

MURRAY LITTLE & KNOX

-----SOLICITORS-----

A GUIDE FOR
HOUSE SELLERS

All you need to know explained

A Guide for House Sellers

We appreciate that selling your home can be an anxious time but that the results can mean new opportunities for you. This guide summarises the procedures involved and explains the steps that we will take to help you through selling your home. Our aim is to help you understand the marketing and legal processes involved.

Meeting with us

Let us know that you are considering selling your house. There are a number of things that you should consider. When should you sell? What are your expectations of the sale price? Which items do you want to include in the sale? How will you market and advertise your house? Are you to sell or to buy first? We can advise which approach is the best option for you.

Deciding upon a sales strategy

Once you have decided to sell your property it is important to have a marketing strategy tailored for your property. We have knowledge of market conditions throughout Dumfries and Galloway and consequently are well placed to advise on how your property should be advertised for sale. We will make a visit to your home and provide an appraisal of the value of the property with advice on an appropriate marketing strategy. We will prepare draft sales particulars and provide an estimate of costs. Our aim is to put you in a position to make an informed choice as to how and when to sell your property.

Marketing your property

We will bring your property to the market advertising it for sale in our office and also at the three Solicitors Property Centres based in Annan, Dumfries and Castle Douglas. We will send details of your property to those prospective purchasers on our mailing list whose property requirements match your property. The Solicitors Property Centre provides access to the Property Guide, the D&G Property Centre website and the SPC Scotland website, it also has a mailing list and will send details of your property to interested buyers. Newspaper advertising will also be arranged, if appropriate.

Home Reports

From 1st December 2008 all properties marketed for sale in Scotland require a Home Report. The Home Report is in three parts consisting of a Condition Report, an Energy Report and a Property Questionnaire.

The Condition Report is effectively a survey of the property that is carried out by a qualified Surveyor and advises you and any prospective purchaser of the general condition of the property and whether there are any matters that require attention in the way of repair or maintenance.

The Energy Report provides you with an energy efficiency rating of the property and details of CO2 emissions and will give you advice on how to improve these.

The Property Questionnaire is completed by you and answers a range of questions about the property, e.g. alterations that have been carried out, etc. The sale of houses is now covered by the Consumer Rights legislation so it is essential that you answer all the questions accurately and truthfully. Please note we are not liable for the accuracy of any information contained within the Property Questionnaire, the primary responsibility for the accuracy and truthfulness of the questionnaire rests with you. The Property Questionnaire must to be signed by at least one of the owners of the house with the agreement and authority of any co-owners.

We will normally instruct the Home Report for you. The providers we use are qualified Surveyors who are wholly independent of Murray Little & Knox and we have no interest in their business. The

providers of Home Reports usually want payment at the point the report is produced although some are agreeable to deferring payment for the Home Report for a period of nine months or until the property is sold, whichever is earlier. If you enter into such an agreement, that is a matter between you and them and we have no liability thereunder.

Home Reports do not have an actual shelf life but the majority of Mortgage Lenders will not agree to the Report being relied on where it is more than 12 weeks old. If the Home Report is older than 3 months, a buyer and their lender will usually accept a refresh of the report, this is usually provided at your expense. You may consider updating the report at any time after the initial 12 week period if you are of the view it would be advantageous in attracting a purchaser.

Once your property is on the market the Home Report must be made available to any interested parties with certain minor exceptions. You are permitted to refuse access to the Report to any person who you would not be prepared to sell your house to. Please ensure if there is anybody you are not willing to sell your house to, that you advise us at the outset.

If your property is withdrawn from the market for a period of less than 4 weeks and you then remarket the property you will not require a new Home Report. If you withdraw your property from the market for longer than this you will require a new Home Report when you come to remarket the property. A property marked as “under offer” is not deemed to be sold as there is no contract yet in place. Once the contract is in place, the property is sold and is regarded as withdrawn from the market at that stage.

Viewings

There are some simple things that you can do to emphasise the desirability of your property to viewers. If you have a garden make sure that it is tidy and presentable. Ensure that viewings are arranged when you are able to give your full attention to potential purchasers. Always clear away any clutter and make your house as inviting as possible. First impressions are very important. By following a few simple steps and creating the right impression you will improve your chances of creating interest in your property. If you would prefer us to handle viewings for you or it is an empty property such as holiday home etc we can provide this service.

Notes of interest

A Note of interest is when someone who has viewed your property instructs his solicitor to advise us that they are interested in purchasing your property and wishes to be kept advised of any closing date for the submission of offers for your property. Noting interest does not mean that the interested party will actually offer for the property, but ensures that if a closing date for offers is set, that party is advised and given the opportunity to offer with other interested parties.

Viewing Offers

When a potential purchaser who is viewing your house tries to press you to accept a verbal offer, our advice is not to be drawn into such negotiations but refer the interested party to their own solicitor in order that the offer can be dealt with formally. If a purchaser instructs their solicitor to make an offer to us while the house is still being marketed and before any closing date is fixed, we can ascertain how serious the interest is, whether they have finance and so on. We will advise you of such interest and discuss how to proceed.

Surveys

Notwithstanding the Home Report, a prospective purchaser may wish to have your property surveyed and valued by a chartered surveyor. If an offer is made subject to survey and valuation, we will advise you how to proceed. Usually the surveyor will contact us to arrange access for the survey. Following his inspection the surveyor will report to the prospective purchaser on the condition of the property and provide a valuation. If the surveyor recommends further inspections, say by a timber specialist or structural engineer, again access for these inspections will normally be arranged through us.

Negotiating a price

If there is only one interested party we will negotiate on your behalf, most buyers will not offer their best price first and we will do all we can to improve on that first price for you. We will keep you informed at all times and proceed on your instructions. Some sellers are happy

to negotiate themselves and if that is how you wish to proceed please let us know.

Closing Dates

We will keep you advised of notes of interest and, if appropriate recommend when a closing date for offers should be fixed. Normally a closing date will not be fixed until there are at least two notes of interest from parties who have confirmed that they are ready to offer. At the closing date written offers are submitted to us by the solicitors representing prospective purchasers. We will advise you of the offers received and discuss with you which offer you want to accept. You are not obliged to accept the highest, or indeed any offer received at the closing date.

Accepting the offer

Once you have decided which offer is acceptable or we have negotiated an acceptable price, the process moves on to the legal or “contract” stage. After discussing the conditions in the offer with you we will issue a written acceptance on your behalf to the purchaser’s solicitor. Normally, but not always, this will contain qualifications of some of the conditions contained in the offer. These will relate to things like title conditions or the completion date. If these qualifications are acceptable to the purchaser, their solicitor will write to us accepting the qualifications and conclude the deal. If they are not acceptable then there may be a further exchange of letters between the purchaser’s solicitor and us until the deal is agreed. Once the deal is agreed both you and the purchaser are committed to a legally binding contract – the purchaser being obliged to pay the agreed price in exchange for your obligation to give the purchaser a good title and entry to the property. The letters which are exchanged between the purchaser’s solicitor and us are often referred to as “missives”.

Preparing to complete

Whilst you are making plans to move out by organising your removal, contacting the various service providers (electricity, gas and telephone etc.) for final accounts and alerting your family and friends to your new address, we will complete all the necessary legal formalities. This will involve agreeing the terms of the title deed (the Disposition) in favour of the purchaser, ordering appropriate

searches and local authority enquiry reports and ascertaining how much is needed to repay any mortgage over your property and many other matters. We will arrange for you to sign the Disposition in favour of the purchaser, and any other documents that need to be signed. We will discuss how the keys are to be handed over to the purchaser and ask you how you wish us to deal with the net proceeds of sale. You should check what has to be done to cancel or amend any insurance policy you have for the property and contents.

Completing the sale

On the completion date or “date of entry” we will arrange for the keys of the house to be handed over and for your title deeds to be delivered to the purchaser’s solicitor in exchange for the purchase price. We will then repay any mortgage on the property and after deducting our fee and the outlays incurred on your behalf, the net proceeds of sale will be paid to you. A statement of receipts and payments will be provided to you showing how the net proceeds of sale are calculated. You should arrange for any insurance cover on your property to be cancelled and for your mail to be redirected to your new address. We will advise the local authority of the change of ownership for council tax purposes.

After completion

The purchaser’s solicitor will arrange for the purchaser’s title to the property to be registered in the Land Register. The time for the registration process can vary. For a property which is already registered in the Land Register the period may be as little as one week but if this is the first registration then this can take several months or possibly sometimes longer. We will deal with any queries, which may arise during the registration process in relation to the title to the property under advice to you. Once the registration process is completed we will receive confirmation from the purchaser’s solicitor that the purchaser’s land certificate (title deed) has been received and is in order. This is confirmation that your obligation to provide a good title has been met and that all contractual matters have been finalised.

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