



How the Coronavirus may impact on your exchange of contracts

Taylor&Emmet LLP
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Over the last few weeks the staff and partners at Taylor&Emmet have been working incredibly hard to prepare for the possible 'lock-down' of businesses due to the Coronavirus pandemic and to minimise the impact on clients. Whilst there are many uncertainties at this stage it is clear that, for the moment, normal life for many is on hold. This is affecting businesses across the country and across all business sectors from hairdressers to fast-food restaurants. Neither the conveyancing sector as a whole, nor Taylor&Emmet are immune from this.

We are committed to taking responsible and proportionate precautions in line with Government advice and recommendations to help prevent the spread of Coronavirus and to protect our employees and our clients, and whilst we have endeavoured to maintain, as far as possible, a normal conveyancing service, it is clear that from a practical point of view many transactions are unlikely to proceed normally during the 'lock-down' period.

As a result of the Government 'lock-down' we have now closed our offices to personal callers. Solicitors and conveyancers are all equipped to continue working from home and we will continue to progress and deal with transactions throughout the 'lock-down' period. You can continue to contact your solicitor or conveyancer by direct dial telephone number or e-mail address. However, it is impossible to say how transactions might be impacted from a timing point of view as a result of the 'lock-down'.

How long will my conveyancing transaction take?

Even at the best of times it is impossible to say with any certainty how long a conveyancing transaction will take. What might be considered a straightforward transaction involving one buyer and one seller will usually involve a whole host of other parties.

For example, most transactions will involve solicitors / conveyancers, estate agents, surveyors, mortgage brokers / financial advisors, mortgage lenders and removals companies.

If your sale or purchase transaction is part of a chain then each party in the chain will be dependent on all the other parties in the chain which means there could be a large number of people involved, and the absence or inability of any one of those parties to proceed, for example due to ill health or self-isolation, could have a significant impact on the timing and progress of a transaction.

At what point are you contractually committed to complete?

From a legal point of view prior to the exchange of contracts neither party has any liability to the other. Once you have exchanged contracts however you are contractually committed to complete on your sale and/or purchase on the agreed completion date. From a Seller's point of view this means you will usually have to move out of the property on (or before) the completion date. For a buyer this means that you need to pay the purchase money to the seller solicitors, which is of course usually undertaken by your solicitor or conveyancer. If you are selling and buying on the same day then both transactions need to be synchronised to complete together. If you are unable to complete as agreed, for whatever reason, which would include Coronavirus, you will be in breach of contract. The implications of this can range from payment of interest under the contract for a late completion, or potentially the loss of the 10% deposit (for buyers), and other reasonable costs which might arise as a result from the breach of contract. If the other party is unable to proceed then they too would be in breach of their contract with you.

If you are buying and selling a property at the same time it is important to remember that although the two transactions might be dependent upon each other, in that you may need to sell your existing property in order to buy your new property, the two transactions remains separate and distinct, with different obligations arising under each contract.

As every transaction is unique it is unlikely that a 'one size fits all' approach will be appropriate. We will discuss the options with you when it comes to proceeding to an exchange of contracts, however it is likely at this stage that many transactions will be on hold and unable to proceed to an exchange of contract and completion, during the lock-down period. We hope that most buyers and sellers and their conveyancers, estate agents and others will take a pragmatic approach, and look to finalise arrangements for completion once the 'lock-down' comes to an end.

We will continue to monitor the situation closely and review our practices and procedures to ensure that normal service can be resumed as quickly as possible, but if you have any particular concerns please do not hesitate to speak to the solicitor or conveyancer looking after your transaction.