



## The basics...

There are three steps to buying a property. Put simply these are 1) Finding a house, 2) Signing contracts and 3) Closing the transaction. Conveyancing the name commonly used for the legal process that gets you from a handshake to being the legal owner.

### 1) Finding a house

While some houses are bought and sold on a private basis, most property transactions in Ireland are done with the assistance of an auctioneer. The auctioneer advises on the presentation of the house, solicits bids and advises the vendor on the sales process. Interested buyers place their bids with the auctioneer, and if they are successful the auctioneer notifies all interested parties that the property is gone "sale agreed". In Irish law this essentially means nothing more than the interested parties are going to work towards agreeing and executing a binding contract.

The auctioneer will usually request the successful bidder to place a booking deposit of approximately €5,000-€20,000 depending on the value of the property. At this point the purchaser will need to retain the services of a solicitor to assist in the remainder of the transaction.

### 2) Signing Contracts

After paying the booking deposit, contracts are usually dispatched by the vendor's solicitor to the purchaser's solicitor within 1 to 2 weeks.

The purchaser's solicitor will review the title on offer and raise "pre contract enquiries". Common enquiries would relate to rights of way, planning issues, or matters of title and ownership. The purchaser would also be well advised at this point to retain the services of an engineer to survey the property to ensure there are no expensive defects.

Once the title and all other aspects of the property check out, you will be invited to attend

the office of your solicitor to sign contracts and pay a deposit of no more than 15% of the entire purchase price. Once contracts are signed by all parties there is no return; and a binding contract exists.

### 3) Closing the transaction

The final step for the buyer of a house is to close the transaction. This is the point where you get the keys to the property, and it is the point where you pay the balance of the entire purchase price.

If you are a cash buyer you will be asked by your solicitor to lodge the balance into the firm's client account in advance of this date. If you are getting a mortgage then your solicitor will request funds from the Bank in enough time.

On the closing date, the solicitor for the buyer will either attend the office of the vendor's solicitor or close by way of an agreed postal closing procedure. Either way the result will be the same, a substantial sum of money will be exchanged for original title deeds, keys, and possession of your new home.

### "Help to Buy"

A first-time buyer of a house or apartment who purchases or self-builds a new residential property between 19 July 2016 and 31 December 2019 may be entitled to claim a refund of Income Tax and DIRT paid over the previous four years.

The first-time buyer must not have either individually or jointly with any other person previously purchased, or built a house or apartment. Where more than one individual is involved in purchasing or building a new home, all of the individuals must be first-time buyers. The purchase value of the property cannot be more than €500,000 for properties bought after 1 January 2017

# Buying a House

## A simple guide



### Key People

#### Auctioneer/Estate agent

You first point of contact to negotiate the transaction

#### Mortgage broker/bank

Will help you get the finance in place to complete the transaction

#### Solicitor

Guides you through the process from beginning to end. Make sure you choose wisely. Not only are they entrusted to check the title, but also project manage the transaction

#### Engineer

Surveys the property on your behalf and tells you about the physical condition of the house

#### Valuer

Confirms to the bank the property is worth the price you are paying. Not to be confused with an engineer who carries out a much more thorough review.

This guide is produced by O'Dowd Solicitors as part of a series of guides on everyday issues. It should not be relied upon as legal advice.

Contact O'Dowd Solicitors at

021 4824426

[info@odowd.ie](mailto:info@odowd.ie) | [www.odowd.ie](http://www.odowd.ie)

Crestfield Centre, Glanmire, Co. Cork (free parking)

# The Timeline to getting your home

Preliminary Issues	Establish Your Budget	Consult with your Bank's mortgage advisor to determine what level of finance you can raise.
	Find Your House	Find your ideal house and agree a purchase price with the vendor. The vendor is usually represented by an estate agent. Once the terms of sale are agreed, the estate agent will normally ask you to nominate a solicitor to handle the purchase for you and you will be asked to pay a refundable booking deposit. However, there is not at this point any binding obligation on you to purchase the house. Both Parties can walk away.
<b>Week 1 - Sale Agreed</b>		
Week 2	Receive Contracts	The vendor's solicitor will send out contracts to your solicitor. Your solicitor will then read these contracts and look at the title to the property which you are proposing to buy.
	Retain engineer	Have the house inspected by an Engineer for defects.
Week 4	Sign Contracts	At this point you will need to ensure you have the necessary finance in place. Your bank will assist you in this regard. Once you are confident of having the funds in order, once your engineer is satisfied with the property and once your solicitor is satisfied with the title you will sign the contracts in duplicate. One copy will be for you and one for the vendor. A non-refundable deposit of up to 15% is usually paid to the vendor's solicitor at this point. You will also sign the mortgage documentation for the bank if necessary at this point. The contracts are exchanged, and at this point you will have a binding contract to purchase the house, but you will not get possession for another while.
	<b>Week 4 - Contracts signed</b>	
Week 5	Prepare for closing	After the contracts have been exchanged your solicitor will proceed to draft the deed under which the title will pass from the vendor to you. This is passed onto the vendor's solicitor who arranges for the deed to be signed. Your solicitor will now draw down the mortgage (if necessary) and will advise you on closing balance, along with any stamp duty, registration fees and other applicable charges. You should also at this stage make sure any query the mortgage bank has is resolved and activate your life and property insurance policies.
	Week 8	Close the Sale
<b>Week 8 - Possession of House obtained</b>		
	Post Completion	Your solicitor will now arrange to pay the stamp duty over to the Revenue Commissioners. Once the deed is stamped the solicitor will arrange to have you registered as the owner of the property. Once the property is registered in your name, the deeds will be sent to the bank if you have a mortgage.

## COMMON PITFALLS

### Unrealistic timelines

It normally takes approximately 8-10 weeks from a property to go from being sale agreed to moving in. Sometime delays occur, particularly where either the buyer or vendor are in a "chain", e.g. need to sell before they can buy.

### Missed Closing dates

A closing date is usually agreed at the point a contract is signed. Sometime this can be missed through no fault of any party. It is not unknown for removal companies and furniture shops to use this as an excuse to charge contingency fees.

### Bank problems

It is vitally important if you are getting a mortgage that all information is submitted to the bank on time, and correctly. We would often advise going with the Bank's offering for Life and Home Insurance policies for the first year if they are competitive as it reduces the chance of complications.

### Lack of co-operation

Unfortunately for a conveyance to work smoothly it requires co-operation from a number of people; the buyers, sellers, and their solicitors. It can happen for one reason or another that a party may not co-operate in the transaction.

### Receiver sales

It is not unknown for receivers to offer very unreasonable and one sided contracts and will at times refuse to give necessary documents of title. Not all properties sold by receivers are suitable security for mortgages.

### Contents

It is not unknown that both vendor and purchaser have completely different expectations as to what contents are included with the property. "No contents" will usually include items that are built in, but a buyer should always double check.

## Fees and Outlays

Solicitors fees for conveyancing are set by the market, but range from about €1,000+VAT to considerably more, depending on the value of the house and amount of work involved. Given the importance of the role, it is unwise to choose a solicitor based on price alone. Outlays are unavoidable expenses which are incurred in the course of buying or selling a property. We don't get to keep the money! Taking for example a property worth approximately €250,000 the outlays might be as follows:

- Stamp Duty @1%, i.e. €2,500 on the above example property
- Land Registry Fees to register the title, €400 -€800
- Land Registry Fees to register a mortgage, €175
- Searches. €70
- Courier/Registered post for title deeds: €30
- Commissioners Fees, €30

CALL O'DOWD SOLICITORS TODAY FOR A QUOTE ON 021 4824426 OR EMAIL [info@dowd.ie](mailto:info@dowd.ie)