

Home of the week
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Solicitors for all your conveyancing needs

Philippa
Rudd
Brief-Case



email: pgrudd@cozens-hardy.com

Legal lowdown on deposits

We have been saving for a house deposit; how much is actually required for a purchase?

The contract which you will enter into with the seller states that 10% of the purchase price is payable on exchange of contracts.

Our lender is offering a 95% mortgage but we only have 5% with which to offer. Is this going to be a problem?

You should let your conveyancer know this as soon as possible, so that they can agree the reduced deposit with the seller's solicitors to avoid delays later in the transaction.

What happens to our deposit money on exchange? Will it be kept by our solicitors?

The 10% deposit is sent to the seller's solicitors' client account on the day of exchange. The contract states that the seller's solicitors must hold the deposit. This means that the solicitors cannot part with the money to the seller until completion, when the net sale proceeds are released.

My solicitors say that the seller wants access to the deposit after exchange has taken place. What should we do?

Such an arrangement would require a variation of the contract in order for the seller's solicitors to hold the deposit as "agent". This means that the seller can demand the monies from the solicitors prior to completion. However, you should be aware of the risk that, in the event of the seller failing to complete, you may have difficulty in recovering the deposit. Essentially, the seller could disappear with the monies! If you are buying a brand new property, the deposit will normally be paid to the builder on exchange of contracts.

My parents might want to help make up the full 10% deposit. Is this permitted?

'Gifts' by relatives, towards a first property, are very common at present. You should let your conveyancer have full details as soon as possible because they will need to check the mortgage lender's conditions in order to comply with any specific instructions they have regarding the same. Your conveyancer will also have various elements to satisfy in this regard, for instance money-laundering checks. The deposit must still be available for exchange of contracts.

You can contact Philippa Rudd at Cozens-Hardy LLP solicitors on 01603 625231 or visit www.cozens-hardy.com or follow Philippa @prudd If you have a question for Philippa please email caroline.culot@archant.co.uk

Please note this column, sponsored by Cozens-Hardy is not a comprehensive statement of the law and you are advised to always seek legal advice if unsure.



can get the bus from right outside which will take you into King's Lynn and from there you can get the train to London.

So this could be a house for someone who needs to commute to the capital but who wants the family to live in the country. Hillington itself has a shop and pub, all within walking distance.

Outside, you have palatial gardens but you have other houses nearby meaning you can feel part of the community.

Again - the best of both worlds!

The Old Rectory, Hillington is for sale for £700,000 with Jackson-Stops & Staff on 01328 801333.

property to spring 2016, do everything they can now to expose themselves to these buyers. Rather than wait to join the crowd in four months time when inevitably there will be a flood of new instructions coming onto the property market, giving these buyers more choice and maybe reducing the odds of an offer and sale is surely the aim.

The time to act is now to take advantage of these often ready willing

and able buyers taking time while sitting at home over Christmas as a family to browse the property portals and maybe even taking time to physically view properties together rather than wait until the time pressures of the return to schools and work rob them of the opportunity.

So what to do? If you are considering a move do something about it now, get ahead of the crowd, get photography

and brochures prepared before the decorations go up and the weather inevitably worsens. Discuss a marketing strategy with your agent ensure that the best images are online to make a real impact and the best time is chosen to 'launch' to the market to create maximum impact at the right time.

If you are already on the market and are considering a 'break' don't! Engage

with your agent, review the marketing plan, online images, description and even the marketing price. Remember many of the website visits will be from new buyers just starting their search so however long your property has been on line it is new to them.

You can contact Gareth Thomas at William H Brown Select on 01603 221797.