



Fletcher Longstaff

The Home Of Conveyancing

Step By Step Guide

To Selling Your Home

 www.fletcherlongstaff.com

Introduction

The prospect of selling your home can be daunting – all the more so if you are looking for another property to buy at the same time. The decisions you make along the way could save you – or cost you - many thousands of pounds. Here's our step by step guide:

Should you sell at all?

- ➔ If you are considering selling because you need more space, have you instead considered building an extension, converting the attic, or digging out the basement? The costs of moving are so great (particularly with stamp duty) that it might even save money to expand your existing home
- ➔ Have you thought about how changing house prices might affect the decision to sell? If prices are rising rapidly, you may not be able to afford a place much bigger than the one you are already in
- ➔ Are you in negative equity? If so, can you afford to sell?
- ➔ You may be considering selling as a result of a separation or divorce – see our guide on what happens to your home
- ➔ Depending upon your circumstances, you might be better off renting your home out rather than selling

Figure out your finances

- ➔ You should notify your mortgage lender that you are planning to sell your home
- ➔ You need to find out how big your outstanding mortgage is and if there are any early redemption penalties
- ➔ You need to get a rough idea of how much your house is worth, then you can calculate how much money you will be left with after you have paid off the mortgage

- ➔ If you are also buying a new home, you should obviously consider what size mortgage you will need for that. You should get an idea from mortgage lenders how much they would be willing to offer you.
- ➔ At the early stages, the figures will be approximate only – you don't know how much you will sell your house for and you will only get a precise redemption (amount outstanding) figure for your mortgage once you have an agreed completion date when you have exchange contracts (see below)
- ➔ Plan every step to avoid being held up.

Decide if you should also look for somewhere to buy or rent

- ➔ Renting for a while can add to the overall expense, but reduces the critical time pressures of buying a new home
- ➔ You won't have to sell at a low price because you have found the home of your dreams
- ➔ You will not be rushed into buying a less-than-perfect new home because you have found a buyer for your current home
- ➔ You will break out of the housing chain which means you will be a more attractive buyer.

Decide who will sell the property

- ➔ You can sell your home yourself, use a traditional estate agent or an online estate agent
- ➔ If you use a local estate agent, you will need to do some research into which one to choose.
- ➔ Compare local estate agents based on how quickly they sell, how close they come to achieving asking price and how successful they are.
- ➔ You will also need to decide whether to use a sole agent or multiple agents.
- ➔ You will need to agree a fee with the estate agent: aim for 1% plus VAT for sole agent.

- ➔ Online estate agents are becoming more popular. It's worth reviewing what they can offer and for how much.
- ➔ If you have time and are organised, patient and willing to work hard, then axing the estate agent and selling your home yourself can save you money. But it's not for the fainthearted – or inexperienced.

Decide what price to sell it for

- ➔ One of the most agonising decisions when selling your home is what price to put it on for
- ➔ Do your research and get to know the local market inside out
- ➔ Get a number of estate agents to do valuations, but don't necessarily go for the highest
- ➔ Remember that buyers will probably try to negotiate a discount, so add 5% to 10% to what you are prepared to accept

Prepare your home

- ➔ If you "stage" your home well, you are not only more likely to sell your home faster, but you might make it more valuable too
- ➔ Tidy up, and get rid of excess clutter; give it a fresh lick of light coloured paint; fix those little snagging things; keep it clean
- ➔ Light a fire; bake bread; put up a mirror; get rid of bad odours

Hire a solicitor or conveyancer

- ➔ You need to choose a solicitor or conveyancer to handle the legal work to transfer ownership of the property to you. Compare quotes to find the cheapest, nearest and best rated conveyancers
- ➔ You should decide which firm you want to use before you agree the sale of your house – but you can obviously only instruct them after you have agreed an offer

- ➔ Get an overview of how much conveyancing costs
- ➔ By all means get a quote from the conveyancing firm recommended by your estate agent, but compare it with other quotes because there is often a hefty referral fee which will be added to your bill.

Fill out the relevant questionnaires

- ➔ You will have a variety of forms and questionnaires to fill out, to give the buyer all the information about the property, and about the sale.

Accept an offer

- ➔ You've received an offer – hooray! The estate agent is legally required to pass all offers on to you, however ridiculous
- ➔ If you are not happy with it, you can either reject it outright, wait to see if a better offer comes along or tell the estate agent to try to negotiate it upwards
- ➔ Once you are happy with an offer, you need to formally accept it. You should then instruct the estate agent to take the property off the market
- ➔ Remember that accepting an offer is not legally binding, and you can legally change your mind or accept a higher offer later (gazumping) – but remember, this can be pretty distressing to the buyer

Negotiate the draft contract

You and the buyer will have to decide:

- ➔ The length of time between exchange and completion (usually 7-28 days after the exchange of contracts)
- ➔ What fixtures and fittings will be included – and how much will they pay for them
- ➔ Any discounts due to problems flagged up by the survey

Exchange contracts

- ➔ When you exchange contracts with the buyer you become legally committed to selling the property – and they are legally committed to buying it from you
- ➔ If you pull out after this without due reason, the buyer's deposit will be returned to them and you may be sued

Move out

- ➔ You can move out whenever you like, even up until the day of completion (although clearly, you need somewhere to move to)
- ➔ It is less stressful to move out beforehand, if that is possible
- ➔ At the time of completion, the property has to be in the condition agreed in the contract – including all the fixtures and fittings
- ➔ The buyer and estate agent may come round between your moving out and completion to ensure that everything is in place

Complete the sale

- ➔ Completion is when the property changes ownership, you accept payment, and hand over the keys
- ➔ A little like a duel, it takes place on a previously agreed date and usually at midday
- ➔ On the day of completion, the money is transferred and any deeds for the property are transferred between each side's solicitor or conveyancer
- ➔ Your solicitor/conveyancer will register the transfer of ownership with the Land Registry

Pay off the mortgage

- ➔ The mortgage company will have given you and your conveyancer /solicitor a precise redemption figure (outstanding amount) for your mortgage for the day of completion

- ➔ Now the buyer has transferred the money to your solicitor or conveyancer, they will pay off the mortgage for you

Settle up with the solicitor/conveyancer and estate agent

- ➔ After completion, your solicitor/conveyancer will send you an account, covering all their costs and disbursements, as well as the sale price of the house and redemption of the mortgage
- ➔ If you are buying and selling at the same time, the solicitor/conveyancer can settle up for both transactions at the same time, including paying stamp duty for the house you are buying
- ➔ Your solicitor/conveyancer will ensure that the change of ownership is registered with the Land Registry
- ➔ There is sometimes a small discrepancy and you might even get a small refund