



## **Coronavirus, moving home and your legal position**

In these uncertain times we would like to assure all our customers that we are doing all possible to keep our staff and customers safe, and are following the advice of the UK Government

We have now fully implemented our working from home policy. We would request that your teams email address is used as the primary method of communication rather than hard copy correspondence. Please do not deliver any post to our office as our letter box has been sealed. Please send through Royal Mail as our post has been diverted. Unfortunately, we are unable to guarantee a timescale for responding to you.

Our contact details remain as set out in all correspondence and as shown on our website.

### **Exchange of contracts**

Once you instruct us to exchange contracts to buy/sell your property you will be legally committed to complete your transaction on the agreed completion date. If you are unable to complete on time, whatever the reason, including Coronavirus, you will be in breach of contract. The implications of this can range from payment of interest under the contract for a late completion, the loss of the 10% deposit (for buyers), paying storage and hotel costs (sellers), plus the difference in the selling price, so if the seller has to remarket the property because you cannot proceed, and the seller then sells for a lesser amount than what you were paying, you could be liable for the difference and other reasonable costs which might flow from the breach of contract. The standard contract does not, unsurprisingly, specifically provide for a failed completion due to a Coronavirus situation anywhere in your chain.

If you did proceed to exchange now, we cannot guarantee that conveyancers, lenders, and other third parties e.g. Land Registry will be operational and that further Lockdown restrictions wont have been imposed, making it impossible for you to complete and thus putting you in a position of breaching contract.

With this in mind we MUST now insist that all matters are exchanged and completed on the same day as this will minimise the risk of contracts being breached. This is known as a simultaneous exchange and completion. Of course this does mean that you could get to the day of completion and be ready to move and then completion is delayed due to someone in the chain, or yourselves, being unable to move and you would lose money you had spent on getting ready moving.

However, this would be a much smaller financial loss to you than if you were sued for breach of Contract.

When deciding whether to complete your transaction you must refer to the Governments latest advice <https://www.gov.uk/guidance/government-advice-on-home-moving-during-the-coronavirus-covid-19-outbreak> and be certain that you can comply with it. yourself or another party is self -isolating, shielding or infected or you cannot comply with social distancing then please let me know immediately and DO NOT proceed.

Please also consider that property prices can fluctuate (i.e. go down or up) and your personal circumstances could change.

I have attached a list of risks/ potential losses, this is by no means complete, but please refer to this when making your decision as to whether to proceed. Some risks relate to sellers and some to buyers, but remember if you are selling, then your buyer will be considering the risks to them and vice versa.

If you are purchasing and not moving straight into the property, then please ensure that your house insurance will cover unoccupied properties BEFORE authorising exchange of contracts. Please remember that the property may end up being unoccupied for longer than you expected so make sure you understand all of the rules your insurer has around empty properties.

Whilst it feels like everything is changing somethings are staying the same and sadly the risk of frauds is one of them. In these challenging times we would like to reiterate to our clients that they should be very careful when sending money to us. [Our bank details will not change](#) and if there is any doubt as to whether they should send money to us we would ask that they phone the office using the usual number to check.

Suremove Property Lawyers Limited

- Fluctuating house prices.
- Mortgage offer expires.
- Mortgage offer withdrawn through a change in the buyers circumstances or a change in the lenders decision to lend (if buyer is furloughed / reduced hours / job losses / less than 40% deposit etc.).
- Help to Buy expires.
- Further restrictions on lock down could prevent anyone moving into/out of a property.
- Insurers not agreeing to property being vacant if unable to move in.
- Lenders not agreeing to lend unless buyer takes possession straight away (i.e. moves in immediately).
- If you exchange and are then unable to complete you will be in breach of contracts and will lose deposit and may have to pay any losses suffered by the other party (possibly including drop in value, re arranging removals, hotel, storage costs etc.).
- Searches expired and need to be renewed but the search provider is not open so they cannot be done and we cannot complete.
- SureMove accounts unable to send/ receive completion monies due to self-isolation/illness.
- Other Conveyancers in chain closed / unable to send / receive monies.
- Someone in chain ill / self isolating / shielding and chain doesn't find out until last minute.
- Builders going into liquidation.
- Additional legal costs and stress involved in attempting a simultaneous exchange and completion which fails on the day.
- If mortgage monies are drawn down, and completion delayed and returned to the lender, the lender may require completion within one month of first drawn down or the application is cancelled and you must start again and apply for another mortgage. Will you get another mortgage offer?
- You/You buyer has to spend their savings (i.e. balance purchase monies) to live on during lock down so no longer have money to pay for property.
- If you or someone in your chain is a key worker can they cope with the hassle of moving at the moment or in the coming weeks?
- If you have to complete and then stay in your rental property you will end up paying rent and mortgage, causing you financial hardship.
- Essential service suppliers unavailable (e.g. removals / HMLR / Help to Buy). You could only find out on the day of completion that your removers are unable to move you and you have to stay put.
- Mortgage lender unable to send mortgage funds on the required day.
- You or your buyer is unable to send balance purchase monies to their conveyancer.
- Any financial institution (including HCA for Help to Buy) unable to provide finance.
- Someone in chain unable to proceed for any of the reasons stated, or you or someone in chain is a key worker and it is too difficult to complete, or unwilling to break lock down.
- You may not want to be forced to complete as you are unable to move, and do not want to leave your new property empty even if your insurance company allows it.
- Court costs arguing over who breached the contract and exactly what a "lockdown" meant in the contract clause will be time consuming and expensive for you which is why we are not recommending that we use them.
- Unable to obtain a redemption figure from lender on a sale so cannot complete.