

A modern living room with a grey sofa, a white office chair, and a large window with blinds. The room is well-lit and features a mix of textures and colors.

Property Purchase Guide

All the facts and information you need to get your hands on the keys of your new property.

Michael Monahan Solicitor

Property Purchase Guide

Property Purchase Guide – what your solicitor actually does to ensure you get your property.

Please read this in conjunction with the attached update on what you need to do to get Loan Approval before you come and talk to us.

The 1st thing we need to know is that you have Loan Approval from a Financial Institution. Unless you're a cash buyer you cannot proceed unless a written loan approval is sent to the solicitor guaranteeing that the money will be available to go ahead with the purchase.

When this loan offer comes in it has to be signed by the borrowers in the presence of the solicitor who in turn has to give a personal written undertaking that they will place the mortgage on the title by registering the property with the Property Registration authority after the sale is closed.

This is the guarantee that the entire transaction relies on.

Once signed by both parties the solicitor sends it back to the lending institution with an indication of when the funds will be needed and providing details of the client account for EFT transfer.

After that we get a Sales Advice Notice from an Auctioneer. The information usually comes by email and states the location of the house, the parties buying and selling, the price and the amount the auctioneers deducted to ensure his fees are paid. This amount comes off the 10% deposit which is paid over by you when you sign the contract.

While we are waiting for the contracts and the title of the property to come in from the sellers solicitor we sign you up with a detailed letter outlining the costs and outlays you will incur. If you use our [Conveyancing Cost Calculator](#) you have already have a definite figure you can budget on.

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When Contracts and the Title come in all the questions relating to the title and the contract are answered by the sellers solicitor at this stage. This system changed in 2019 and now makes more sense that all information is provided prior to signing the contract . Before that you signed the contract and then questions known as Requisitions on Title were sent to the sellers solicitor for reply.

As life moves faster now it makes a lot more sense to get these answered before you sign the contract. Your solicitor goes through 40 pages of questions and replies. Not all of these will be relevant to your particular transaction. For example some relate to apartments or public houses and you might be buying a house.

Another innovation in these times of cyber security is to put solicitors bank account details for the payment of funds in the contract special conditions. A competent solicitor should never send the bank account details by email as they hold funds for clients. Any email could be and has been intercepted by 3rd parties. We are warned about funds can be stolen by hackers intercepting emails and redirecting funds .

At this stage your solicitor will advise you to get an independent engineering assessment of the property. You may have your own friendly expert who will carry this out for you with a member of that person must certify that the house is suitable. If you decide not to employ an expert, a competent solicitor will ask you to sign a letter confirming that you were advised and you decided not to employ an expert.

You must also understand that while your lending institution will send somebody out (who they will bill you for) to survey the house this is solely to ensure the house will remain habitable for the length of the mortgage. You need a more detailed survey especially if it's a 2nd hand house to know what you're letting yourself in for. While these surveys may not be as detailed as you would like you still should have somebody check out the property.

It is now compulsory to provide a BER cert with the contract. This simply gives you the energy rating on the house and you can budget how much you need to insulate if you go ahead with the purchase.

When the engineers survey is completed and your solicitors are happy that all matters relating to the title of the house are there you can make arrangements to sign the contracts and provide the solicitor with the balance of the 10% deposit. In these times the use of EFT transfers to solicitors Client Account are common and the use of remote signing is increasing by the use of DocuSign by clients to save physically coming to solicitors office simply to sign documents.

Having signed the contract in duplicate both are sent back to the sellers solicitor with payment of the balance of the deposit allowing for the auctioneers deduction referred to above. If for any reason the property under sale is not jointly owned by husband and wife and is a family home then the wife must sign a consent on the front page of the contract that she agrees to the sale.

The seller then signs both parts of the contract and sends one part back to the buyers solicitor.

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When that is received you as the Buyer should get Insurance on the property .

You also need to get Life Insurance for the length of the Loan. Buy the cheapest one .

It is now common that at the time of sending the contracts from the buyers solicitor and sellers solicitor the seller will send a draft document known as a transfer If registered property or a conveyance if unregistered property. If this draft is accepted then the buyers solicitor will get the buyer to sign it when he signs the contract.

After the contract is signed by the seller the parties are committed to the deal if the buyer backs out he loses his deposit and may get sued for breach of contract. In modern Ireland with houses in short supply this seldom occurs.

Over in the sellers solicitors office the originals of all the copy documents sent with the contract initially are gathered. These are normally to do with payment of taxes such as the LPT tax. This is a print off the Revenue Website . A letter from the local Authority confirming that no tax due under the NPPR tax system for rented property will be needed . If it was a rental property then confirmation must be received that the NPPR was paid.

Please note LPT is paid in November annually .If you buy the property in June the seller will have paid LPT to the following November . You have to reimburse for the balance of the year . The Solicitors will calculate down to the actual day what is involved .

The 2 solicitors agree to work towards closing date. This is very much dependent on when the money comes down from the lender. Again this comes by EFT to the buyers solicitor client account. Once a date is given for the arrival of the funds they must be actually in the solicitors client account before the transfer can be made to the sellers solicitor.

The seller for their part then carry out what are know as Searches against the property. These are against the parties involved in the transaction lest there be any charges placed on the property since the title was produced at the start of the transaction. The money is transferred on the same day as the Searches are shown to be clear. Allowance must be made for one day delay between one bank and another in Ireland. It is not known why electronic transfer should be delayed like this but it is something to be aware of.

The title documents are forwarded usually by registered post. Very few sales require the physical meeting of the solicitors to hand over title documents to the buyer solicitor these days. The documents are usually sent in advance and the buyer solicitor holds them in trust pending receipt of the funds. The buyer transfers funds and the seller in turn hold these funds in trust pending receipt of confirmation that all the title deeds and receipts are in order. When both sides are satisfied the buyers solicitor authorises the release of the funds to the seller. The sellers solicitor for their part notify the auctioneer to release the keys of the property to the buyer.

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After you get the keys of your property your solicitors still working away on your behalf. In some cases they have to wait until the sellers solicitor takes the mortgage off the property if there is one on it. This is done by document: E discharge which is an online process. When that is completed and sent to the buyers solicitor. This is added to the documents of title and forwarded to the Property Registration Authority to register your ownership and if you have taken out a mortgage to register the mortgage in addition. the fees for the PRA are included in your account with separate fees in relation to register the mortgage.

While the title is lodged the PRA can raise queries which may require further correspondence with them or even with the sellers solicitor.

They will only complete the registration when all queries are satisfied. They notify your solicitor by letter and they issue a new folio showing your ownership which is required by the lender. Your solicitor then collects all the title documents and declarations related to your property and sends them to your lending institution. They list them in a schedule of documents and send that in duplicate. The lending institution check these and send back a confirmation copy that they have received the title documents for your particular property.

It is only then your solicitor is released from the Undertaking having complied with the requirement to register the mortgage and to provide the title for storage by the lending institution for the length of the mortgage..

Your solicitor then has to close the file and place it in secure storage .

1st time buying a house ? – what you need to know.

We've been involved in buying and selling property for over 20 years.

Trust us to provide some guidelines if you are totally new to this.

In 2021 the introduction of the Help to Buy Scheme allows those eligible to claim back tax they paid in Ireland in the last 4 years up to 10% of the purchase price of the property. This was brought in to try and help first-time buyers looking at new houses. It does not apply to 2nd hand houses .

So the 1st thing you need is to work out what you're paying tax to see how this scheme works for you. That's the first hurdle you have to cross.

The next hurdle is you have to show savings or consistent rent payments if you want to raise finance .When you come to the lending institutions they will still want to see evidence that you have funds apart from the tax relief.

The next issue is will they give you a Mortgage?

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Here's what they look at. They want to see savings to cover for unexpected eventualities which might lead to non-payment of the mortgage. Be warned they will analyse your lifestyle when you have to submit your credit card statements. If they see payments to betting shops or high spending pattern and a regular maxed out card this is a red flag to them in relation mortgage approval.

Remember lenders are risk adverse lately since the 2008 financial crisis

Another hurdle is what they call the Stress Test. This doesn't relate to your state of health after you to fill out all the forms and provide all the documents perhaps for 6 different lenders . No the potential lenders want to see if you can pay the loan if interest rates go up. While at present there are out a historical low level if you are borrowing for 30 years who knows what will happen. Again they are risk averse these days

This stage you may be making progress with all the loan applications in and you may be getting positive soundings from the mortgage advisers in various financial institutions.

If you get competing offers take advice on which is best for you.

There are new lenders now in Ireland anxious to undercut the existing players so check them out . Their rates are more in line with Europe .

The next decision is what type of loan should be fixed for a term and fixed interest rate or should you allow a variable rate which goes up and down with the money rate set by the ECB.

There has been a history in Ireland of not reducing the interest rates to the same levels in Europe to try and earn money back after the 2008 crisis. Remember money is only a commodity and is vital that you understand the cheaper rate will save you money in the long term. Brokers generally recommend to fix a rate for 5 years at a rate you can afford when you're a first-time buyer. You'll have other expenses in those years so a fixed monthly payment you can afford is best. They also say your mortgage should only cost you max 35% of your net disposable income.

The next consideration is the location where to buy. Buyers now buy for the long term – the "we'll trade up in a few years" idea is gone. If you want family buy family home!

The last task on this road once you have loan approval is to provide life cover on yourself in case you die before it's paid off. Again any policy will do so simply find the cheapest as you will be repaying it for the next 25/30 years. Even if you're in the fortunate position to be able to pay off your mortgage early you should keep this life policy going as you paid into it in the early years and if anything happens to you at least there is a life policy there on you for your family.

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Finally you need to call us as your trusted legal advisors. You want to factor in the cost of transfer of the property and obtaining the mortgage funds based on the solicitors undertaking. Benefit from our Conveyancing Costs Calculator available 24hours a day on this site. No need to call to other solicitors offices or phone around to get a quote just fill in the details in relation to your name address phone number mortgage company and location and price of property. We will provide within 24 hours the fees VAT stamp duty registration feesall on one sheet for you to approve..... All done at one click.

Once you appoint us we'll take it from there .

[Contact us if you need further assistance](#)

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Michael Monahan Solicitor has got you Covered for all your Property Needs.