



A STEP-BY-STEP GUIDE TO SELLING YOUR PROPERTY

Selling your property is one of the most important decisions you are ever likely to make. A careful approach is needed to ensure you secure the best price for your property and are able to sell it within a time frame that suits you.

To help you on your journey, Chestertons has put together this step-by-step guide to selling your property.

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HOW MUCH IS YOUR PROPERTY WORTH?

Before putting your property on the market, you will need to carefully consider your asking price.

As every property is unique and values are constantly moving, properties are very hard to accurately value and ultimately are worth as much as someone is willing to pay.

The best way to ascertain the likely value of your property is to get an up-to-date market appraisal from a couple of local estate agents. The agents will use their knowledge of the local market and look

at similar properties that have recently been sold ('comparables') to give you an estimate of the property's value in the current market.

Once you have this estimated value, you should consider your own position before deciding on the asking price. For instance, if you have already found a property that you want to buy, you may wish to lower the asking price in order to attract more buyers.

CHOOSING AN ESTATE AGENT

Estate agents act on the behalf of sellers to market the property, introduce it to potential buyers, conduct viewings, negotiate offers and, once a buyer is found, help progress the sale through to completion.

When choosing your estate agent you should consider the following:

- Do they have access to the right sort of potential buyers (e.g. overseas buyers, developers, investors etc.)?
- How do they intend to market your property (i.e. advertising, on websites etc.)?
- Are they affiliated to any professional or regulatory bodies?
- Do they know the local market?
- Have they sold similarly priced properties in the area?
- Will they be able to represent your property in the way you'd like?
- Are they experienced and knowledgeable enough to deal with issues that may arise during the process?
- What fee do they propose charging you?
- What are the other terms of their contract?

...AND A SOLICITOR

At this point, it is also worth instructing a solicitor to act on your behalf once you have accepted an offer from a buyer.

The solicitor will prepare the draft contract of sale that will need to be sent to the buyer's solicitor and will also handle any enquiries that come through from the buyer. It is normal practice to use the same solicitor for both your onward purchase (if applicable) and your sale.

Solicitors are incredibly important in ensuring a swift transaction, so choosing a good one that will act quickly and effectively on your behalf is essential. If you don't have a solicitor, your estate agent is likely to be able to recommend one to you that they have used previously and know to be effective.



GET YOUR PROPERTY READY FOR THE MARKET

By presenting your property well, you are likely to attract more interested buyers and ultimately achieve a better price.

You should aim to present your property in the best possible way and address anything that could deter potential buyers. A fresh lick of paint, some new soft furnishings and a tidy up of the garden will all help. However, you shouldn't try and hide or cover up issues with the property, as these are likely to be discovered later on in the process and could cause the buyer to lose confidence and trust, putting the sale in jeopardy and possibly resulting in the deal falling through.

If you feel that your property requires more than a touch of paint, perhaps even a complete renovation, you may want to consider doing this work before selling. In this case, it is always advisable to get at least three quotes for the work and use tradespeople that have been recommended to you.

If you'd prefer someone else to manage the work, Chestertons' Refurbishment team specialise in preparing properties for sale and rent and work closely with many reliable tradespeople.

Email refurbishments@chestertons.com or call 020 7298 5920 for more information.

In some cases, buyers will be looking to add value to the property once they buy it by redecorating, refurbishing, renovating, refitting, reconfiguring or extending. It is worth asking your agent whether they think your property has potential for buyers to add value and, if so, whether this is something that they should draw attention to when talking to potential buyers. If there is significant opportunity to add value through extending, you may even wish to get planning permission before you sell, or even just start the planning application process.

Before putting your property onto the Market, you are required to provide the agent with an Energy Performance Certificate (EPC) for your property. These are valid for ten years, so if you have bought the property within that time, it is possible that the EPC is still valid. If not, your estate agent will be able to commission one for you.

PREPARE FOR VIEWINGS

It is normal practice for sellers to leave a set of keys with their estate agent so that they can show the property to prospective buyers without having to rely on the owner being home.

Viewings can be a little disruptive so if you want to restrict the times at which buyers can look around your property, you should agree this with your estate agent from the beginning, along with any other arrangements that you may wish to make.

Buyers often prefer to look around a property while the vendor is not in, as it allows them to look around more thoroughly and discuss it more openly. However, if you are present while a viewing is taking place, you can offer to answer any questions the buyer has and provide an insight into the area or what you think is so special about your property.

For instance, does the garden catch the sun in the evening? Is it easy to keep warm in the winter? Are the neighbours friendly? What are the local schools like?

Once your property is on the market, you'll need to keep on top of cleanliness and clutter in case of any unexpected viewings. Try to avoid cooking smelly foods and think about buying some scented candles to help keep your property smelling fresh. These small details will help buyers picture themselves living in your property, making them more likely to place an offer.



RECEIVING AN OFFER

If you are selling your property through an estate agent, anyone interested in your property must make an offer through them.

Estate agents are obliged to present all offers – no matter how low – to the seller in a timely manner and in writing; however, it is usually best to discuss any offers with your agent in detail as well. If there is more than one interested party, your agent will keep you up to date with competing offers.

An offer involves much more than just a price, so you should consider all the details of any offer you receive, including:

- How the buyer is funding the purchase
- Whether there is a chain involved and if so, how many properties are involved and what stage it's at;

- Proposed timescales of the buyer
- What the buyer wants included in the sale (i.e. kitchen appliances, furniture etc.)

If there is more than one offer for your property, you shouldn't simply choose the highest bidder; you should consider your own aims and how this relates to the buyer's situation. For instance, if you want to move quickly, a chain-free buyer or someone who already has their property under offer may be the best option, whereas if you have not yet found a property to move to, you may be in less of a hurry to accept offers under the asking price.

ACCEPTING AN OFFER

Once you accept an offer, your estate agent will notify the purchaser (and any unsuccessful bidders, if applicable) and instruct them on how to proceed. You will need to contact your solicitor to formally instruct them to act on your behalf and

then provide their details to your estate agent, who will in turn connect your solicitor with the buyer's solicitor to enable the conveyancing process to begin.

BUYER'S MORTGAGE VALUATION

If the buyer is funding their purchase with a mortgage, their bank/mortgage lender is likely to send a surveyor to value your property, which may well differ from the offer price or the value that your estate agent gave you.

If the surveyor believes your property is not worth what the buyer has offered to pay for

it, the lender may change the amount of money that it is willing to lend to your buyer, meaning that the buyer will either have to make up the shortfall in funding themselves, or else try to renegotiate the offer price with you. Again, your estate agent should help you with these negotiations.



EXCHANGING CONTRACTS

Once the buyer's solicitor has done all of their due diligence and the buyer has confirmed they are happy to proceed, a contract of sale will be drawn up.

Once this contract has been signed by the buyer and the seller, the solicitors from both sides will 'exchange contracts', at which point the sale becomes legally binding.

Your solicitor will receive a deposit from the buyer's solicitor, which is generally 10% of the sale price, but can be less or more, depending on what you agree with your solicitor. The deposit will be held by your solicitor until completion.

If you wish to withdraw from the transaction after contracts have been exchanged, you will be in breach of contract and liable for penalties or legal action. Likewise, if the buyer pulls out of the purchase after exchange, they are likely to lose their deposit to you.

COMPLETION

The date on which the transaction formally completes and ownership of the property is transferred to the buyer – the 'completion date' – will be stated in the contract of sale.

On this date, before the buyer pays the final monies, you must leave the property and clear it of all your possessions (except the items that have been included in the sale), ready for the buyers to collect the keys from your estate agent and move in.

Completion days are almost always on a weekday to allow the banks and solicitors to arrange transfer of monies and complete other necessary legal or financial actions that would be impossible to do on a weekend. If there is a chain, completions can take a little longer as monies have to be transferred between several solicitors.

THE PRE-EXCHANGE CONVEYANCING PROCESS

Conveyancing is the legal process of transferring the ownership of a property from the seller to the buyer. It starts as soon as you accept an offer.

As it involves contracts that will be unique to every property and every transaction, the process can be complicated and cannot be covered in full detail here. However, we have listed the main steps:

1. Once your solicitor has been instructed they will, if appropriate, request the title deeds of your property from your mortgage lender. You should ensure your solicitor has full details of any loans secured against your property as these will all need to be repaid upon completion of your sale.
2. Your solicitor will ask you to complete a number of forms known as protocol forms, that require information about your property and the fixtures and fittings.

If your property is leasehold you will need to complete a Sellers Leasehold Information Form with details of the freeholder and managing agents and your solicitor will receive a standard Managing Agents Questionnaire from the buyer's solicitors which they will send on to your landlord/managing agents/ residents association to complete.

3. When your solicitor has obtained the title deeds and you have returned the standard forms, these will be sent to your buyer's solicitor for approval, along with any documentation that is applicable, including a draft contract of sale.
4. Once your buyer's solicitor has received all the paperwork, they are likely to request clarification on various aspects of the property and raise additional queries for you to answer.
5. If your property is mortgaged, your mortgage lender will supply a mortgage statement to your solicitor, which will detail the amount required to repay your mortgage.
6. Once the buyer's solicitor has completed their due diligence, they will report to the buyer and present them with the contract of sale to review. At this point you will need to agree on a completion date so that this can be inserted into the contract. Once the buyer has signed the contract, your solicitor will ask you to sign it so that contracts can be 'exchanged'.

7. Contracts are generally exchanged over the phone by your solicitor and the buyer's solicitor and will usually involve the buyer paying a 10% deposit, which your solicitor will hold for you. When contracts are exchanged, you are legally bound to sell and your buyer is legally bound to buy.
8. Following the exchange, you will be required to sign a Transfer of Deed in readiness for completion and prepare to vacate the property by the completion date.
9. On the day of the completion, the buyer or their mortgage lender will transfer the outstanding balance of the sale price to your solicitor. Once your solicitor has confirmed that all the final monies have arrived, they will pay off any mortgages held against the property and send the title deeds and completed transfer to your buyer's solicitor.
10. The buyer will then be allowed to collect the keys and move into the property immediately.





JARGON BUSTER

Bridging Loan

A sum of money lent by a bank or mortgage provider to cover a period between the buying of one property and the selling of another.

Conveyancing

The term used to describe the process of transferring the legal ownership of property or land from one person to another, mainly carried out by solicitors.

Down-valuation

This is where a bank or mortgage company's surveyor values a property below the price that has been agreed between the buyer and seller.

Energy Performance Certificate (EPC)

A legally required document that confirms the energy efficiency of your property. Once commissioned, the certificate is valid for ten years.

Fall-through

This is where the transaction is abandoned before exchange of contract by either the buyer or seller. This could be for any number of reasons including a change of circumstance, the failure to secure the necessary borrowing or simply a case of cold feet.

**Gazumping**

When a seller accepts an offer from one buyer, but then accepts a higher offer from another buyer.

Gazundering

When a buyer reduces their offer on a property before exchanging contracts, having previously agreed a higher price with the seller.

Market Appraisal

An estate agent's recommendation on the value of your property based on current local market conditions.

Property valuation

A formal valuation of a property carried out by a qualified surveyor on behalf of the mortgage lender.

