

Buying residential property in England and Wales: the basics



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Navigating the property market

Independence and discretion

Buying a home or investment property in England and Wales, and London in particular, remains extremely popular. Understanding the process can help you to secure the best deal and get the transaction completed quickly.

Stages of the process

There are a number of stages to the process of buying a property in England and Wales:

1. Preparing to buy

The property market moves quickly. Before you start, it is essential that you arrange your affairs so that you are ready to meet any timetable that is set.

2. Finding a property

It can take time to find the best deal. There are various strategies you can use to secure your dream property.

3. Agreeing the terms of your purchase

Once you have found a property, you will need to agree a purchase price and any other key terms with the seller. This agreement is not binding – on you or the seller.

4. Investigating the property

Although a property may appear to be perfect, there can be a large number of hidden issues. Your lawyer and your surveyor must examine the property to ensure that it is as great as it appears. You can walk away from the deal if you are not happy with what is discovered.

5. Exchanging contracts

This is when you commit to the purchase and when the first sum of money, known as the deposit, is paid to the seller.

6. Completion

This is when the balance of purchase price is paid and the seller passes the ownership of the property to you.

1. Preparing to buy

You need to decide how you will fund and how you will structure your purchase.

You must ensure that you have cash available to fund the deposit which will be payable when contracts are exchanged. A seller will usually require 10% of the purchase price as a deposit.

“ Before you start, it is essential that you arrange your affairs so that you are ready to meet any timetable that is set. ”

If you need or wish to borrow money in order to fund part of the purchase price, you should start discussions with your preferred lender as soon as possible. Ideally, you should ask your lender to confirm that your loan is approved in principle as this can help secure a deal with a seller. If you are struggling to find good financial terms for a loan, you may wish to use a mortgage broker who will compare lenders to find you the best offer.

There are a number of different ownership options. Owning property through a company used to be a popular option for overseas investors. Recent tax changes in the UK have made ownership through companies less attractive but there may still be tax benefits to these structures; it will depend on your particular circumstances. Alternatively, you might wish to buy a property in your own name or perhaps with your wife or husband or other family members or friends. In England and Wales, a maximum of four people can join together to own a property. Every legal owner must be over 18 years (although property can be held on trust for children).

Finally, you should instruct a lawyer and a surveyor. Your lawyer will investigate the legal aspects of the property and will manage the buying process on your behalf. Your surveyor will review the physical condition of the property.

2. Finding a property

Properties in England and Wales are usually sold through specialist firms known as estate agencies.



Sellers appoint these agencies to market their properties and arrange appointments for buyers to come and view the properties. You should register with as many estate agencies as possible and keep in regular contact with those agencies to ensure that they send you details of any available properties that suit your requirements.

If you have very specific requirements or are not sure where to begin with your property search, you may wish to appoint a buying agent who will conduct the property search and negotiate the terms of the purchase on your behalf. Buying agents charge fees for their work, but the cost might be worth it particularly if you are not based in the UK. A buying agent's contacts may allow you to secure a better deal or a more desirable property. Buying agents also have knowledge of properties which are for sale but are not yet listed with an estate agency and which you might not otherwise find.

3. Agreeing the terms of your purchase

Once you have found a property you wish you buy, you will need to agree terms with the seller. You will agree the purchase price and other key terms such as the timetable and any furniture which you want included in the sale. Unless you are buying in a new development, you should make your offer subject to a full physical examination by your surveyor. Usually, your offer will be submitted to the seller through the seller's estate agency rather than to the seller directly.

This initial agreement is not binding, on either you or the seller. You and the seller are entitled to walk away at any point up until contracts are exchanged. However, you should still try to agree all key terms at the outset so that there is less scope for argument later on. You may also wish to agree a period of exclusivity during which the seller will not market the property or deal with anyone else.

4. Investigating the property

The investigation of the property by your lawyer and your surveyor is the most important and often the longest stage of the process.

Once the terms of the purchase are agreed, the estate agency acting for the seller will put your lawyer in contact with the seller's lawyer. The seller's lawyer will send your lawyer a package of documents which will include the draft contract, title information, the seller's replies to standard enquiries and any supporting information. Your lawyer will review the documents provided by the seller's lawyer and will also submit searches to various public authorities to obtain further information about the property.

Your lawyer will ask the seller's lawyer to resolve any issues which arise from the investigations.

Your lawyer will report to you on his or her investigations and all the answers and information provided by the seller. Your lawyer will also negotiate the terms of the contract and ensure that you are happy with these terms.

Your surveyor will inspect the property and will report to you on the physical condition of the property.

5. Exchanging contracts

Once you have taken the advice of your lawyer and your surveyor and are happy to proceed, you will need to sign the contract and transfer the deposit monies to your lawyer.

You will need to agree a completion date with the seller. Typically, the period between exchange and completion is around four to six weeks but it could be a much longer or shorter period. You and the seller are free to agree any date. If you are buying a property which has not yet been built, the completion date may be many months (or even years) in the future.

Your lawyer and the seller's lawyer will then exchange contracts and fix the completion date. The deposit will be paid to the seller's lawyer. Once contracts are exchanged, you are committed to the purchase and must pay the rest of the purchase price on your chosen completion date.

If you are borrowing money, you and your lawyer will also need to ensure that your lender is satisfied with everything and all loan agreements and other documents have been signed in advance of completion.

6. Completion

Before the completion date, you need to ensure that the balance of the purchase price (the purchase price less any deposit paid) is transferred to your lawyer. Your lawyer will also request any other sums which will be payable on completion, for example, the stamp duty land tax which falls due on completion.

Completion is, again, handled by the lawyers. Your lawyer will send the money to the seller's lawyer on the completion date. Once the money arrives with the seller's lawyer, they will contact your lawyer and confirm that you are the proud owner of your new property!

Key contacts



Annabel Dean
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Annabel's focus is on providing pragmatic and commercial advice, enabling clients to navigate the property market intelligently. Her wide-ranging experience spans residential, commercial and rural property issues. Her particular specialism is high-value residential real estate and secured lending. She thrives on fast-paced transactions and finding solutions to the complicated problems which can arise as a result of the esoteric nature of the land law of England and Wales.

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Laurie's individual clients are predominantly, but not exclusively, high net worth with a background in finance or the City or with an international element. Many of them have complex property requirements and require proactive and commercial advice. He also acts for many leading private banks and has done so for a number of years. This experience enables him to provide pragmatic advice about how best to progress a transaction. He is used to working with fast paced transactions where speed and efficiency of delivery are key. He has a network of contacts across the industry and considers making connections to ensure transactions happen a key part of his role.

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Laura Conduit
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Laura is a specialist residential property solicitor, dealing with sale, purchase and mortgage transactions. Laura deals with all types of residential property, whether freehold or leasehold, town or country but she has a great deal of experience in the prime central London market. Laura particularly enjoys a fast paced deal and has an excellent track record for delivering quality advice and exchanging transactions under pressure.

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Details for the whole of our highly qualified and knowledgeable [Residential Property team](#) can be found on our website.



Further Information

If you will have a related sale then we refer you to our briefing note – [a basic guide to selling property in England and Wales](#).

If you require further information on anything covered in this briefing please contact one of our experts or your usual contact at the firm on 020 3375 7000.

Further information can also be found on the [Property page](#) on our website.

This publication is a general summary of the law. It should not replace legal advice tailored to your specific circumstances.

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