

# After Completion - Client Guide

## Land Registration | Leasehold Properties | Delayed Completion

### Leasehold properties

Your conveyancer will give formal Notice to the landlord and any management company that you are the new owners, and may have to pay them a 'registration fee'.

Also, you may need to become members or directors of a flat management company that might own the freehold of your building, for example. Your conveyancers will have explained this to you before you exchanged contracts. Note that it is very important that you make sure the company is run properly, insures and maintains the building and that all the accounts and other annual returns are filed at Companies House each year. If this does not happen the company might be struck off. If this happens you and the other flat holders may have difficulty in selling your flats or making sure the building is maintained or insured.

Sometimes the rent and service charges will need to be 'apportioned' between the old and new owners as these amounts may have been paid on an annual basis. This might have been dealt with by your conveyancers on completion, but if not you may have to work this out with the landlord or management company direct. Our fee does not cover becoming involved with disputes over these amounts.

### Rent & service charges

It is very important that you make a diary note to pay the annual rent when it is due each year. Your conveyancer will have told you when this must be paid by but they will not remind you to pay it. Also, you cannot rely on the landlord reminding you to pay these amounts either. You may be liable for interest on any late payments.

If you do not pay the rent, insurance or service charge the landlord could try to forfeit your lease. If this happens you could lose your property. You would have to appoint a litigation solicitor to deal with any forfeiture of your lease and this will be extremely expensive to rectify.

It is better to make sure rent, insurance and service charges amounts are paid on time.



### Moving Checklist

You will have to take meter readings and notify various people and organisations of your move. Ask us for our **Moving Checklist** which has useful hints and tips.

### What conveyancers do after completion

Immediately after completion we will file your Stamp Duty Land Tax return (or Land Transaction Tax return in Wales). For more information ask us for our **SDLT Client Guide**. If you ever receive any correspondence or query from the tax authority you should get advice immediately.

### Land Registration

We will apply to register you as the new owners at the Land Registry as soon as possible after completion. Unfortunately the Land Registry can take a year or two to deal with registrations and as a result we might not get any queries on the application until a year or so after completion. We will deal with any queries they raise as best we can, but may have to contact you to resolve them.

The delays in Land Registration can cause problems if you decide that you want to sell the property or get another mortgage on it before the Land Registry has completed the registration. In some cases the Land Registry may be able to 'expedite' the registration but this will still take time and cause delays with any sale or re-mortgage. There is nothing we can do about this as it is beyond our control.

### Keep everything safely filed away!

In dealing with your purchase we have been sending you copies of the legal title to the property, other relevant documents, the searches, and results of our enquiries and so on. We will send you a copy of title registered in your name when registration is completed and may send you any original deeds we get from the seller's conveyancers after completion. You need to store all of this information and all the emails, PDFs, electronic documents and so on. You should make sure you get the originals of all guarantees and receipts for the property direct from the seller on completion (such as for solar panels or double glazing).

Be aware that you cannot expect to get much information at a later date from the Land Registry as it only keeps the most basic digital information about the property on the register. It can be very expensive or even impossible to deal with any future problems or queries over boundaries, rights, easements or covenants if you don't have the original documents or information. You may also need these documents when you sell the property. We will keep your file for some years but then it will be disposed of. We may scan and store the file electronically and then securely shred the original file.



## They took the light-bulbs?

Sometimes there are disputes after completion about what was agreed would be included in the sale of the property and what the seller could take away.

This is normally set out in the Fixtures & Fittings forms which have a useful checklist of items such as light-bulbs, carpets, blinds and kitchen equipment. You should check this carefully before we proceed to exchange of contracts.

In general terms the seller has to give the buyer everything that was attached to the property at the time of exchange of contracts. This would include plants and fences in the garden. It would also include anything in the property that would be regarded in law as a 'fixture'. This usually means things physically attached to the wall floor or structure of the property or its grounds that cannot be removed without causing damage.

Free-standing cookers, fridges, and furniture are called 'chattels' in law and would not be automatically included in the sale to a buyer as being part of the property. You must tell us if you have agreed anything with the seller regarding fixtures or chattels. We may have to add a clause to the contract to deal with this.

Our fee for dealing with your conveyancing does not cover dealing with disputes over such things after completion, and you would then have to resolve such issues with the seller direct or instruct a litigation solicitor to make a claim against them through the courts.



## Delayed completion

The contract for sale will say by what time on the day of completion the seller has to remove all their furniture and belongings from the property (known as "giving vacant possession"). Also, the buyer's conveyancer has to pay the rest of the purchase money to the seller's conveyancer by that same time. The standard contract time for this to happen is by 2pm, but the contract conditions are often amended to state a different time.

In theory, on the day of completion the buyer will check the property is empty and will then tell their conveyancer to send the rest of the purchase money to the seller's conveyancer to complete the purchase. However, sometimes the seller isn't able to get all their furniture and belongings out of the property before the contract time and sometimes the buyer isn't able to get the rest of the purchase money to the buyer by the contract time. Often this is because there have been problems as a result of removals taking longer than expected or bank delays working down a chain of transactions that are all taking place on the same day.

In general terms, in such cases the contract conditions say that the party most at fault will have to pay the other party interest on the balance of purchase price at the rate set in the contract (on a daily basis) until the day of actual legal completion - plus any other costs and expenses they have suffered over and above this amount. So, for example, if completion was supposed to take place on the Friday but actually completed on the following Monday then interest could be payable for as much as three days until the next business day on Monday, plus possibly the cost of hotel accommodation, extra storage or hotel accommodation and so on over and above that amount.

Applying the contract conditions to each situation may not be straightforward as often the precise facts of each situation are different. Some sellers might demand interest or other losses paid to them on the date of the delayed completion before they will agree to complete. Others may be prepared to deal with this after completion. You may need to obtain independent legal advice on whether interest or other costs can be claimed if there is a delay. We may be able to advise you, but we may have to charge you additional fees for this advice, and for any additional work involved in dealing with the delayed completion. If the other party won't pay your losses then you would have to sue them in court and may have to instruct a litigation solicitor to deal with this for you.

## Notice to Complete

If completion doesn't happen on the agreed contractual completion date this doesn't bring the contract to an end because the contract conditions say that 'time is not of the essence' of the contract, So the contract could run on for days or even months until the buyer and seller agree to complete the transaction.

If (say) the seller was not happy with this and wanted to force the buyer to complete the purchase they would have to appoint a litigation solicitor to apply to the court for a court order forcing the buyer buy the property. However, the process is likely to take months and can be very expensive.

Alternatively, where the seller (or buyer) is not happy with the contract running on and wants to bring matters to a head, the seller (or buyer) could serve a 'Notice to Complete' on the other party. This notice doesn't actually make the buyer buy the property or the seller sell it. Service of the Notice just makes 'time of the essence' which means that if other party doesn't complete the purchase by 10 working days after the Notice is served on them then either party can then 'rescind' the contract and claim damages from the other party for breach of contract.

Be aware that serving a Notice to Complete can backfire. For example, if the seller serves a Notice to Complete on the buyer, but at the date of expiry of the Notice the seller can't complete the sale for some reason - but the buyer is ready and willing to complete, then the **buyer** could rescind the contract and claim losses and damages from the seller!

If we are required to advise on a Notice to Complete served on you (or serve one for you) we may charge you an additional fee.