



PURCHASERS INFORMATION PACK



David O'Dowd
JOHN GAYNOR & CO SOLICITORS

Table of Contents

Introduction	2.
Timeline Chart	3.
Pre-Sale Agreed:	3.
• Just Looking	
• Bidding	
Sale Agreed:	5.
• Offer Accepted	
• Surveyor & Banking	
Conveyancing Process:	6.
• Stage 1	
• Stage 2	
• Stage 3	
New Build Properties	9.
Apartments	11.
Post Completion	12.

INTRODUCTION

Objective

Firstly, from all of us here at John Gaynor & Co Solicitors we would like to thank for choosing our firm to handle the purchase of your property. Whether it is your first home, trade up or down or investment purchase we look forward to assisting you throughout this process.

Goals

The purpose of this Pack is to provide you with as much or as little information as you may require. This will possibly depend on whether you have been through the conveyancing process before however please feel free to skip sections that may not be relevant to you or ask further questions that are not included in this pack.

Useful Legal Translator

Vendor = Seller.

Sale Agreed = Offer Accepted.

Survey = An independent report on the structural integrity of the property (strongly advised).

Conveyancing = Legal process of buying or selling property.

Auctioneer = Estate Agent.

New Build = A property not previously owned.

Snag List = List of items to be remedied prior to closing a New Build transaction.

Sinking Fund = Relating to a rainy-day fund contained within Management Company Accounts.

MUDs/Requisition 37s = Set of Management Company Documentation.

Contracts = The document used to list all of the legal information associated with a property. Takes the transaction from the non-binding stage of the transaction through to the binding stage.

Pre-Contract Enquiries = List of queries raised by the Purchaser's Solicitor at the pre contract stage.

Deed = The document that transfers ownership from the seller(s) to the buyer(s).

Solicitors Pack = Template set of documents sent by your mortgage bank to our office.

Drawdown = The process of drawing down your mortgage funds directly to our client account 5 working days prior to closing.

Pre-Closing Inspection = Final viewing of the property in the week prior to closing.

Closing = The day you have been waiting for. You get the keys (usually at about 4pm) from the estate agent and the Vendors get the funds.

On Trust = A Solicitor/Estate Agent holding documentation or funds and not releasing same to any third party.

Folio = Form of online Title confirming the address, owners and mortgages attached.

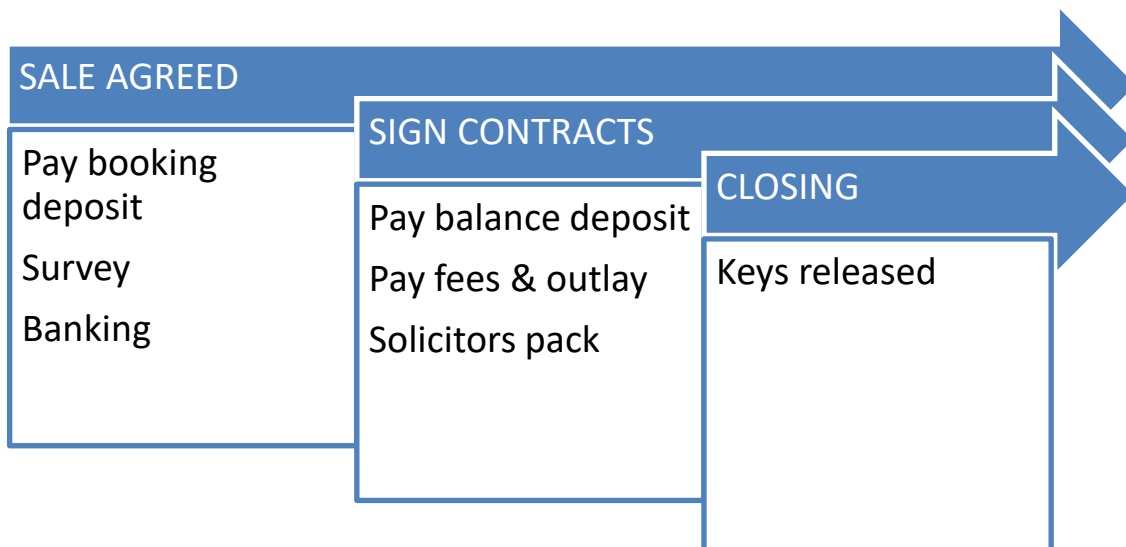
Welcome Pack Outline

This pack will include the following main stages:

- Looking at properties – Pre-Sale Agreed
- The Bidding Process – Pre-Sale Agreed
- Offer Accepted - Sale Agreed
- Surveyor & Banking - Sale Agreed
- Receipt of Contracts - Stage 1 of 3 of the Conveyancing Process.
- Raising Pre-Contract Enquiries - Stage 2 or 3 of the Conveyancing Process.
- Closing - Stage 3 of the Conveyancing Process.

TIMELINE OF A CONVEYANCING TRANSACTION

Sale Agreed to Receipt of Contracts:	1 to 2 weeks.
Receipt of Contracts to Signing Contracts:	2 to 3 weeks.
Signing Contracts to Closing:	2 to 3 weeks.
TOTAL:	5 to 8 weeks.



“Just looking” – PRE-SALE AGREED

Finance

Understanding the funds that may be available to you is in our view a very important first step in the process of purchasing a property. Whether you intend to purchase the property using funds you have available, releasing equity in another property you own or using a financial institution to borrow up to 90% of the purchase price of the property we are happy to advise and recommend professionals who may be able to assist. Your Mortgage Bank or Broker will require the name of your Solicitor in order to process your Application and reach the Approval in Principal stage (more on this later).

Mortgage Broker

We have worked with Rockwell Financial Advisors for many years now and value their knowledge in this area. We are happy to recommend their office to all of our clients in seeking whatever type of finance you might require. As brokers they do not owe allegiance to any one financial institution, a crucial factor in allowing our firm to recommend them to our clients knowing they will receive objective and independent financial advice. We also liaise with Rockwell’s Financial Advisors during the conveyancing process which gives our firm a clear and incisive channel of communication into the relevant mortgage bank. Please find their details below and ensure you mention that you have been sent from our firm to ensure you receive the excellent service we have come to rely on from Rockwell.

hello@rockwellfinancial.ie
Tel: +35312966120

Bidding

Depending on the individual this can either be an exciting or terrifying stage in the process. There is no hard rule of thumb when it comes to bidding on a property. Some of our clients maintain that coming in below asking price is effective in allowing some room to increase your offer should you subsequently see your bid rejected. Others believe that bidding at asking price reduces the likelihood of entering into a bidding war with one or many competitors. Really it comes down to the quality and location of the property itself, the strength of the market at the time, the resources of the purchaser and general interest in the property. A bit of luck is also a key ingredient here.

Importantly, you should never be asked by an Estate Agent or Seller to furnish any form of deposit in order to enter an offer on a property. You are free to enter your offer on the property in a non-binding manner (the exception being an auctioned property).

OFFER ACCEPTED - SALE AGREED

You have successfully placed your bid on your chosen property and your offer has been accepted by the seller. The Estate Agent will now ask you for the following:

1. **Booking Deposit:** This is a non-binding statement of intent required to solidify your offer on the property. The Estate Agent will hold this sum of money on Trust pending the completion of the transaction. Should the transaction fall down prior to the exchange of Contracts this Booking Deposit will be returned to you without penalty or delay.
2. **The Name of your Solicitor:** This is the time when a lot of our clients engage our services (if not when asked by their Mortgage Bank prior to this stage, as above) We would always advise engaging our firm at the very beginning of your purchase journey however there are no problems with instructing John Gaynor & Co at this stage.
3. **Evidence of Finance:** At this stage you should have your “Approval in Principle” from your chosen financial institution and this will be required by the Estate Agent to confirm you have sufficient resources to carry out this purchase.

You have paid your booking deposit, furnished your bank’s Approval in Principle to the Estate Agent and instructed your Solicitors...what now?

Surveyor

This is the next most important stage in the process. We would advise all of our clients to instruct a surveyor to carry out an Independent Structural Survey on their chosen property. This will identify any structural issues that may be present for your own records and crucially provide our office the “feet on the ground” information that we do not receive from the contracts and legal title; this includes information on renovations and extensions for the purposes of Planning Permission and Building Bye Law Regulations (leave this part to us). Importantly this would not be relevant for “New Build Properties” and we shall give a little bit more detail on this later on.

Banking

Your mortgage bank will require the address of the property in order that they can carry out a valuation report in order that they can send out your “Solicitors Pack.” Once we have received your Solicitors Pack this will be evidence that you have moved from the Approval in Principle stage of your mortgage application to the Mortgage Approved stage.

RECEIPT OF CONTRACTS - CONVEYANCING PROCESS STAGE 1

Pre-Contract Enquiries

Upon going Sale Agreed the Vendors Solicitors will begin drafting the Contracts for Sale and furnish same to our office along with all relevant copy Title Documentation (the originals will be furnished on closing). Here at John Gaynor & Co we use a standardised process of meticulously going through every detail of the Contract as well as the supporting documentation. We will raise pre-contact enquiries (list of queries), some standard queries that are always asked (e.g. a Planning Search on the property) as well as some variable enquiries depending upon the type of property and particular title furnished to our office.

These pre-contract enquiries are sent to the Vendors Solicitors to be replied to. We will send you a copy of these pre contract enquiries together with details on any specific issues that we have discovered. We will also send you a breakdown of the funds that are required at the signing of Contracts stage which takes place once we receive back satisfactory replies to our pre-contract enquiries. Please see example of this breakdown of funds x below:

Purchase Price:	€400,000
Deposit:	€40,000
Booking Deposit Paid:	€5,000
Contract Deposit:	€35,000
Fees & Outlay:	€X
TOTAL:	€35,000 plus €X

SIGNING CONTRACTS & BANKING DOCUMENTS - CONVEYANCING PROCESS STAGE 2

Deposit, Fees & Outlay, Signing Contracts & Banking Documents

We will now have received satisfactory replies to our pre contract enquiries and after discussing the information that we have received with you will be in a position to advise you to proceed with the signing of Contracts. At this stage we will also sign your Bank's Solicitors Pack which contains documentation relating to our relationship with your Mortgage Bank. If there are any issues that have been discovered through our review, pre-contract enquiries and replies we will discuss same with you in detail and let you know your options. Prior to attending at our office to sign you will have transferred the Balance of Deposit together with our fees and outlay as detailed above. We can then send the signed Contracts in duplicate together with your Balance of Deposit to the Vendors Solicitors and confirm a closing date - usually 3 weeks from this point.

Point of No Return

Crucially this is the binding stage of the transaction (really this occurs once one Contract is returned to us counter signed by the Vendor however it is best to view this point as the binding stage from your point of view). This is the point in the transaction whereby you will be unable to back out of the purchase without facing financial penalties or without relying on the Subject to Loan Clause as detailed below. Should you wish to back out of the transaction before returning the signed Contract this is not a problem; you will receive back your deposit from the Estate Agent and our own office and walk away without penalty. We would however require half of our professional fee as well as any outlay spent on the file up to this stage.

Subject to Loan Approval Clause

This is an additional layer of protection that we, as your Solicitors will ensure is added to the Contracts for Sale. As above, once the Contracts are signed you are bound to the transaction and cannot back out without facing penalty and losing your deposit, the only exception to this is if your Mortgage Bank withdraw your Mortgage after having signed Contracts but before closing. This is extremely unlikely to happen and dates back to tougher times when people may have lost their jobs after signing the Contracts and could then not complete the transaction. It is however a crucial layer of protection and one we insist on being included. Please see our David O'Dowd's letter to the Irish Times commenting on the importance of this clause on our website;

<https://jgs.ie/purchasers-guide/>.

CLOSING - CONVEYANCING PROCESS STAGE 3

Pre-Closing Inspection

We would always strongly advise our clients to arrange a final inspection/viewing of the property in the week prior to closing. This is to ensure that the property is still in the same condition as when you went to your initial viewing and also that all furniture has been removed. Importantly we encourage this pre closing inspection to take place 5-7 days prior to closing (as opposed to the day before) to ensure sufficient time for the Vendor to remove any pieces of furniture that should not be present in time to close. You as the Purchaser are entitled to a clear and vacant property as per the terms of the Contract, unless otherwise agreed.

Drawdown of Funds

It is important to check in with your mortgage bank/broker on a regular basis between the signing of Contracts and Closing; this is to ensure that you have fulfilled all of their requirements in order to allow our firm to draw down your mortgage funds (usually 5 days prior to closing). In order to draw down funds your home insurance and life insurance/mortgage protection policies will need to have been activated and we would advise activating these policies 7 days prior to closing.

Closing

On the day of closing we will have a little bit of work to do. We will run closing searches to ensure that you will be purchasing a property without any historic or live charges attached. We will also be obliged to run Judgement and Bankruptcy against you on the bank's behalf (no offence intended!). Depending on your respective names, items may require explanation, for example if we were to carry a Judgement and Bankruptcy search against a relatively popular name there is a good chance that items will appear. We will contact you in order that you can simply confirm that you are not one and the same as the person appearing on the searches and that is it.

We will also double check the original Title Documentation that is furnished to us from the Vendors Solicitors to ensure that everything that had been agreed during the course of the transaction is indeed furnished to us.

We will already have transferred the closing funds (to include your mortgage funds) to the Vendors Solicitors which will be held on Trust by them pending all of the final checks.

The process concludes with a simple phone call between the respective Solicitors whereby we would authorise the release of funds to the Vendors and they would authorise the release of keys to you, the Purchasers. Keys will usually be available for collection from the Estate Agent's office on the day of closing from about 4pm.

NEW BUILD PROPERTIES

Over the past few years these type of properties have become extremely popular in particular with first time buyers. There are many benefits to purchasing new build properties, which essentially refer to properties not previously owned, either directly off the plans or just newly constructed.

All of the above advice applies to second hand as well as New Build properties, however below are the key areas of difference:

Free Appliances

Quite often the lure of free appliances will be used by the builder to ensure signed Contracts and deposit are returned within 21 days of issuing. Provided we as your solicitors receive timely and satisfactory replies to our pre-contract enquiries, we shall have no issue complying with this timeline and should the builder's solicitors delay in replying we would seek an extension to this 21-day timeline. The main issue that can arise is in relation to your mortgage and in particular a set of documents called the "Solicitors Pack," which we require prior to being in a position to return Contracts. It is crucial that your mortgage bank and/or mortgage broker are made aware right from the point of going "sale agreed" if not beforehand that this pack will be required as soon as possible. If the "Solicitors Pack" is not received from the bank within this 21-day period we will be unable to sign Contracts and the purchasers may face missing out on the free appliances.

Help to Buy Scheme

The Government will cover up to 5% of the purchase price or €20,000, whichever is lower and does not apply to properties over €500,000. This percentage is based upon your income tax and/or DIRT payments over the preceding 4 years and as such may not be applicable for every buyer or indeed a portion of the €20,000 only may be available. This sum forms part of your deposit and is paid directly by the Revenue to the Builder.

We would advise our clients to start their Help to Buy (HTB) application at the beginning of their journey as knowing exactly how much you have to spend will be a primary factor in determining the property you wish to purchase. Importantly in the case of a couple purchasing a New Build property, the HTB application must be made in the names of both buyers, this applies whether one member of the couple has paid income tax and/or DIRT in the past 4 years or not.

The breakdown of funds payable at the signing of Contracts will be altered slightly for New Build properties as follows:

Purchase Price:	€400,000
Deposit:	€40,000
Booking Deposit Paid:	€5,000
HTB Funds:	€20,000
Contract Deposit:	€15,000
Fees & Outlay:	€X
TOTAL:	€15,000 plus €X

Once one part Contract is received back from the Vendors Solicitors duly executed by the builder this Contract together with your signed loan offer will need to be uploaded to your HTB application in order to receive the confirmation number, the builder will then receive the HTB funds directly from the Revenue which using the above example will be €20,000.

Snagging

After Contracts have been signed and the HTB code furnished all the purchasers can do is wait for the property to be constructed. Once this is done the purchasers will receive a notification from the builder that the property is ready to be “snagged.” A snag list is a list of items to be remedied by the builder prior to closing that is drawn up by a surveyor in conjunction with the purchasers. Oftentimes a second snag list needs to be raised to address a couple of outstanding items that were not remedied from the first snag list. Our advice is to ensure that the snag list is completed prior to setting about the closing process. Once the transaction has closed it may be more difficult to get hold of the builder to address any outstanding matters.

Subject to Loan Approval Clause

This clause as detailed above is even more crucial when entering in to a New Build transaction, the reason being that the exposed portion of the transaction (from signing the Contract to closing) is extended when compared with a second hand property transaction. Were your mortgage to fall through after having signed the Contract but before the property is built you would face the unenviable position of being bound to a transaction that you would not have the funds to complete. The Subject to Loan Clause protects you in such an event and is detailed further in our David O’Dowd’s letter to the Irish Times on this very subject:
<https://www.irishtimes.com/opinion/letters/subject-to-loan-and-buying-a-house-1.3397620>.

Completion Period

Notwithstanding any suggestions or predictions that may have been made to you by the builder or estate agent the builder will usually have 18 months from the signing of the Contract to complete the transaction. Unfortunately, there is no way around this and were issues to arise it is possible that the purchasers could face being stuck in the transaction unable to rescind until the termination of this 18-month period. Practically speaking there is recourse should the builder go bust however this is still a risk. We have seen recently one firm when acting for a builder seek to qualify the 18-month completion period to include the words “best efforts,” i.e. the builder will make best efforts to complete within the 18-month period. This is not something we would accept and would always insist on a specific completion period, notwithstanding the extensive nature of same.

APARTMENTS

Purchasing a second hand apartment is pretty much the same from a legal point of view as purchasing a second hand house. The major difference will relate to the involvement of the Management Company which whether you like it or not are intrinsically tied to the value of your apartment. Should the Management Company go bust which happened quite a bit during the past recession, it can make your apartment harder to sell which can have a knock-on effect in terms of the sale price you will be able to obtain.

Management Company

A set of documentation referred to as the Replies to Requisition 37's or "MUD Acts" are furnished by the Vendors Solicitors with the Contracts. These MUD Acts contain detailed information on the Management Company from the registration and formation of the company itself to their accounts for the development as well as whether the Common Areas have been transferred into the ownership from the Developer.

Accounts – We would always scan a copy of these to you as the Purchaser in order that you can see all the income and expenditure of the Management Company. Importantly details of a rainy-day fund termed the "sinking fund," will also be listed here and it is important that these funds have been sufficiently built up in order to cover any serious renovations or repairs (e.g. roof/elevator) to avoid the individual owners of the properties within the development being forced to cover the cost.

Service Charge – An annual charge you as the purchasers will pay to the Management Company to fund the running of the Development. Details of this charge will be contained within the accounts.

Common Areas – When a development is initially constructed the Developer is in charge of and owns the common areas within a development. In general, these common areas are transferred to the Management Company and whether this transfer has taken place will be something that we would check for you. They can also be taken over by the Local Authority.

Fire Safety – A fire safety cert should be furnished with the initial documentation and forms part of the properties' compliance with the relevant Building Regulations. It is important to undertake an independent structural survey on the apartment once you have gone to sale agreed and any deviations away from the fire safety guidelines notwithstanding the fire safety cert should be highlighted within this survey. This survey should also flag any structural issues and/or problems with water ingress.

Once the transaction is completed you will become members of the Management Company and capable of voting and having a voice in the decisions that are made as relating to the running of the development.

POST COMPLETION

Stamp Duty

We will discharge the stamp duty owing on the property which will have been included in our initial quotation to you and form part of the “Outlay” that you will have paid over to us along with the contract deposit and fees. In order to do this we will require your respective PPS Numbers.

Registration

We will carry out the registration of you as the new owners of the property by sending the relevant documentation to the Property Registration Authority (PRA), again registration fee charged by the PRA will have been included in our initial quotation to you and form part of the “Outlay” that you will have paid over to us along with the contract deposit and fees. Registration with the PRA will take at a minimum 4 months and once complete we will email you a copy of the Folio which will show you as the owners and your Mortgage Bank registered as a Burden on the Folio. Once you have paid off your Mortgage, they will be removed from you Folio. If you chose to re-mortgage at a later date this Mortgage Bank will be removed and your new Mortgage Bank will take their place.

Title Deeds

Finally, the Title Deeds are returned to your Mortgage Bank and our business is concluded. We value our client’s feedback at all times and would love to hear any positive or negative comments you might have about the process, communication and indeed this information sheet.

CONCLUSION

This Information Pack is intended as a brief summary of useful tips for buyers of residential property and does not qualify as independent legal advice. No solicitor is capable of advising a purchaser without the benefit of the actual Title Documentation and Contracts specific to the property in question.

Please feel free to contact our office for a free no obligation property consultation to answer any queries that you may have in person. If following this meeting you wish not to proceed with our firm there will be no charge nor follow up with you.

Thank you for taking the time to read this guide, I hope it has been useful and if nothing else helped in cutting through some of the noise that may exist in relation to the Conveyancing process.

Kind regards,

David O’Dowd

John Gaynor & Co Solicitors