given authorisation to release the keys to you. Traditionally this happens around 1-2pm but occasionally happens first thing or later in the afternoon – it all depends on when the completion monies are cleared by the bank. Before you do anything else take photos of the electricity, gas and water meters as soon as you go into the house!



Congratulations!

It's time to move in and crack open the Champagne!

Glossary

AML - Anti Money Laundering:

This is where our Compliance Officer verifies you and the funds being used to purchase the property.

This is a legal requirement and must be undertaken.

Memorandum of Sale:

A document listing all parties involved in the purchase ie the buyers/sellers/solicitors for both parties, the purchase price, conditions of the purchase and a time frame for which the purchase is to be completed.

Fixture & Fittings Form (TA10):

Details the items in the property that are either included/excluded/available to purchase.

Property Information Form:

Completed by vendors and lists to their knowledge various details about the house and garden and neighbours/area.

Local Authority Searches:

Specific background information about the property and the area that surrounds it.

Exchange of Contracts:

Contracts are signed and deposit funds are transferred to your solicitor's client account – this is usually 10% of the purchase price.

Completion:

The balance of the purchase price is paid and the sale is complete!

Survey:

There are generally 3 types of survey available from a RICS surveyor:

Mortgage Valuation Survey:

If you are obtaining a mortgage your bank will arrange this. Your bank may offer you the opportunity (as a cost) to upgrade this to a “HomeBuyer Report with valuation”.

Home Buyer Report:

A RICS Level 2 without valuation, this will be a visual report on the general condition of the property.

Building/Structural Survey RICS Level 3:

A building survey (formerly known as a Full Structural Survey) – the surveyor will check the structure of the property and point out any issues or concerns or items they feel need to be looked at in more detail.

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