

Residential Conveyancing

A guide to relocation conveyancing



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We hope this guide will help you to understand the legal procedures involved in the relocation scheme operated by your relocation company, and we ask you to read it carefully as it contains some important advice. Most of our clients who are relocating are likely to be purchasing a property and simultaneously transferring their existing property into the relocation scheme.

It is assumed that your employers/your relocation company have already supplied you with detailed information as to the operation of the relocation scheme and your exact entitlement under it, that you understand how the guaranteed price/open market value for your property will be arrived at and when the funds will be released. If not, you should contact your employers or your relocation company for details.

Under the relocation scheme, your relocation company will require all legal owners of your property to sign a "Power of Attorney" whereby you give authority for them to manage and sell your property on your behalf and in your name, without further reference to you as to the price or other terms. By virtue of the scheme, there will be other documents to be signed that are in addition to those normally required for a sale. We will explain these to you at the time you are asked to sign.

As your relocation company wish to reduce the risk of unforeseen problems when they sell, they will check whether your property is in need of any repairs to make it more saleable, and your relocation company's solicitor will request detailed property information. They will require us as your solicitors to carry out local authority and other searches against the property. We will ask you to complete a long form of enquiries and a fixtures and fittings list which we must send to your relocation company.

Sometimes the benefits of a relocation package can give rise to a taxation liability for an employee and you should check with your employers as to whether they will reimburse you in the event of such a liability. If not, you should consult specialist tax advisers, as we are not in a position to advise you upon this aspect of the matter. Conveyancing has two basic stages.

Stage 1: Exchange of contracts

Stage 1 is from the beginning up to "Exchange of Contracts";

which is the moment when a legally binding agreement is entered into. At this point, the parties become committed as to the terms and conditions of the transaction including the price, the date of possession and so on. Until then, any negotiations between the parties are made "Subject to Contract" and neither party is bound legally - either can withdraw or renegotiate about price, repairs and other matters.

Exchange of contracts will not take place until after you have signed the agreement(s) containing the terms of the sale or purchase (often called the Contract), fixed the Completion Date (which date is normally when you will be moving and must be agreed by the other parties) and given consent for us to exchange contracts for you. Obviously, all other parties involved must also be ready and willing to exchange contracts. The process of exchange involves the buyer's legal representatives releasing the contract signed by its client to the seller's legal representative (usually with a deposit) in return for an identical written contract signed by the seller. If a sale and purchase are inter-dependent, then exchange of contracts upon both transactions will be simultaneous and the deposit payable on your purchase is usually provided under the relocation scheme (known as "first drawdown"). If a party defaults in completing the contract without valid legal grounds or is late in completion, then the other party will have remedies normally in the form of financial compensation (for example, a buyer who withdraws will normally lose at least 10% of the purchase price), so do not instruct us to exchange contracts if you have any doubts about the terms of the transaction or the property.

Stage 2: Exchange of contracts

runs from exchange of contracts to "Completion". In relation to your existing property, this is the date when your relocation company will pay to us the whole or part (depending upon your employer's relocation scheme) of the guaranteed price for your property in exchange for the deeds and possession of the property. In turn, on your behalf we repay any mortgage on your property. Utilising your new mortgage advance we pay the price of the property you are purchasing (less any deposit paid on exchange of contracts) to the seller's legal representative again, in return for the deeds and your right to possession of that property.

Within each of the above stages there are more small steps which have to be taken and we will briefly consider some of these overleaf.

Stage 1: Exchange of contracts

ON THE TRANSFER OF YOUR PROPERTY INTO THE SCHEME	ON YOUR PURCHASE
Obtain your instructions	Obtain your instructions
<ul style="list-style-type: none"> • Apply for the deeds to your home • Ask you to complete detailed Enquiries, Fixtures and Fittings Forms setting out items included in the price, Overriding Interests Form and Utility Form • Verify ID to comply with money laundering requirement • Receive your relocation company Agreement for approval 	Make the Local Authority search and other searches as necessary
Send search results and clients' completed forms to your relocation company's solicitor	Receive draft contract and property information from the seller's solicitor and list of items to be included in the price (Fixtures Fittings and Contents Form)
Reply to any further enquiries raised by your relocation company's solicitor following consultation with yourself, where necessary	Check information received and send to the seller's solicitor any questions which may arise
Prepare other documents for your signature	Receive and check all replies and results of all searches
Check repayment figures on your existing loans	Check mortgage details from your lender and deal with any problems raised by your survey
Arrange signing of your relocation company agreement, power of attorney form(s), property transfer and other necessary documents	<ul style="list-style-type: none"> • Report to you upon the contract pointing out any unusual matters. Send you a copy of the Fixtures/Fittings and Contents Form and property plan (if available). • Send report on Contract to you explaining all important matters and enclosing any supporting documents for your retention
Agree a completion date	Check buildings insurance is in place and exchange contracts. Send deposit to seller's solicitor
Receive first drawdown payment and exchange contracts	Check buildings insurance is in place and exchange contracts. Send deposit to seller's solicitor

Stage 2: Exchange of contracts

ON THE TRANSFER OF YOUR PROPERTY INTO THE SCHEME	ON YOUR PURCHASE
Obtain final repayment figure from your lender	Prepare the property transfer for the seller to sign. You may also need to sign this.
Reply to requisitions (questions) on title and apply for funds required on completion	<ul style="list-style-type: none"> • Send requisitions (questions) on title to seller's solicitors and check replies • Prepare reports and request money from your lender and any money required from you to complete
Send search results and clients' completed forms to your relocation company's solicitor	Receive draft contract and property information from the seller's solicitor and list of items to be included in the price (Fixtures Fittings and Contents Form)
Prepare financial statements for you	Make final searches
Complete the transfer of your property into the relocation scheme and receive the balance payable by your relocation company	Complete the purchase and pay the balance of purchase monies
Send deeds to the relocation company's solicitor and pay off existing mortgage	Check mortgage details from your lender and deal with any problems raised by your survey
Complete the transfer of your property into the relocation scheme and receive the balance payable by your relocation company	Pay any stamp tax and register your title at the Land Registry where details of ownership are kept



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