

FIRST TIME BUYER

THE FIRST-TIME BUYER RULES

Some properties in Jersey are only able to be acquired or occupied by first-time buyers, usually on the basis of planning conditions imposed on the development in question. In some cases, people who have owned property before are allowed to be categorised as first-time buyers for the purpose of a particular property transaction. Click [here](#) for further information.

In addition, concessionary rates of stamp duty and Land Transaction Tax (LTT applies to share transfer property) can apply to purchases by first-time buyers and related mortgages. It is very important to note, however, that the rules determining who can benefit from these concessionary rates are very strict. They do not apply where the property purchased is more than £450,000 and for these purposes 'first-time buyer' excludes anyone who has ever owned any interest in property (freehold, leasehold or share transfer) in Jersey or elsewhere.

We will be pleased to give further advice as to the application of these rules in relation to your transaction.

FINANCE

Can you afford to move? Buying property involves various costs and fees.

Costs you will need to consider include:

- Mortgage Fees – Getting the right mortgage terms is crucial. Click [here](#) for more information on mortgages or to view our Mortgage Calculator click [here](#).
- Lawyers Fees – At Appleby we like to be totally transparent when it comes to charges. We will provide you with a pack of all the information you need and an upfront fixed fee quote with no hidden extras. For a free quote click [here](#).
- Surveyors Fees – The amount you will have to pay is dependent on whether you commission a survey in addition to the valuation which your lending bank will commission (at your cost). The general principle is 'buyer beware' when it comes to defects in properties, so doing without a survey could be a false economy.
- Stamp Duty/Land Transaction Tax – Follow the [link](#) which shows how much you are likely to pay.

THE PURCHASE PROCESS

How long will it take?

It is usual for purchases to be completed within 4 to 6 weeks of the parties instructing lawyers. Delays can arise either because of issues specific to the transaction itself e.g. boundary irregularities requiring a neighbour to be joined into the purchase contract or because of issues in another transaction in the chain. Delays can often occur due to lending banks not having received everything they require in order to be able to issue security documentation. We will do all we can to minimise delay on your part but to avoid further delays please attend promptly to the section below **What should you do?**

Who at Appleby will represent me?

One of our experienced conveyancers will take the day to day responsibility for your transaction, which will be supervised by one of our property partners. We will keep in close contact with you throughout the transaction but feel free to contact us whenever you like. We pride ourselves on our responsiveness and personal approach.

What will Appleby do?

Our primary purpose is to check that the vendor's ownership of the property is unchallengeable and that there are no legal constraints on your acquisition and use of the property.

More specifically, we will:

- Check the title to the property by researching the title documents in the Public Registry. This involves tracing back ownership for at least 40 years.
- Check what existing charges are registered against the property and make sure we have an undertaking from the vendor's lawyers to pay off the relevant liabilities out of the purchase price, and then arrange for the charges to be cancelled.
- Attend at the property to check that as physically established corresponds with the position disclosed by our title researches. In particular, we will check whether any parts of the property encroach on neighbouring properties or breach building restrictions or similar constraints.
- Make enquiries of the utility companies, the Planning and Building Services Department, the relevant Parish, the Transport and Technical Services Department and the Rent Control Tribunal.
- Raise queries with the vendor's lawyers, both of a standard nature and specifically arising from our title researches and third party enquiries, and follow up with a view to agreeing remedial action, where possible.
- Ensure that the necessary consents under the Housing (Jersey) Law 1949 and the Agricultural Land (Control of Sales and Leases) (Jersey) Law 1974 are obtained.
- Advise you in relation to the security documentation issued by your lending bank's lawyers, if relevant.
- Provide a certificate of title to your lending bank's lawyers, if relevant.
- Advise you on the results of our researches and enquiries and any areas of legal risk.
- Make arrangements for the payment of the required stamp duty/LTT.
- Deal with all completion formalities (including attending the Royal Court, where applicable) and with the necessary completion payments.
- Following completion we will make the necessary declaration to the Parish for the purposes of the Rates Law.

If you are buying a 'flying freehold' property our work will also involve reviewing the declaration of co-ownership (the 'constitution' of the development), the minutes of the association of co-owners and making enquiries of the association representative.

If you are buying a 'share transfer' property our work will also involve reviewing the statutory records of the company in which you are to buy shares and making enquiries of the company secretary and (if applicable) the managing agent.

What can Appleby not do?

Although there are many aspects to our role when acting in a property purchase, we as lawyers cannot provide specialist advice within other disciplines.

In particular, we cannot:

- Provide valuation advice or advice on the condition of a property.
- Provide specialist planning expertise. Our researches and enquiries in relation to planning matters are limited to an enquiry of the Planning Department (whose replies are not always accurate), an enquiry of the vendor's lawyers (who will simply pass on their client's instructions) and an external inspection of the property.
- Give financial, investment or taxation advice.

However, we have a range of other professional advisers we are happy to put you in touch with as required.

What should you do?

There are several key steps you should take to ensure that your transaction proceeds as smoothly as possible, including:

- **Mortgage:** ensure that you take all steps required by your lending bank and/or mortgage broker, as quickly as possible, to ensure that there is no delay in the bank's lawyers being instructed to prepare security documentation and so that all the bank's preconditions to completion are fulfilled.
- **Balance funds:** ensure that the funds needed to make up the balance between your mortgage on the one hand and the purchase price and associated costs on the other are available in good time for completion. We will need to have cleared funds from you the day before completion.
- **Survey:** your lending bank will have carried out a valuation and this may include high level comments on the apparent condition of the property. But you will be well advised to commission your own survey report, either a full structural report or a less extensive 'homebuyer's' report. It is important to remember that in Jersey conveyancing the full risk in relation to any defects there may be in a property lies with the purchaser.
- **Absences and contact details:** it is very important that you let us know of any intended absences from the Island during the purchase process, so that suitable arrangements such as powers of attorney can be put in place. In addition, we need to be able to contact you easily if the need arises.
- **Insurance:** in advance of completion you will need to put in place appropriate insurance depending on whether the property is freehold, flying freehold or share transfer. We will be able to advise you as to what type of insurance is required.
- **Utility services and notification of change of address:** you will need to make arrangements for the mains services and telephone service to be put in your name and will also need to give notice of your change of

- address to the various States departments as well as to the medical and commercial organisations with which you deal.

INSURANCE

Life Insurance

Although it is not a requirement for purchasing a property, it is a good idea to have life insurance. This means that if something were to happen to you, your mortgage payments would be covered and your partner wouldn't have to worry about making the mortgage payments on their own.

Mortgage brokers have insurance companies that they recommend and will be able to walk you through the process.

Home Insurance

Your lending bank will need to know that there is proper insurance in place for your new home. The kind of cover you will need to arrange will depend on whether you are buying a freehold house, a flying freehold apartment or a share transfer apartment. We will explain to you exactly what cover you need.

Like your car insurance it's good to shop around for the best deal.

COMPLETION

Purchasing a flying freehold or freehold property will require you (or us as your attorney) to attend the Royal Court the day the property transfer takes place. The rights and rules governing the occupation of the property are read out and you as the purchasers must agree to them.

For share-transfer properties there is no need to attend court. You have purchased shares in a company and therefore will complete the purchase by signing an agreement with the vendor and being issued a share certificate by the company which owns the property. The certificate will be issued to us which will then be passed onto you.

REMOVALS

It's worth shopping around to get the best quote or speak to family and friends to see who they recommend.