



BROWNE & MURPHY

SOLICITORS

YOUR GUIDE TO
SELLING YOUR
PROPERTY

WHAT DO I NEED TO KNOW?

Whether you decide to sell your property yourself or use an estate agent, you will find in today's climate it is difficult to sell your property. When you do secure a purchaser you need to ensure that you are in a position to issue contracts immediately. You will find that you will not always sell to the buyer who offers the most money.

You may wish to take into account whether the buyer: (a) is a first time buyer; (b) if they have to sell their own property as part of a chain; or (c) is paying cash instead of having to getting a mortgage.

WHY US?

We are a specialist legal practice with particular expertise and experience in all aspects of property transactions. Our aim is to ensure that the process of selling your property is as smooth and straightforward as possible with the minimum of stress.

STEPS TO SELLING A HOUSE OR PROPERTY

1. APPOINT A SOLICITOR

When you are planning to sell a property, you should contact us as soon as possible so that we can arrange to take up your title documents. If you have a mortgage in place over the property the title documents will be with your bank. By taking up the title documents we can draft a contract for sale in anticipation of a sale to ensure that there is no delay once you have secured a purchase for your property.

If you have made any extensions or alterations to your property you should let us know. Depending on the extension or alteration, it may be necessary to get an architect or engineer to furnish a Certificate or Opinion on Compliance with Planning Permission and Building Regulations.

Any house built after the 1st October 1964 requires planning permission. You need to make sure that all planning documentation is in order before the proposed sale.

A purchaser will be advised to obtain the services of an engineer to complete a structural survey at which stage any difficulty will no doubt raise its head.

Tip: Do not put your head in the sand in relation to extensions or alterations to a property, you should deal immediately with any such issues. You may find that prompt action means that any issues can often be rectified before you find a purchaser. It is a buyers market, so you do not want a potential purchaser to decide not to proceed with the purchase on discovery of difficulties.

2. HOW TO SELL YOUR PROPERTY

There are two ways to sell a house: –

1. By selling your property directly yourself
2. Through an estate agent. An estate agent will sell your property by private treaty or by auction. Your estate agent will give you advice on the best option for your particular house.

TIP: A lot of people are put off from selling at auction because they are worried they will lose money if bids are very low, particularly now during a recession. Where there is a bargain at auction there is usually a good reason. Don't worry, you can set a reserve price. A reserve price is the minimum price you want your property to be sold for. Setting a reserve acts as a safeguard.

3. OBTAINING A BUILDING ENERGY RATING (BER) CERTIFICATE

Since the 1st of January 2009, a Building Energy Rating (BER) certificate has become compulsory for all homes and commercial properties being sold or rented regardless of the age of the building. The law sets out very clearly that the both a seller and their agent must provide a BER certificate to a prospective purchaser of all properties.

What is a Building Energy Rating (BER) Certificate?

A building energy rating (BER) Certificate is a rating of the overall energy efficiency of a building. The rating is on scale of A to G, with A1 being the most energy efficient and G being the least energy efficient. A BER enables a purchaser to understand the overall energy efficiency of a building that they are purchasing.

How long is a BER certificate valid for?

A BER certificate is valid for a period of up to 10 years from the date of issue. If there are changes to building which will affect the energy rating of the building then a new BER certificate will need to be obtained.

How can I get a BER report for my house?

A BER assessment is carried out by trained BER assessors, registered by Sustainable Energy Ireland (SEI).

4. PREPARING THE CONTRACTS FOR SALE.

We draft up the contract for sale once we have received your title documents. A contract for sale contains the following details:

1. The details of the parties to the contract.
2. The purchase price and the deposit.
3. The closing date.
4. The contract will also list the title documents and planning documents
5. The contract then continues with a number of standard conditions, which we will go through in detail when you attend our office to discuss matters.

5. SALE AGREED

Once a sale is agreed, the estate agent will take a booking deposit from the purchaser. The amount of the booking deposit can vary and often depends on the sale price of the property. It is important that you note that a booking deposit is refundable until such time as contracts are signed by both you and the purchaser.

Once the estate agent receives the booking deposit they will issue a Sales Advice Notice to all parties involved, which includes you, the purchaser, your solicitor and the purchaser's solicitor. When you receive a copy of the Sales Advice Notice you should contact your solicitor to ensure that they have also received a copy.

The Sale Advice Notice contains the details of the parties involved in the transaction, the sale price of the property, closing date and conditions of sale (e.g. certain contents included in sale price or certain conditions that the purchaser must comply with e.g. obtain loan approval or it may contain conditions that you must comply such as fix a window, appliances included in sale price.)

6. CONTRACTS ARE ISSUED

The contract for sale and copy title documents are forwarded to the purchaser's solicitors. It is common for the purchaser's solicitors to raise certain queries on receipt of contracts and title documents. We will deal with the queries on your behalf.

7. EXCHANGE OF CONTRACTS.

After the purchaser and the purchaser's solicitor are satisfied with the contracts, the contracts and deposit are then returned to our office. The deposit paid is 10% of the purchase price. You can deduct from this any booking deposit that has already been paid to the estate agent. It will be necessary for you to attend our office to sign the contract in duplicate. One part is then returned to the purchaser's solicitor.

NOTE: This creates a binding agreement between you and the purchaser to complete the sale.

8. REQUISITIONS ON TITLE

The purchaser's solicitors draft the deed (which transfers the property into the purchaser's name) and raise Requisitions on Title. These are queries which extend beyond solely title issues such as telephone lines, Capital Gains Tax, and rights over the property. There are 44 requisitions in total. The purpose of the requisitions is to give the purchaser further information in relation to the property in accordance with the contract for sale.

9. CLOSING

Once all the queries have been satisfied all matters are deemed to be dealt with and a closing date and time is agreed. If you have a mortgage over your property we will request up to date figures on the amount required to pay off/redeem your mortgage. If the amount you owe on the mortgage is more than the sale price you will need to contact our office before you sign contracts. You will need to discuss with your bank to see what arrangements can be made in relation to the balance due.

We will prepare a breakdown of accounts on completion of the sale of the property.

Closing documents will be prepared and it will also be necessary for you to attend the office prior to the closing to sign the various closing documents.

10. CLOSING OF THE SALE AND RECEIVING THE KEYS

The completion of your sale takes place in our offices. It is not necessary for you or the purchaser to attend at the closing. We finalise matters in relation to your sale on your behalf. At this stage, you will have to ensure that the property has been cleared of any contents, not including any contents which have been agreed to be left as part of the sale and included in the contract for sale.

Once the purchaser solicitor is happy with all title documents, the purchaser's solicitors will furnish the balance of the purchase price and we will release the keys of the property to them. If you have a mortgage this is redeemed immediately out of the sale funds.

You should book the removal company as soon as you have a moving date as on the day of closing you will need to give the purchaser vacant possession.

TIP: Don't forget to notify people of your change of address, i.e. friends, banks, schools, motor tax etc. A very useful website is newaddress.ie, a change of address service which enables you to change your address details online with companies such as ESB, Bord Gais, Eircom. Remember to have your meters read before leaving, to cancel your building insurance, change TV licence and have all your mail redirected to your new address.

DO I NEED TO PAY CAPITAL GAINS TAX?

If you are selling a house, which is not your main residence (your principal private residence), then you may be liable to pay Capital Gains Tax. If the property is your main residence for the entire period of ownership of the property you are not liable for Capital Gains Tax.

Capital Gains Tax (CGT) is a tax charged on the capital gain (a profit) made on the disposal of any asset. It is payable by the person making the disposal not on the person receiving the property. The gain/profit is the difference between the price you paid for the property and the price you sold it for. The difference is considered taxable income. The current tax rate is 33%.

Put very simply, if you acquire a house that is not your principal private residence for €100,000 but later sell it for €200,000, then you have made €100,000 and tax is payable on this gain.

LOCAL PROPERTY TAX (LPT)

Local Property Tax (LPT) is an annual self-assessed tax charged on the current market value of all residential properties in the State from 1 July 2013. If you own a residential property in the State, including a rental property, you are liable to pay the Local Property Tax (LPT). A half-year charge will apply in 2013 and a full year charge will apply in 2014. The charge is to be paid by the 7th May 2013 if submitting a paper return or by 28 May 2013 if submitting your return online.

LPT is a charge to the property owner not the tenant, unless you have entered into a lease in excess of 20 years or if you have an exclusive right of residence in a property for life or for a period of 20 years or more or hold a life interest in a property you will be liable to pay local property tax. A receipt for LPT will need to be furnished to the purchaser when you are selling your property. If you own a residential property on 1 May 2013, you are liable to LPT for 2013. Therefore, if you sell your property after 1 May 2013 you are liable to LPT for 2013 and the liability is payable in full for the year at the time of the sale. For each year after 2013 the date will be the 1 November in the preceding year.

WHAT ARE THE COSTS INVOLVED IN PURCHASING A PROPERTY?

Solicitors Fees	You should always obtain a quote from your solicitor.
Auctioneers Fees	This is generally calculated on a percentage basis, and is agreed in advance
Bank	If you have a mortgage over the property you are selling, your bank holds your title deeds. They do charge a fee to your solicitor for taking up the deeds. The mortgage will also need to be redeemed out of the sale proceeds

OTHER COSTS THAT MAY APPLY

Service Charge (may not apply to the property you are selling)	If you are selling an apartment or commercial property, make sure that all your service charges are paid up to date and that you have a receipt.
Rates (may not apply to the property you are selling)	If you are selling a commercial property, make sure that you have a receipt confirming that all rates are paid up to date.
Capital Gains Tax	Capital Gains Tax (CGT) is a tax charged on the capital gain (a profit) made on the disposal of any asset. Current rate 33%
Residential Property Tax	Local Property Tax (LPT) is an annual self-assessed tax charged on the current market value of all residential properties in the State from 1 July 2013.

DETAILS ABOUT MY PROPERTY TRANSACTION

(This should be completed and given to your solicitor when you meet to discuss the property that you are purchasing)

PERSONAL DETAILS

Name _____ Date of Birth _____ PPS Number _____

Address _____

Marital Status _____ Spouse/Partners Name: _____

THE PROPERTY

Is the Property your principal private residence? _____

Have you a mortgage over the property? _____

Name of Bank _____

Have you made any extensions or alterations to the property that would require planning? _____

Last year Local Property Tax amount (and receipt) _____

BER rating _____

Have you received any notices from Local County Council in relation to your property? (if yes please furnish details)

Details of any rights another may have in relation to the property ie right of way, right of residence

GUIDE TO HELP YOU WITH YOUR BUDGET

Sale Price	
Less Auctioneers Fees	
Less Solicitors Fees	
Less redemption of Mortgage	
Balance due by you on completion of sale	

CHECK LIST

Use the check list below to help you prepare for your meeting with us about purchasing a property.

- Have your passport/driving licence and an up to date utility bill to confirm your identity. Solicitors are required to keep copies of these documents for all new clients.
- Proof of your PPS number (your PPS number is required by the Revenue Commissioners in relation to stamping your deed)
- Prepare a budget to ensure you are aware of all the costs involved in your sale
- Do you need to instruct an engineer/surveyor in relation to any extensions or amendments to the property
- Where you have a mortgage have you obtained up to date redemptions figures.
- Have you a receipt showing payment of Local Residential Property tax?
- Have you obtained a BER certificate?
- Am I liable to pay Capital Gains Tax?

If you require further information about selling your property, please contact:



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