

# CLIENTS' INITIAL INSTRUCTIONS AND AUTHORITY FORM

If you would like **Hubers Law Partners** to act for you please complete the form to provide the information we will need to get started and open your file under the General Data Protection Regulation and the Data Protection Act 2018. We will ask you for more detailed information with our next letter. Where boxes appear simply tick the relevant option or delete as appropriate. Please note, we will consider your instruction as our authority to act for you upon signing this form.

**1. THE TRANSACTION** - Do you wish us to act on a: **PURCHASE / SALE- / ASSIGNMENT / SURRENDER / NEW LEASE or Other** .....

**2. CONTACT DETAILS** - Please give your full **LEGAL** name and address including postcode for correspondence:

Name:

Address:

Email Address:

CLIENT 1. Daytime Tel:.....Mobile Tel : .....

CLIENT 2. Daytime Tel:.....Mobile Tel :.....

If you are purchasing as a company please provide your:

**UTR** (Unique Tax Reference number) .....

**VAT number** (if you are VAT registered) .....

Your Registered Address .....

a) If you are buying as an individual please provide your

b) **National Insurance Number:**

c) Kindly confirm your currently main employment :

d) Kindly confirm your currently annual salary .....

**3. PURCHASE / SALE / ASSIGNMENT / SURRENDER / NEW LEASE:**

a) Address of Property to be purchased/Sold:

b) Is the Property **Residential** **or** **Commercial**

c) Purchase Price - £

d) Will a mortgage be required **Yes** **No**

Name of Lender: .....

Mortgage Account Number.....

Approximate Amount Borrowed - £ .....

Kindly confirm where the deposit is held and how it has been accumulated

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.....  
.....

e) Estate Agents Details

Address & Telephone Number

f) Are you related or connected to the Vendor in any way?

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.....  
.....

g) Are you purchasing the property at the current market value?      YES      NO

If NO please confirm the true market value

.....

h) Is any part of the transaction part linked to another transaction, or part of transaction already completed?      YES      NO

If YES please give details

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.....  
.....

i) What is your intended use for the property?

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j) Details of your mortgage broker (if applicable)?.....

k) Who is arranging your building insurance?.....

L) Is the purchase of your property dependent on the sale of another?.....

#### 4. SEARCHES and REPORTS

For your purchase we will usually carry out the Local Search, Water and Drainage Search, Environmental Search and Chancel Search as part of our due diligence. However if you would like to carry out further searches, please tick the following:

(a) *Flood Search* (please tick)

Should the property be located near a river, canal, stream or other such similar water feature, this search is recommended to confirm the extent of historical and current flood risk of the property. This search is sometimes revealed within the Environmental Search as recommended action.

(b) *Coal Mining Report* (please tick)

This provides information on past, present and potential coal mining activity around a property and the position of any disused mineshafts.

(c) **Full Structural/ Valuation Report** (please tick)

This report provides information on any structural or building defects or issues and can reveal or highlight problems such as movement, asbestos and damp. The Report will provide figures to confirm the current market value of the property, if buy-to-let or commercial it will advise as to the current market expected rental or commercial income. It is important to remember that we will not physically visit the property and the Report will usually highlight any issues for your Solicitors to investigate. We would strongly advise you to carry out this Report.

#### 5. COMMENTS OR FURTHER INSTRUCTIONS (such as proposed completion dates or defects/issues noted with the property that may require further investigation)

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.....  
.....

6. If you are proposing to purchase a property in two or more names jointly, then this will create a Trust in Law and there are two ways in which you can hold the property; either as **JOINT TENANTS** or as **TENANTS IN COMMON**. To assist you in deciding which is appropriate for you, set out below is a summary of each method of ownership. (Although the word "Tenants" is used this has nothing to do with whether the property is Leasehold or Freehold).

## **JOINT TENANTS:-**

(1) Means you are each entitled to an equal share in the property and the net proceeds of sale (being the proceeds of sale less repayment of Mortgages, agents and legal fees etc). This equal division is regardless of whether you have made different contributions to the purchase or will contribute unequally to outgoings.

(2) If one of you dies then the Law of Survivorship will apply and the deceased's interest will automatically pass to the survivor. This happens regardless of any provisions that the deceased may have made in any Will.

(3) You can change this tenancy so you hold as "Tenants in Common" by giving notice to your co-owner should you wish to do so. Although the procedure is fairly straightforward you should seek legal advice if you wish to change.

**1.**

## **OWNERSHIP IN COMMON:**

**This is often known as TENANTS IN COMMON:**

(1) You can decide the exact share/percentage that each of you will have in the property and the net proceeds of sale. You could, for example, hold the property 70/30, 60/40 etc., depending upon the contributions each of you have made. There can also be alternative arrangements catered for according to any agreement you may have reached between you

(2) Examples of situations where we strongly recommend you consider Ownership in Common:-

- a) Where two or more people buy a property and make unequal contributions towards the purchase price and/or deposit.
- b) Where one co-owner would not wish his interest on the property to pass automatically to the survivor(s) upon his death.
- c) If you are buying with a business partner
- d) If you are an unmarried couple
- e) If either party has a child or children from a previous relationship. (You may wish to bequeath your interest in the property to you respective children).
- f) If you are trying to plan to reduce your potential Inheritance Tax liabilities
- g) Where co-owners are going to be making unequal contributions to the repayment of the mortgage (if any) and/or to the maintenance of the property.

(3) This is a much better way to hold property in all circumstances where joint

ownership is not immediately and obviously appropriate. **Our advice is that you should always choose ownership in common unless there is a positive reason to choose joint ownership.**

(4) For ownership in common it is sensible and sometimes necessary to document the precise agreement between the owners. This agreement is best recorded in a formal trust deed. You should consider:-

- a) The proportions in which the property is to be owned
- b) If the shares in the property are to reflect financial contributions, how are these to be assessed –initial lump sums should be taken into account, but so too should mortgage payments and household bills
- c) Responsibility for repair maintenance and insurance
- d) What will happen if there is a change in the contributions to the mortgage (if any) or other outgoings for a short period of time
- e) Who can live in the house
- f) Who decides when the property is to be sold
- g) A right for one party to buy the share of the other at current market value, how this right can be invoked and how the market value is to be decided
- h) What will happen if the property falls into negative equity
- i) What will happen in the event that one co-owner stops living in the property before it is sold.

This is not an exhaustive list, but examples of eventualities which should be considered and reflected in a written agreement.

(5) Should you choose to buy the property as owners in common, then not only do we recommend that you formalise the agreement in a Trust document, but also that a restriction be registered at the Land Registry to preserve the value of the property for the benefit of your Estate. This registration will prevent the survivor of the owners appointing a new trustee who could allow the property to be sold without the knowledge or consent of the deceased's executors.

(6) If one of you dies then the share belonging to the deceased will not automatically pass to the survivor but will be transferred according to the terms of any Will. If the deceased has not made a Will the Law of Intestacy applies and this sets out how a person's estate is distributed. It is therefore generally very important that you make a Will if you choose this type of ownership. We strongly recommend that you make a Will. (We can help you make a Will).

(7) If you wish to subsequently change from Tenants in Common to Joint Tenants you should seek legal advice.

(8) Please note that it is possible to convert from joint ownership to ownership in common at any time by one co-owner giving an appropriate notice to the other(s) and to Land Registry. It can also automatically change in other circumstances, e.g., the bankruptcy of one owner. When this conversion takes place then each owner will own a 50% share no matter what percentage of the purchase price they might have originally contributed.

(9) SEPARATE ADVICE

If you cannot immediately agree on the way you are to own land, we would strongly advise that you seek separate advice as to what is best in your circumstances. Please contact us if you wish to be advised by two separate members of the firm as to your options.

(10) TRUST DEED

If you would like any further advice on the preparation of a Trust Deed, the lodging of a restriction at Land Registry, the drafting of a co-habitation agreement or the preparation of a Will, then please contact us and we will direct you to a solicitor within Nicholas Huber & Co Solicitors who has specialist knowledge and who will be able to confirm with you the costs involved accordingly to your own personal circumstances and requirements.

(11) MORTGAGES

Please note that whatever form of co-ownership is chosen, both owners will be liable to the mortgage lender for the full amount of any money borrowed on a mortgage.

(12) YOUR INSTRUCTIONS

Please could you indicate, by ticking the appropriate description box below, the manner in which you wish to hold the property. Please sign one copy of this sheet and then return it to us and retain one copy for your own information. If you wish to discuss the matter with us before making a decision, we shall of course be pleased to advise.

**Please tick one of the above boxes.**

If you tick box 3, please endorse your respective percentage holding, noting that the total should amount to 100%.

**A. We wish to hold the property in JOINT TENANTS**

We understand that the right of survivorship applies and this is what we want

- We understand that it is recommended that we seek independent legal advice
  - We accept that even if one of us has made a greater contribution this will not be reflected in the allocation of the sale proceeds
  - We acknowledge that a property held under a joint ownership cannot be disposed of by a Will.

**B. We wish to hold the property as TENANTS IN COMMON IN EQUAL SHARES**

**C. We wish to hold the property as TENANTS IN COMMON IN APPORTIONED SHARES AS FOLLOWS:**

NAME:

NAME:

**D. We require FURTHER ADVICE as to the following:(please tick as appropriate)**

- a. The preparation of a Declaration of Trust
- b. Registering a restriction at Land Registry
- c. The preparation of a Will

**7. CLIENTS' INSTRUCTIONS** - I/We wish you to act for me/us in connection with the transaction(s) outlined above, subject to your terms and on the basis of the fee estimate you have provided with this form.

*(All those named in Section 2 above should please give their FULL names and sign and date below.)*

FULL NAME(S)	SIGNATURE(S)	DATE
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....

***INFORMATION SHEET - Sale and Purchase***

**1. Prior to an Exchange of Contracts** there is no obligation on either Seller or Buyer to

proceed with a transaction despite anything that may have been said or negotiated between the parties or through estate agents or other party. It is vital to remember this.

**2. Exchange of Contracts** is the term which describes the time at which you and the other parties involved become legally bound/committed to the sale or purchase. The exchange is handled by the Solicitors involved. Exchange usually takes place when a Buyer has (i) his finance in place (usually a Mortgage Offer) (ii) the results of any searches and (iii) all necessary documents from the seller's solicitor. The date for your move is agreed by you and the other parties and is fixed by being written into the Contracts as the completion date. Please note that in some cases exchange of contracts will be conditional on the above. As a Buyer when you sign your purchase Contract it will be necessary to pay the deposit which you are finding from your own resources (unless we can use the deposit received on any related sale).

### **3. The Completion**

(i) Completion is usually a week or two after exchange but is open to negotiation.

(ii) The completion date is the date you actually move and whatever money is necessary to complete the sale or purchase changes hands.

(iii) Please do not discuss completion dates with other parties involved until we advise you that you are ready to exchange contracts. This will only cause anxiety if there are any unexpected delays or problems in the chain.

**4. Please continue** paying your existing mortgage until Contracts have been exchanged. Otherwise you may fall into arrears and jeopardise your chances of obtaining another mortgage.

**5. Removals and meter readings** should only be booked after exchange of Contracts. If you wish to make provisional arrangements before exchange of Contracts, then please make this clear to the Contractor to avoid any risk of postponement charges.

**6. In a purchase, all insurances** should be effected on exchange of Contracts. As soon as Contracts are exchanged, please ask your Broker/Lender to issue any new Endowment Policies. Ask your Building Society or Bank to implement your Buildings Insurance as this normally becomes your responsibility on exchange of Contracts, i.e. normal completion takes place.

**7. Your first mortgage payment** falls due after completion. Please check with your Bank/Building Society as soon as possible after completion the exact date of your



payments and the amount due.

**8. Land Registry Plans** of properties are drawn to a minute scale and no dimensions are usually given in the Deeds we see. While these are generally adequate for established properties with mature hedges or fences and where boundaries are straight and easily defined, we would suggest that if you have doubts please ask if we have been provided with a more detailed plan to see if it may be checked against the actual garden/boundaries of the property you are purchasing. Any discrepancy of any significance should be reported **before** exchanging Contracts to ourselves and to your surveyor for comment and possible action.

**9. Surveys** -To avoid any doubts or misconceptions, we would wish to make it clear that we do not inspect, survey or attend the property you are buying or selling. We are responsible for transferring the ownership of the land the property stands on and any buildings on it. The quality, condition and extent of those buildings is not revealed by either the Title Deeds or our searches. If you have any doubts about the property or require assurances concerning its condition you should contact your Surveyor, builder or specialist contractor (or possibly all three). Your mortgage valuation may be limited and is usually done on behalf of the mortgage lender. Therefore you should seek clarification of the protection (if any) given to you by any survey and if you are dissatisfied, commission your own. We are prepared to recommend qualified local surveyors if you require, but not builders, contractors or their related specialists, as we are not in a position to check their work or qualifications.

**10. After completion** of a sale please cancel existing standing order with your Bank immediately to avoid making unnecessary payments. If you have an existing life/endowment policy which is not required to be assigned in conjunction with a new mortgage, you have the choice of continuing the policy for your own benefit or encashing the policy. Policies usually acquire a surrender value after two years or more but before making a decision you should discuss alternatives with us or your financial/insurance adviser. We shall always send such policies on to you unless we receive your written instructions to retain them or arrange surrender.

**11.** Basically, the doctrine of "**buyers beware**" applies to all property transactions. As a Buyer you must always satisfy yourself that any claim by the Seller is correct. Any queries or problems must be resolved before exchange of Contracts. Once an exchange of Contracts has taken place, you can expect very little help or information from the Seller.