

# Helping you complete your home purchase



## Let us take the stress out of moving

Buying and/or selling a house could be one of the biggest commitments you will make in your lifetime. Not only will you be investing your life savings to possibly one of the largest purchases, it will also require time and it is crucial it goes as smoothly as possible.

Here's an overview of things you may find helpful...

## Moore & Tibbits Solicitors



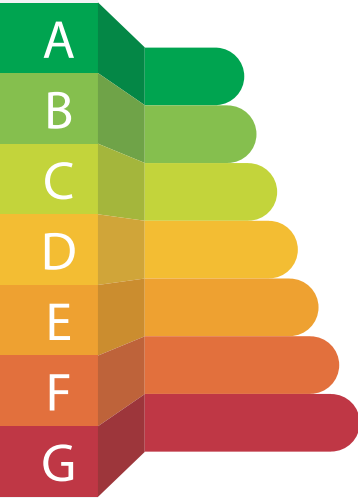
 [www.qualitysolicitors.com/moore-tibbits](http://www.qualitysolicitors.com/moore-tibbits)

## Energy Performance Certificate (EPC)

Building, sold or rented, you will require an EPC before you market your property to give potential buyers and tenants an idea of the energy costings. An Energy Performance Certificate is valid of 10 years.

An EPC contains:

- Property energy usage and energy costs
- Recommendations on how to reduce energy usage and save money
- An efficiency rating from A (most efficient) to G (least efficient)



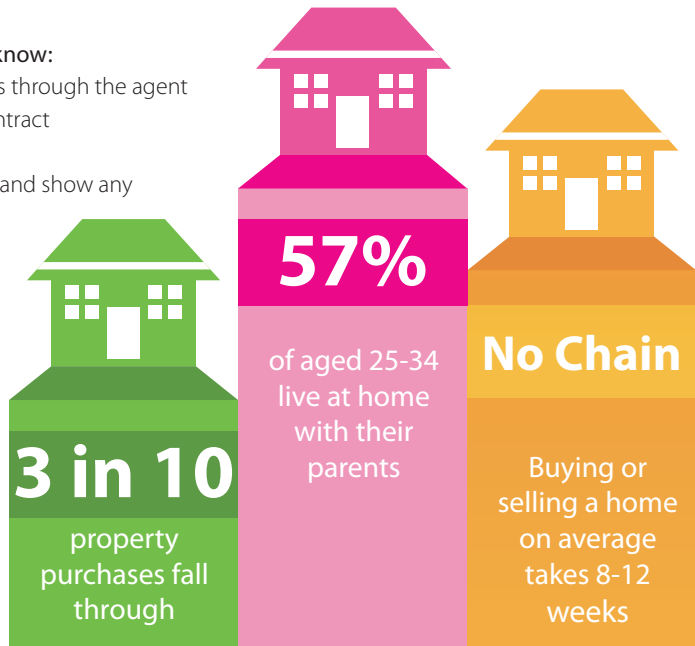
### Did you know that you don't need an EPC if:

- The building is a place for worship
- It is a temporary building to be used for less than 2 years
- It is a stand-alone building with a total useful floor space of less than 50 square metres
- It is an industrial site, workshop or non-residential agricultural building that will not use a lot of energy
- The building that is due for demolition
- It is holiday accommodation which is only rented out for less than 4 months a year or is let under a licence to occupy
- If the building is listed you should seek advice from your local authority conservation officer to ensure work would not alter the building's character
- It is a residential building to be used less than 4 months a year

## Estate Agents

If you use an estate agent did you know:

- Potential buyers must make offers through the agent
- You enter into a legal binding contract
- The estate agent works for you
- They must also treat buyers fairly and show any offers promptly and in writing to the person selling the house
- It is not over when you have received a written offer, estate agents are still legally obliged to pass on any other offers up to the point when the contracts are exchanged



# From making an offer to completion – what to expect...

## 1. Making an offer...

- Advertised by an estate agent? Offers must be managed through them due to legal binding contracts
  - Not advertised through an estate agent? A buyer can make an offer directly to the seller for a private sale
  - Buyers can make offers verbally, via telephone or in person, but written confirmation is always recommended
  - 'Subject to contract' offers means that the offer price can still be negotiated (if a survey finds problems with the property)
  - Until contracts are exchanged, an offer is not legally binding
- The seller is responsible for drawing up the legal contracts to transfer ownership, once the buyer offer has been accepted.

## 2. Conveyancing - The transfer of ownership of the property from seller to buyer

A legal contract to transfer ownership contains information about:

- The sale price
- The property boundaries
- The fixtures and fittings which are included in the property, such as flooring, kitchen units, lighting and more
- The legal restrictions or rights, such as public footpaths, and rules about using the property
- Planning restrictions
- Services to the property such as drainage and gas supply
- The completion date for the sale

If a seller hires a solicitor or a conveyancer they will:

- Draft the initial contracts
- Be on hand to answer any questions the buyer's solicitors or conveyancer may have with the assistance of the seller
- They will also negotiate further details of the contract if it is required

## 3. Exchange of contracts

- This is the stage where the buyer and seller are happy to proceed with the transfer of ownership in a form of a contract which is the agreement which legally binds the sale
- At this stage both parties will be required to sign an official contract which is exchanged with each other to confirm the agreement, the sale of the property and the transfer of ownership.

## 4. Completion

- Once the buyer and seller agrees and exchange contracts, you follow through the steps to completion which includes the following:
  - Money is transferred from buyer to the seller
  - The legal documentation in relation to the property ownership will be given to the buyer
  - The seller moves out and leaves the property to the agreed state in the contract which includes the fixtures and fittings
  - Keys are passed over to the buyer
  - The property legally belongs to the buyer

# 5. Tax

## Stamp Duty Land Tax and Capital Gains Tax

Stamp Duty Land Tax (SDLT) - Overview	Capital Gains Tax (CGT) - Overview
Applied to buyers looking to purchase: <ul style="list-style-type: none"><li>• A freehold property,</li><li>• New or existing leasehold,</li><li>• A shared ownership scheme,</li><li>• Transfer of land or property in exchange for payment such as a mortgage or buy a share in a house</li></ul>	You do not pay for CGT when you sell your property if you have the following that apply: <ul style="list-style-type: none"><li>• You lived in the property as your main home for all the time you have owned it</li><li>• You have not let part of it out or used it part of it for business only</li><li>• The grounds, including the buildings are smaller than 5,000 square metres (just over an acre)</li><li>• If all of the above apply, when you sell the house you will automatically get a Private Residence Relief and you will not need to do anything.</li></ul>
Applicable to all properties of a value of more than £125,000	Only the profit which is gained from any property or assets is taxable against CGT
The overall rate of SDLT depends on the purchase price of the property	This is the tax which is in relation to the gain you have made that is taxable. This is not based on the amount of money you receive
SDLT must be returned to HMRC and tax paid within 30 days of completion	<b>Example:</b> if you have purchased something at £10,000 and later sold for £20,000, the capital gain is £10,000 and this is the taxable figure
If you have a solicitor, agent or conveyancer, they will file your return and pay the tax on your behalf on the day of completion and include the amount to their fees. If this does not happen you can file a return on completion and pay the tax yourself  N.B You could be charged penalties and interest if you do not file your return and make your payments within 30 days of completion.	Source: <a href="http://www.gov.uk/buy-sell-your-home">www.gov.uk/buy-sell-your-home</a> <a href="http://www.gov.uk/stamp-duty-land-tax/overview">www.gov.uk/stamp-duty-land-tax/overview</a>



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