Ultimate Beginner's Guide To Buying Your First London Property

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Are You Searching For A New Home In The UK, But Not Sure of The Steps For International Buyers?

In this step-by-step guide we will guide you through each stage of the buying process, including legal and financial requirements.

The Buying Process

Purchasing a new home can be a confusing process – this checklist will remove the guesswork so you can move into or rent your property faster and with less stress.

Reservation

1. Submit reservation

Once the purchase has been agreed and the reservation form has been completed, the reservation form will then be sent to all parties.

2. Reservation fee paid

The reservation form, fee and identity documents will need to be submitted within 24 hours to confirm your reservation.

Reservation

3. Identity documents

The following documents are required for the named purchasers in order to comply with anti-money laundering (AML) requirements.

- Certified valid Photographic Identification for each named purchaser (usually passport).
- Certified proof of address for each named purchaser (usually utility bill) Documents to be dated within the last 3 months.

4. Appoint finance provider (if applicable)

If you are purchasing the property with a mortgage, you will need to instruct a mortgage broker of your bank.

Reservation

5. Appoint your solicitor

Formally instruct your lawyer to act on your behalf and complete the relevant paperwork.

6. Pay money to your solicitor

Your solicitor will request funds to be placed on account for disbursements and searches.

7. Legal Pack sent to your solicitor

The seller solicitor, usually acting on behalf of the developer, will send you a draft contract with a copy of the title and lease (where applicable) and any other important files. Your solicitor will then carry out the necessary due diligence checks.

After Reservation

Legal

1. Solicitor will carry out required searches related to your purchase such as Land Registry and others
2. Solicitor will raise enquiries with the developer's solicitor
3. Draft contract finalised
4. Review of contracts and little documents

Financial

1. Full mortgage application submitted to lender
2. Valuation/survey booked
3. Valuation/report received
4. Mortgage offer received

Exchange of Contracts

1. Sign contract and return to solicitor
2. Initial deposit transferred to solicitor
3. Exchange of contracts

Exchange of contracts is a binding contract and if any party was to pull out of the negotiations this will result in loss of deposit.

When a home is being purchased off-plan then a buyer will usually exchange contracts with completion on notice.

If a home is ready to move into then it is possible to set a completion date on exchange of contracts.

The Role of A Solicitor

A solicitor, or conveyancer, will handle all of the legal requirements of purchasing your new home. They will communicate with the seller's solicitor to gather necessary documentation and draft required contracts.

Conveyancing is the legal transfer of ownership of a property and it generally involves:

1. Carrying out local authority and Land Registry searches.
2. Organising property surveys (mortgage lenders may also do this).
3. Exchange contracts and legally completing the sale.

How Do I Choose A Solicitor?

A personal recommendation is always a positive when choosing a solicitor – reach out to family, friends and colleagues. We also work with selected solicitors who specialise in new build and off-plan property purchases who we would be happy recommend to you.

Recommendations

Your solicitor will handle all the legal requirements for your purchase, but there are some other requirements you should consider to look after your investment.

Insurance For Your New Home

Buildings insurance covers your new home against fire, flood and storm damage. Your mortgage lender will ask for evidence of buildings insurance from the date of Legal Completion.

Contents insurance covers the items in your home against fire, flood and theft. Mortgage lenders don't require this, but it's very sensible for your own piece of mind.

In case your personal circumstances change, we recommend the following insurance policies:

1. Life insurance: your next of kin will receive a lump sum in the case of your death.
2. Critical illness insurance: should you become critically ill you will receive a cash payment.
3. Income protection: receive a monthly income in the case you are unable to work due to prolonged illness or injury.
4. Mortgage payment protection: covers your mortgage payments if you cannot work.

What Is Exchange of Contract?

Your solicitor will carry out the following on your behalf:

THE DRAFT CONTRACT

The sellers' solicitor will draft a contract for you to sign. Before doing so your solicitor will review the price, deposit amount, and the title deeds (the registered property and ownership details) in the contract are all correct.

The draft contract may also include the following for your review:

1. A property information form, which gives key property information.
2. Copies of previous ownership documents (title deeds).
3. A fixtures, fittings and contents form.

What Happens Between Exchange And Legal Completion?

After the contracts are exchanged, your solicitor will complete the following:

1. Carry out final searches such as Land Registry checks.
2. Draft a transfer document to transfer the ownership of the property to you.
3. Finalise your mortgage documents and arrange for your review and signature.
4. Ensure the mortgage funds are available to complete the sale.

What Is Legal Completion?

Congratulations – you are now the owner of your dream home!

Legal completion takes place after exchange of contracts and when your new home is ready to move into. Usually this happens a week or two apart.

The Day of Legal Completion

1. Your mortgage lender releases the funds to pay for your new home.
2. You pay other costs, such as Stamp Duty and solicitor's fees.
3. Your solicitor receives the title deeds for the home.
4. Your solicitor registers the transfer of ownership of the home with the Land Registry.
5. Receive the keys to your new home!

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