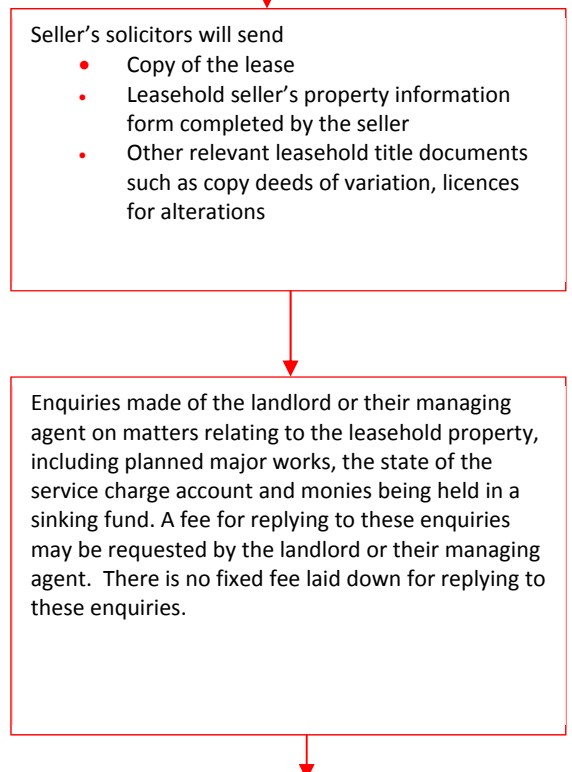
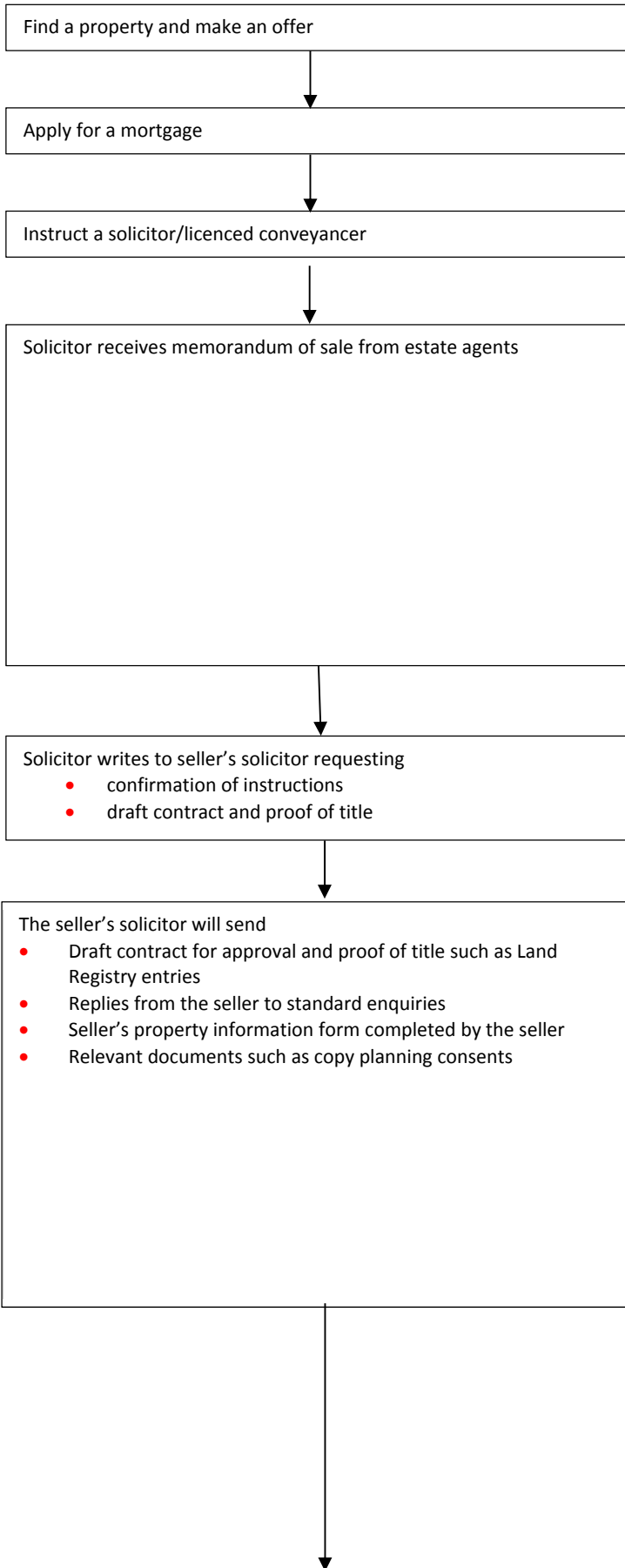


Buying a leasehold property will have some differences to the purchase of a freehold property. This guide is aimed at helping you understand those differences and where they arise in the conveyancing process.

Freehold Purchase

Additional Steps in Leasehold Purchase



Freehold Purchase (Cont.)

- Buyer's solicitor will examine documents supplied and raise any additional enquiries.
- Buyer's solicitor orders
 - local authority search to obtain such information as the planning history of the property.
 - environmental search and water search to see if the property is served by a fresh water supply drainage and sewage.



- Solicitor reports to the buyer on matters arising from the documents obtained
- Contract and any mortgage deed sent to buyer with request to sign and return undated.



On return of the signed contract and mortgage deed, solicitor acting for the other side is contacted for possible dates for an exchange of contracts and completion of the purchase. If there is a chain it will need to be coordinated.



Contracts exchanged and completion date agreed. A deposit will be paid by the buyer on account of the purchase price.



Buyer's solicitor requests mortgage advance funds



Buyer's undertakes pre-completion searches



Leasehold Purchase (Cont.)

Buyer's solicitor addresses any specific terms of the lease relating to the purchase such as:

- Meeting the requirements of the Council of Mortgage Lenders' Lenders' Handbook
- The number of years remaining on the lease (lender's may not agree to lend where the lease has less than, say, 70 years remaining)
- Ensuring compliance with any requirement for the landlord to consent to the sale
- Any notice to the landlord registering change of ownership and any mortgage and the amount of any fee for such registration ...The amount of the fee per document may be specified in the lease.
- Any special conditions relating to a shared ownership lease where the housing association seek to repossess the property.



- Solicitor reports on the lease and highlights any matters of importance
- If the service charge accounts indicate a possibility that there will be a shortfall in the service charge collected for the current year a request will be made of the seller's solicitor to retain a suitable sum from the net sale proceeds for an appropriate period to meet any shortfall once the final service charge accounts have been prepared



Freehold Purchase (Cont.)

Leasehold Purchase (Cont.)

