

A Guide to Conveyancing

The residential property department at Simcocks boasts one of the most experienced team of paralegals on the Isle of Man.

Members of staff are calm under pressure and accustomed to handling multiple transactions, ensuring clients receive a stress free service. The team prides itself on its accuracy, attentiveness and speedy response times.

Simcocks has been involved in the conveyancing of property on the Island for decades and has investigated the details of thousands of properties and having a huge database of information allows us to work quickly and efficiently.

Conveyancing is the area of law which concerns property and covers a wide range of matters including the sale and purchase of property, leasing of property, obtaining a mortgage or re-mortgaging a property.

Buying Property

If you are purchasing the property with another person, you should consider how you wish to own the property, whether as Joint Tenants (each own an undivided share, 100 per cent) or as Tenants in Common (each owns a set share which does not need to be equal).

If you require a mortgage, you should agree the terms of this with your mortgage provider and inform them who your Advocate is.

Your Advocate will write to the sellers Advocate to introduce themselves and ask for copies of the original deeds which show the historic ownership of the property, documents known as Abstract of Title.

Your Advocate will also send pre-contract enquiries, these are questions about the property, usually concerning utilities, the entrance, trees and boundaries together with a blank inventory of fixtures and fittings for the seller to complete.

Your Advocate will obtain an Ordnance Survey plan showing the property you are purchasing and will outline it in red. Searches are enquired made to local authorities

and utilities providers about the property. The search results are sent to the client prior to them attending the office to sign the Agreement for Sale.

Once the Abstract of Title is received your Advocate will go through it and check that everything is in order and that the vendor is permitted to sell the property. After this your Advocate will review the contract for sale (Agreement for Sale) and the document transferring the property to you (Deed of Conveyance).

On exchange of contracts your Advocate will arrange for a deposit to be paid to the seller and obtain from the sellers' Advocate the signed Agreement for Sale and a mutually acceptable date for completion is agreed.

After the exchange has taken place your Advocate will receive the Settlement Statement, this is an account of any monies paid by the vendor for the property during the period that you will be the owner. This is usually a reimbursement of their expense in paying local authority rates for the period after they have sold the property to you.

Your Advocate may then submit requisitions, these are further questions you or your Advocate may have about the property which arise from reading the documentation relating to the property.

As you approach the completion date your Advocate will write to your mortgage provider requesting the funds for the purchase be available for the completion date.

On the completion date your Advocate will receive the signed Deed of Conveyance, the keys for the property, and any other documents requested in requisitions. You will need to sign the Deed of Conveyance and collect the keys - the property is now yours.

The Deed of Conveyance and the Deed of Conditional Bond and Security will then be lodged and recorded in the General Registry who will issue a Certificate of Registration and once your bank's or building society's forms are completed to show that you now own the property, the process is complete.

Selling Property

On receiving your instructions your Advocate will write to the purchasers Advocate to introduce themselves and state they are obtaining copies of the original Deeds which show the historic ownership of the property, documents known as Abstract of Title.

On receipt of these documents the Advocate will draft the contract for the sale of the property (the Agreement for Sale). As part of this your Advocate should receive pre-contract enquiries from the purchaser, these are simply questions about the property, usually concerning utilities, the entrance, trees and boundaries. You will have to complete an inventory of fixtures and fittings. These will then be sent to the purchasers Advocate.

Your Advocate will also draft the document which confirms the transfer of the property from your name to the purchaser's name and send it to the purchaser's Advocate for approval. This is known as a Deed of Conveyance.

If you have a mortgage on the property the Advocate will write to your mortgage provider and inform them your property is to be sold. They will ask for a redemption figure, this is the amount left owing to the bank or building society. On receipt of this figure your Advocate will begin preparing a document to your mortgage provider which will cancel the mortgage and release their claim over the property. This claim is known as a charge, and as part of the contract of sale you will have to ensure any mortgage charges are removed from the property. The document for the mortgage provider is known as a receipt to cancel.

Prior to exchange of contracts you will be required to sign the contract (Agreement for Sale) before it is delivered to the purchaser. The purchaser will sign it and pay a deposit for the property. A completion date is now inserted in to the contract. This is the date on which you will receive the money from the Purchaser and hand over the keys and the Deed of Conveyance - the property is then theirs.

Your Advocate will telephone the estate agent to confirm contracts have been exchanged and inform them of the date for completion.

The purchasers Advocate will return the draft Deed of Conveyance which may have been amended by the purchaser. Amendments will normally be minor, concerning the purchaser's details or the description of the property.

Your Advocate will prepare a settlement statement, this is an account showing how much additional money the purchaser must give you in order to complete the purchase. Additional sums will be those already paid by you for the property. Typically this includes local authority rates paid and possibly any direct debit payments for utilities etc. This information is then sent to the purchaser's Advocate.

Once again your Advocate will receive questions from the purchaser which arise after their inspection of the documentation sent to them. These are known as requisitions. Your Advocate will formulate any answers and respond to the other side.

Between now and the completion date you will need to sign the Deed of Conveyance, authorising the transfer of the property from your name to that of the purchaser and arrange for the delivery of keys on completion. You will also be asked where you want the balance of monies to be paid to. Check with your estate agent to see if they have any special arrangements as to how and when they require their fees to be paid.

Completion Day – you receive the balance of monies from the purchaser in exchange for the keys and the Deed of Conveyance which is given to the purchasers Advocate.

There may also be other matters arising out of the requisitions which will require addressing on this day though your Advocate will inform you of these.

You will now have to pay off the outstanding sum to your mortgage provider and the receipt to cancel will be executed voiding your Mortgage Deed which is the bank's or building society's security document for lending you money. This is referred to in legal terminology as a conditional bond and security. You have now sold your property.

A Guide to Legal Terminology

The terminology below is that which you would typically come across during a conveyance. The terms are roughly listed in the order you might come across them. At the end are some general words used throughout the conveyancing process.

Vendor	The seller of a property.
Purchaser	The buyer.
Deed	A formal legal document signed, witnessed, and delivered to affect a conveyance or transfer of property or to create a legal obligation or contract.
Abstract of Title	The bundle of photocopied deeds relating to the property. All original deeds are recorded in the General Registry.
Office Copy	This is the modern day Abstract of Title stored electronically on the Land Registry system. Only the details of properties sold after 2009 will be entered onto this system. Other properties may be on the system if in a particularly parish and sold after 2002.
An Agreement for Sale	The contract.
A Deed of Conveyance	The transfer deed transferring the property from the name of the Vendor to the Purchaser.
A Conditional Bond & Security	A mortgage deed, the mortgage providers security document for lending money.
Consideration	The amount of money paid for the property.
Pre-contract Enquires	These are questions about the property sent to the vendors Advocate before exchanging contracts.

Requisitions	These are questions which arise after the inspection of documentation and sent out after exchange of contract.
Searches	These are made when a person is buying property, they are enquires made to local authorities and utilities about the property.
Inventory or Fixtures & Fittings	This is a list of all the fixtures and fitting that the purchaser can expect to have one the property is sold to them.
Exchange	This is where the two copies of the contract for sale (Agreement for Sale) have been exchanged between the vendors Advocates and the purchasers Advocates and signed. The parties are then legally bound to sell and buy from each other.
Completion	This is the end of the transaction when the vendor receives the money from the purchaser and the property now belongs to the purchaser.
Receipt to Cancel	This is a deed cancelling a previous mortgage from a bank or building society. It releases the charge that the mortgage provider has over the property.
A Charge	In residential conveyancing this usually means a mortgage.
A Deed of Release	Similar to a Receipt to Cancel this releases the charge that the mortgage provider has over the property however it does not cancel the Mortgage Deed.
Execution	This is the signing of a Deed or document.
Engrossment	This is printing a document on Deed paper (buff coloured paper and stitching it with green ribbon).
Settlement Statement	This is an account showing the Purchaser how much they must pay to the Vendor to complete their purchase (usually concerning local government rates).

Redemption	This is the amount of money due to the mortgage provider to redeem (pay off) the existing mortgage. They require this money before they will execute a Receipt to Cancel or Deed of Release.
The Schedule	This is the paragraph of a Deed or document that describes the property and how the owners became entitled to it.
The Entitlement Clause	This is the words in the schedule stating how the owner became entitled to the property.
Joint Tenancy	Two people own an undivided share (100per cent each) of the property. In order to change an aspect of the property the consent of each must be obtained. The rule of survivorship applies.
The Rule of Survivorship	On the death of one joint tenant the other automatically inherits that share in the property.
Tenants in Common	Two people own the property in two separate shares (equal or not). They can therefore bequeath their share in a Will on death.
Certificate of Registration	A Form received from the General Registry confirming that a Deed has been registered.

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