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Guidance Notes for Buying a Repossessed Property

This leaflet has been designed for the purpose of bringing to your attention the important issues of which you should be aware when buying a property from a Mortgagee.

ACCEPTANCE OF OFFER

Your offer to buy has been accepted on the basis that no higher offers are received prior to exchange of Contracts. Should such higher offer be received, the Mortgagee is under a duty to the defaulting borrower to accept that higher offer. It should be remembered that, until Contracts have been formally exchanged, there is no binding agreement between Buyer and Seller and therefore either party can withdraw from the transaction or renegotiate the terms.

CONDITION OF PROPERTY

You will be buying the property as seen, in the condition and state that exists at the time of exchange of Contracts. *Therefore a viewing of the property immediately prior to exchange of contracts, by you or your Surveyors/Builders, is recommended.*

FIXTURES AND FITTINGS

If you made your offer to purchase in the belief that any carpets, curtains, and fixtures and fittings that may be in the property were included in the price, it must be remembered that legal title to these chattels are unlikely to pass from the Mortgagee to you. You should therefore be aware that any such items that have been left may be subject to a claim from a third party, i.e. a Hire Purchase Company or the previous occupiers. It is not uncommon for a Mortgagee to arrange for the property to be completely emptied of such items prior to exchange, to avoid any complications in the future. *Check with the Estate Agents if applicable.*

LACK OF INFORMATION

As the Mortgagee has no personal knowledge of the property, replies to Pre-Contract Enquiries (if given at all) will be limited to such information as is contained in the Deeds. You are, therefore, strongly recommended to obtain independent verification, by visiting the property or contacting the relevant Board or Authority to carry out an inspection, to ensure that all services are connected, i.e. gas, water, electricity and telephone. Charges for re-connection of any services will be your responsibility. Particular attention should be given to the water and central heating systems. Once you have purchased the property you will have no recourse against the Mortgagee for any malfunctions or inadequacies. You are advised to carry out such inspections at the earliest opportunity, to establish whether any works need to be carried out as, if this is the case, you could then discuss renegotiation of the price with the Mortgagee or the Estate Agents.

In conclusion, you should, where possible, rely on your own inspection and survey and advice from Surveyors or professional Contractors acting on your behalf. Assurances given by selling agents, the Mortgagee or their Solicitors will be limited, due to the nature of a Mortgagee sale. If there are any further points that give you concern, please do not hesitate to seek our advice immediately.