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Buying Your Home with Clarity Simplicity Ltd

Buying your home can be both an exhilarating and exciting time. At Clarity Simplicity, we aim to deliver a quality service that makes sure that the process is as smooth as possible. In this guide we will explain the steps involved in buying your property so you know what to expect at each part of the process

Starting the Process

Important Initial Considerations

When you are thinking about purchasing a property, you have to think about what you can afford. The main ways a person will purchase a property will be (1) with cash savings; (2) selling an existing property and using the cash from that sale or (3) obtaining a mortgage. It can also be a combination of these factors.

If you need a mortgage, a member of our team will be able to put you in touch with a mortgage advisor who will be able to help you with this.

If you are selling a property, you should also have a look at our guide on “Selling Your Home with Clarity Simplicity Limited”.

Viewing Properties

In the modern market properties are typically listed online and access to them and viewings are usually via Estate Agents. Estate Agents can guide you through the process of viewing a property however, when you have found a property you like and are considering putting an offer for in, you should ask for a copy of the Home Report.

The Home Report document contains important information about the property. All properties that are on the market must have a Home Report which is prepared by a Surveyor. The Home Report is provided by the Seller or a property and replaces the requirement for individual purchasers to instruct a survey, though you can still do so if you wish. The Home Report itself is made up of:

- the Single Survey Report,
 - Valuation,
 - Property Questionnaire; and
 - Energy Performance Certificate.

The Single Survey will tell you about the condition of the property. It should identify any areas that might need immediate, or future, repair and improvement. It will indicate whether any specialist works are required such as, damp and rot. It will also give an indication of whether there have been any alterations to the property.

The Valuation gives an indication of the market value of the property which may assist you in deciding what Offer to make. The valuation in the Home Report is also the value that a mortgage lender will consider to be the value of the home when considering any mortgage application. There will also be a stated reinstatement value which is what the property ought to be insured for.

The Property Questionnaire gives details that are provided by the Seller such as who they use as their utility providers etc.

Finally, the Energy Performance Certificate indicates how well the property performs in terms of energy output and whether any upgrades to the systems will be required to make the property more energy efficient.

Your Offer

When you find a home that you want to make an offer on then you should get in touch with us and ask us to “note interest” whilst you consider what offer you wish to make. This means that the property cannot be sold without first notifying you that there is an offer on the table from any other interested buyers.

If you are the only person interested in the property, or if the property is advertised for a fixed price, then you may be able to put an Offer in straight away. Alternatively, once you have reached a decision on what you wish your Offer to be advise us and we will submit your offer to the Estate Agent who is selling the property. Your Offer will then be accepted or rejected. If there is no Closing Date then there may be some scope for negotiation if your initial offer is rejected but this is very much dependent on the Seller.

If there are a number of Notes of Interest then the seller may put the property to a Closing Date meaning that every person who wants to Offer must submit a written offer by a certain date and time. Again, we can assist you with this. Where there is a closing date fixed the Seller will make a decision on which of the Offers received and proceed with that one. This means that we don't get a second chance or opportunity to negotiate so we advise that when making an Offer you put in your 'best' Offer to give you the best possible chance.

When we are submitting an offer on your behalf there will be various pieces of information we need from you. Where the market is buoyant or things are time sensitive (e.g. if there is a closing date) then it is important that we are able to attend to this as quickly as possible and so we ask that you come back to us just as quickly as you can. One important factor of this is Identification. As part of the Law Society Requirements, we must identify all of our clients before beginning work for them. You will therefore be requested to provide photographic id, usually a Drivers Licence or Passport and proof of address, usually a Bank Statement or Utility Bill. A Council Tax Bill can also be used. Alternatively, you may receive a link to a service called 'Amicus'. Again, we would ask that you complete and return this to us as swiftly as possible as without that information we may not be able to move matters along as swiftly as we would like.

Once your Offer is Accepted

Terms of Business/Terms of Engagement

Once we have been instructed by you to receive your offer then we will issue you with Terms of Business and Terms of Engagement which will detail to you exactly what work we intend to do on your behalf and the costs which will be payable by you both to us in terms of our fees (which are subject to VAT) but also to any third parties (known as outlays). When buying a property there can be various outlays such as costs payable to the Registers of Scotland for the registration of the new owner information and such like. From the very start of our involvement, we will endeavour to give you a detailed breakdown of the likely outlays which will be involved in buying your home. Please note these

outlays are applicable to all transactions irrespective of what Legal Firm you chose to sell your property with.

Time Scales

There is no set time frame in which a property must be purchased. It is entirely a matter for you and the seller to negotiate a date of entry, with our help. In circumstances where you are obtaining a mortgage or accessing a first home fund, or where you are relying on the sale of your own property, this can have a knock-on impact on the timeframes. Generally speaking, we would say that most transactions take in the region of eight to twelve weeks from the date of the Offer being accepted to the Date of Entry but this is very variable on the individual circumstances of each home purchase and sale.

The Missives

The Missives are the contract which govern the purchase of your home. They are exchanged between Solicitors and are made up of what is known as the Written Offer and Qualified Acceptance(s) but also with reference to a document known as the Scottish Standard Clauses. The Scottish Standard Clauses are regularly updated and your Solicitor will always work in line with the most up to date version of the Scottish Standard Clauses. The aim of the Scottish Standard Clauses is to provide buyers and sellers of property is standardised contractual terms. They are drafted in such a way as they are not prejudicial for either the Buyer or the Seller.

Once you and the Seller have agreed on fundamental elements of the contract such as the price, date of entry and what items are to be included within the sale then the solicitors agree that Missives are concluded. Reaching that point, and depending on the extent of what has to be agreed, this may result in several Qualified Acceptances being passed back and forward between the Solicitor for you as the Buyer and the Solicitor acting for the Seller. Once the Missives are concluded there is a legally binding contract which means that neither you as the Buyer or the Seller can change their mind or walk away from the sale or purchase without facing financial penalties. It is important to note that at any point before Missives have been concluded either party can walk away without financial penalty.

Searches and Title Deeds

When we receive acceptance of your Offer, we will usually receive a copy of the Title Deeds and various searches and reports. The purpose of these is to ensure that the property that you are buying has what we would call a good title meaning that it does not have any problems with it that may cause you difficulty to sell the property on in the future.

Once we have received these, we will review these and report back to you.

Funding the purchase

At an early stage in the process, we will ask you to provide evidence of how you are funding your purchase. This is in accordance with Law Society requirements.

Please note that we may require to ask for what is known as 'source of funds' which is as simple as it sounds. It is something which verifies where the funds for purchase are coming from. Where it is via a mortgage it will be a copy of your mortgage offer. If you are purchasing a property with cash savings, whether this is in its entirety, or as a deposit, then you will be asked to provide evidence of the savings. This will usually be bank statements and wage slips; however, your case manager will be able to discuss this with you further.

Source of funds is something that, if not provided, will cause a delay in us being able to progress matters and for that reason we would ask that you provide us with full details at the earliest opportunity.

We will also provide you with a cash statement with will details our fees and the outlays payable. Beyond the cost of the property itself, the most significant outlay is likely to be the Land and Buildings Transaction Tax and, where applicable, the Additional Dwelling Supplement. These outlays do not apply to every transaction and your case manager will make you aware early in the process if these will apply.

If you are obtaining a mortgage then we will arrange for the funds to be transferred from the Lender to us. To allow this to happen, you will be asked to sign a document known as a Standard Security. A Standard Security is the document which is registered against the property and demonstrates that there is a loan in place. It therefore provides the Lender with protection if you fail to meet your repayments and we cannot proceed without it.

Settlement

On the day that you are due to move into your property, we need to receive from the Selling solicitor the documents which transfer ownership. Once we have those, we will arrange to transfer the purchase price to the seller's solicitor. How this takes place- be it by bank transfer or cheque- will be determined by what is in the Missives. Then, as soon as the selling Solicitors have confirmed they have received the funds they will authorise the release of keys meaning you can get in to your new property. Please be aware that it can take some time for the banks to process the transfer of funds and /or show a cheque as being paid and this can cause some delay but we will move things along just as quickly as we can.

Once this has taken place, we will also arrange to register the new ownership as being in your name along with, if there is a mortgage, the Standard Security.

Once You're in Your New Home

Post-settlement

When you get the keys, you should check the property over for any problems including the systems and appliances. If there are issues then you must inform us within **five days** of receiving your keys. If

there are any issues then we can advise whether this is something which is covered by the Missives and which can be rectified.

From a legal perspective when the documents we have sent to the Registers of Scotland are processed then the ownership document- known as the Title Deeds- will be updated to reflect that you are the new owner. Once we have a copy of these, they will be forwarded to you. Please note that this can take some time- in most instances a **TO BE COMPLETED** but regrettably this is a matter outwith our control. Please be assured however we will continue to monitor throughout and, if you have any queries, we're happy to help.

Final Considerations

It is also important where you are selling a property or any other major life changes have happened that you consider whether or not it is now appropriate to draft a Will of new or alternatively create a new Will. This is something we can assist with and ask your Case Manager to provide you with our Will Questionnaire which provides details we would require to prepare your Will.

The information and opinions contained in this guide are for information only. They are not intended to constitute advice and should not be relied upon or considered as a replacement for advice. Before acting on any of the information contained in this blog, please seek specific advice from Clarity Simplicity Ltd.



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Clarity Simplicity Ltd.
34 Woodlands Road
Glasgow
G3 6UR

0141 433 2626

legalteam@claritysimplicity.co.uk



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