

Conveyancing Terms for a New-Build Purchase Explained



Bankruptcy search

Your lender's instructions will require us to carry out this search before completion to confirm you haven't encountered any bankruptcy issues since your mortgage offer was approved.

Buildings insurance

You will be responsible for insuring the property from the date of completion and we will need confirmation that it is in place before we are able to complete your purchase. If you are buying a leasehold property, it is usual for the landlord to arrange buildings insurance, passing on the cost to you through the service charges.

Building Regulations

These are minimum standards for design, construction and alterations imposed by the Building Control Department of the local authority. Approval will be required before the property is occupied.

Client care letter

Once we have received your instructions, we will write to you explaining the purchase procedure. The letter will include a description of the service we will provide; an estimate of costs and an approximate timeframe within which we hope the purchase will be completed.

Completion date

This is the date on which full payment is made to the seller and transaction is legally finalised. You can take possession of the property once completion has taken place.

Completion statement

This is a detailed breakdown of all the costs involved in your purchase. It will include the amount you will be required to send to us in order to effect completion.

Consumer Code for Home Builders

The Consumer Code for Home Builders is an industry-led code of conduct for builders, which was introduced in April 2010. Its purpose is to implement a code of 19 requirements and principles that home builders are to meet in relation to marketing and selling new-build properties as well as after-sales customer service.

Contract

This is the legal document setting out the terms of the purchase.

Contract pack

The seller's solicitor will send to us all the necessary documents required to satisfy us that you can purchase confidently. At the appropriate time, each of the documents will be explained to you.

Deposit

Traditionally, a deposit of 10% is payable to the seller on exchange of contracts. However, this could be different according to your personal borrowing circumstances, and usually 5% if utilising the Help-to-Buy scheme.

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Environmental search

This is a search which is carried out before contracts are exchanged. It provides information about the environment close to the property, such as the stability of the ground, the proximity of landfill sites, the likelihood of radon gas being present, and more.

Enquiries and replies

In order to glean as much information as possible about the property you are buying, we will raise standard enquiries of the seller's solicitor. The replies given must be truthful and accurate which you, as the purchaser, can rely upon. If the information is insufficient, further enquiries will be raised.

Exchange of contracts

This is the moment the transaction becomes legally binding. It takes place on the telephone between your solicitor and the seller's solicitor. The contract is marked and identical signed copies are swapped on the same day, either by post or electronically. The deposit is also sent to the seller's solicitor.

H M Land Registry

This is a central governing body which records the ownership of land and property throughout England and Wales.

H M Land Registry official copies

These are the official copies (i.e. accepted in a court of law) of the registers and plan of your property as held by H M Land Registry.

H M Land Registry search

We will carry out this search immediately prior to completion. It will confirm that the ownership of the development has not changed in any way.

Lease

This is the legal document which is signed by you if you are buying a leasehold property, such as a flat. It is a very long, complex document which sets out everything you are allowed to do, and not to do, in the property as well as detailing any moneys payable. If there is a lease involved in your purchase, it will be very carefully explained to you.

Local (authority) search

Prior to exchange of contracts, we will carry out a search of the local authority to see if there is anything which might affect the dwelling and/or the land within the boundaries of the property you are purchasing. It will reveal matters such as planning permissions, road proposals, environmental issues, tree preservation and compulsory purchase orders, and the like.

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NHBC or LABC

NHBC stands for the National House Building Council. It is a body that provides a 10-year construction warranty against major structural defects and contamination for a new home. A lender will not allow you to occupy the property until the NHBC certificate has been issued. LABC stands for Local Authority Building Control which also provides a warranty and 10-year insurance policy, similar to that provided by the NHBC.

Planning permission

This is the formal permission given by a local authority for the erection (or alteration) of a property or similar development.

Law Society Property Information form (TA6)

This form is provided by the seller's solicitor and gives essential information about the development and the property, such as roads, drains and sewers, etc.

Reservation fee

This is an initial deposit you will have given to a representative of the seller to prevent the property being sold to anyone else, usually for a period of 28 days. In return, the seller will require that contracts are to be exchanged within that 28-day period. The fee should then be deductible from the deposit which is payable on exchange of contracts.

Stamp Duty Land Tax (SDLT)

This is a tax, plain and simple! The amount payable will be calculated for you and included in your completion statement. There are certain rules and reliefs applicable which your solicitor will explain to you during the course of your purchase.

Title deeds

These documents provide proof of ownership of a property. They are extremely important and all copies sent to you should be kept in a safe place; they will be required when you come to sell the property in the future. We will keep the originals in our strongroom for you, unless you request otherwise.

Transfer deed

This is the legal document which transfers the ownership of the property to you. It is signed by you in the presence of a witness.

Offices:

Nottingham: 0115 948 455

Peterborough: 01733 558585

Spalding: 01775 842500

Alconbury: 014805 87097



Big skies. Big thinking.