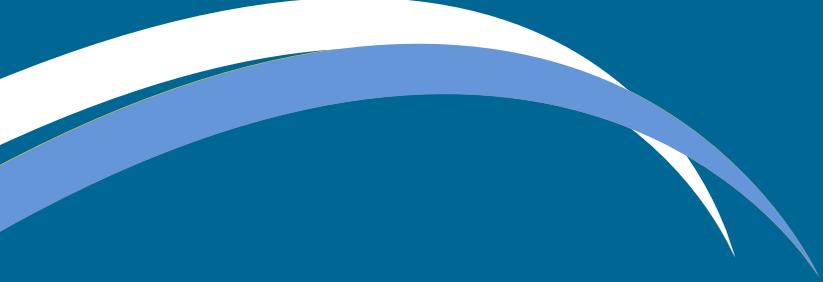


MOVING HOUSE IN SCOTLAND



tc young solicitors
effective legal solutions



Your Guide to Purchasing a Property



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This guide will help you to understand the process of buying a residential property in Scotland. We have expert knowledge which has been developed over the firm's 175 year history. Our teams in Glasgow and Edinburgh will guide you through the whole process but if you have any questions at any time please just ask. We are here to help.

Purchasing a Property: The Steps Involved

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Noting Interest

If you are house hunting, take advantage of TC Young's local knowledge. It could avoid a lot of wasted effort. When you see a house/property you like, contact us and we can note interest for you with the selling agent. A **"Note of Interest"** does not oblige you to buy, so you are not committing yourself in any way. It simply indicates that you are interested in the property and wish to be kept informed of developments, such as fixing a closing date for offers.

Closing Dates

A closing date may be fixed when there is 1 or more notes of interest in a property e.g. 12 noon on dd/mm/yyyy. This means that if you want to submit an offer for the property your offer has to be in on, or before, the particular deadline. If you advise TC Young that you want to make an offer at the closing date we will attend to everything on your behalf and thereafter report to you on the outcome. You will have to submit your best offer as there will be no scope for negotiation afterwards.

Home Reports

What is a Home Report?

The Home Report was introduced in December 2008 and is now a legal requirement to sell your property on the open market in Scotland. It consists of three key documents as prescribed by the Scottish Government. The three documents that make up the Home Report are:- the Energy Performance Certificate (EPC), Single Survey, and Property Questionnaire. The Home Report is commissioned by the seller of a property and should be available to you as a potential purchaser. Some lenders accept home reports for mortgages but others do not so there may still be a need for a second survey. There is no requirement for a home report if you are buying a newly built property from a builder or if you are buying a property that has not been marketed for sale – i.e. a private agreement reached direct with the seller.



The Loan

Your Bank/Building Society will arrange your mortgage or loan. There are hundreds of mortgage products available in the current market, make sure you agree to a product which meets your needs and circumstances. You may wish to seek independent advice from a financial advisor and if you need it, we can recommend a suitable company. We are on the panel for most lenders so we can prepare the mortgage documents and the cost of this will be included in our fee quotation.

Alterations & Additions

This is an area which gives rise to many problems. If you are aware from the survey report or from your own knowledge that the house has been altered, or extended, you must let TC Young know, so that we can check whether planning permission and/or a building warrant were required and, if so, whether they were obtained and whether a Completion Certificate was issued when the works were finished. This may be of vital importance when, in turn, you come to sell your house. Your mortgage provider will also expect this paperwork to be available before making funds available.

Making The Offer

We will discuss with you, and advise you on, the terms of your offer. Offers are long and complex documents designed to protect you against all the pitfalls of buying a house and it is important to get them right first time. TC Young's expertise is vital here. You will receive a copy of the Offer for reference purposes. This will be based on the Scottish Standard Clauses which most Scottish solicitors are now using. It is normal for a number of letters to be exchanged between solicitors before a binding contract exists. This process is known as 'missives' and the contract is only binding when missives are concluded.



The Title

TC Young must carry out a thorough examination of the title deeds to make sure that the seller is genuinely the owner of the property and that his or her right to sell is not restricted in any way. The title deeds also describe the precise extent of the property. We will ask you to confirm that the property described in the title deeds is precisely what you think you are buying. The examination of the title will also reveal whether there are conditions relating to the property about which you should be aware e.g. restrictions on business use, or a requirement to contribute to the maintenance of common ground (i.e. through property factors). You will receive a full copy of the title from TC Young.

Local Authority Matters

You will want to know whether the roads and sewers are public or private, whether there are any planning proposals which might affect the property and whether the local authority has made any statutory orders or notices affecting the property. TC Young would check all these items on your behalf.



Security or Mortgage Transaction

In most cases your lender will instruct us to carry out their legal work as well. This saves time and money. You should understand however, that the security (sometimes called “a mortgage”) is really a separate legal transaction in which we, acting for the lender as well as for you, must have the same regard to the lender’s interests as to yours. While these interests are broadly the same, TC Young will, if possible, resolve any differences which emerge. The lender will issue lengthy and detailed instructions to TC Young in connection with the loan (usually at the same time as you receive your “offer of loan”). We must then complete a formal Report or Certificate of Title before the loan funds are issued to us on your behalf.

Provided that you have completed your loan application in good time and supplied the lender with all the information it needs and we have received our loan instructions from your lender we should be able to ensure that your loan funds are available when the purchase price of the house is due to be paid.

There will be various documents for you to sign in connection with the transaction, the most important being the **Standard Security**, the deed which secures the loan over your new property. We will explain the effect of all documents which you have to sign and will ensure that they are properly signed in good time.

Help To Buy

There is a government scheme which allows people to purchase newly built homes with a deposit of 5%, a mortgage for 80% and a government equity loan of 15%. This is expected to run until March 2021. If you would like more information on the scheme please ask a member of our team.

Preparing for Settlement

As the date for settlement of the purchase approaches TC Young will draw together all strands of the transaction. TC Young must ensure that there are no outstanding queries about the property or the title, that all necessary documents have been obtained, if necessary, signed and that your funds and the mortgage funds are in our hands. TC Young will also explain to you what will actually happen on the date of settlement and where and when you will obtain keys for your new house.

The Date of Entry/Settlement

Provided we receive the funds timeously we will ensure that the purchase price is in the seller's solicitor's hands on the agreed date of entry. In exchange you are entitled to get the keys and move in.

Taking Entry

TC Young will have advised you on the steps you should take immediately on taking entry to check that the property is in good order, that any extras (carpets, curtains, oven & hob, and other items) which you are buying are present and that items like the central heating system are in working order (if that is what "the missives" provide). TC Young will also explain what has to be done if you discover any problems in this connection and what legal remedies, if any, you have. In most circumstances, however, you should be aware that claims below £400 tend to be rejected by sellers. If there is a major issue following the date of entry we may need to charge an additional fee for dealing with this on your behalf.

Land and Buildings Transaction Tax

Since 1st April 2015, in Scotland, if the property which you are buying is over £145,000 you are required to pay Land and Buildings Transaction Tax to Revenue Scotland. We would complete the appropriate paperwork to the Revenue on your behalf (we usually do this online). In order for us to complete the appropriate documentation on your behalf we would require you to sign a Mandate authorising us to do this on your behalf.

We recommend using the online LBTT calculator found at www.revenue.scot/land-buildings-transaction-tax/tax-calculators.

In certain circumstances you may also have to pay additional dwelling supplement (ADS). Rules on this are complex and we have prepared a separate guide so ask us for a copy if you would like more information on this.

After Settlement

Following conclusion of the transaction TC Young will report to you detailing any matters that remain to be dealt with and in particular any financial matters which are still outstanding and send the title deeds for registration in the Land Register of Scotland which is the final step to complete your title. When the registration process is complete, TC Young will again check the documentation before sending you a copy. Usually TC Young will retain the originals on your behalf or on behalf of your lender. There is no charge for this.



For further information please do not hesitate contact us. Any one of the following people who work in our "Private Client" Department will be able to help you with any questions you may have about fee quote/costs involved etc.:-



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