

Covid-19 Information Sheet – *Conveyancing transactions for sellers*

This information sheet has been produced by students from BPP's Pro Bono Centre under the supervision of legally qualified staff members. This factsheet aims to address concerns you may have about selling a property during COVID-19. The information contained in this document is accurate as of 9th April 2020.

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Selling a property – Pre-Exchange

Can I still sell a property during COVID-19?

Since 23rd March 2020, the UK has been under strict social distancing measures. This includes restrictions on who we physically interact with, and the closure of non-essential business premises – including estate agents and conveyancing solicitors.

Currently, there are no specific restrictions on you selling a property, you are not required to withdraw from any transactions. But the UK Government advice urges all parties, including buyers and sellers, to work together to extend deadlines for completing any sale to a point when social distancing measures are relaxed.

Additionally, estate agents and conveyancing solicitors are all now working from home. This, along with the restrictive social distancing measures, means there will be significant delays at all stages of the selling process. You should consider carefully whether now is a good time to start the process of selling a property.

What if I have a sale in progress?

As mentioned above, there is no requirement for you to withdraw from a transaction. But everyone involved should try to work together to ensure that completion takes place at a time when there is minimal risk of transmitting COVID-19.

If the property you are selling is unoccupied, you may still be able to complete – so long as the move can take place with social distancing measures being followed. If the sale would require you to move out, you should work with the buyer to try to negotiate an extension to the date for completion in line with Government advice.

If you have accepted an offer, but you are yet to exchange contracts, you can still carry on with the process. However, you should remember that there will be more delays than usual as everyone adapts to working within the social distancing measures.

Your estate agents and conveyancing solicitors can still do some work on your sale whilst working from home, this includes:

- Using technology to meet with you and your buyers' representatives
- Making use of electronic signatures where (and if) possible

Can I still place my property on the market?

There are currently no restrictions on you placing a property on the market, but this is going to be much more difficult than it usually would. Your estate agents cannot visit your property whilst social distancing measures are in place. This means they cannot take advertising photographs or properly value property to advertise to buyers.

You can still try to advertise your property by taking your own photographs where appropriate. Some estate agents are also helping sellers to facilitate virtual tours of their homes to give buyers more information – speak to your estate agent about what measures they can put in place to help you put your property on the market.

You should not be allowing anyone to visit your property to view it during the current social distancing measures. These measures are due to be reviewed on 7th May 2020. No viewing should take place before this date.

Can I accept an offer on my property during COVID-19?

Yes. If your property has been on the market and a buyer has come forward with an offer, you are still free to accept this. You should speak to your estate agents before accepting any offer to make sure the offer is right for you.

Bear in mind all the information set out above, once you accept an offer the process of selling your house is going to move slowly during COVID-19.

Selling a property – After accepting an offer

Can we proceed to exchanging contracts?

Before you exchange contracts and complete a sale of your property, a number of searches need to take place to ensure the buyer has all the information they need about your property. Some of these searches may be requested by a mortgage provider if your buyer has applied for a mortgage.

These searches include checking the Land Registry entries, and checking the water, utility and environmental reports on the property. Many of these searches require a physical inspection of the property by a qualified professional.

In light of COVID-19, these physical searches cannot currently take place. This will inevitably slow down the process of selling your property. You should speak to your estate agent, solicitors, and your buyer so that everyone understands there will be a delay and plans accordingly.

My buyer requires a survey of my property, can this take place?

Some buyers or their lenders may need a survey of your property. This is particularly the case when your property is old, listed or unique in some way (thatched roof etc.). Due to current social distancing measures – surveyors are only attending occupied properties where the survey is urgent and social distancing measures can be put in place.

Surveyors will not attend a property if anyone is showing symptoms of COVID-19 and you should not allow access if anyone inside has symptoms of the virus. A full list of the symptoms of COVID-19 is available on the NHS website: <https://111.nhs.uk/covid-19/>.

If a survey is required but cannot be carried out, you should let your buyer know as soon as possible as they may need to agree an extension with their mortgage provider – this may result in a longer delay.

Selling a property – After exchange

We have exchanged contracts, can we now complete?

Exchanging contracts creates a legal agreement for the sale of the property. During COVID-19, estate agents and conveyancing solicitors should fully support you to make sure you have all the information you need before exchanging contracts.

Your solicitors should make sure that the contract makes clear provisions for any added delay and costs incurred as a result of COVID-19 and who will be responsible for any added costs before exchanging.

You should only exchange contracts if the sale of the property can be completed at a time when there is minimal risk of transmitting the virus. This could be by negotiating a delayed date for completion, to a time when stay-at-home measures are relaxed, or by putting strict social distancing measures in place for completion if the sale is urgent or the property is unoccupied.

We are due to complete, but I want to delay due to Government advice, can I do this?

The UK Government does encourage all parties to delay any completion until social distancing measures are relaxed. It also recommends against any completion where either party (buyer or seller) is showing symptoms of COVID-19.

However, if you are the party that is seeking a delay after exchanging contracts, this may place you in default of the contract if no delay has been negotiated and agreed with your buyer. You may incur financial penalties arising from the contract if this is the case so be sure to speak to your agent and solicitor before communicating any delay to your buyer.

How can I arrange a delay with the buyer if we have already exchanged the contract?

BPP Pro Bono centre has also produced an Information Sheet for Buyers affected by COVID-19. More information about varying contracts is included in that information sheet, which is available on the BPP website: <http://probono.bppuniversity.ac.uk/blog/bpp-students-demystify-covid19/>.

In short, you should speak to your solicitor if you want to vary your contract as they will need to re-enter negotiations with your buyers' representatives.

What kinds of things can we include in a re-negotiated contract?

When re-negotiating with your buyer, you should make sure that you make provisions for any extra cost and delay that may arise from COVID-19. This may include the following:

- Negotiating a delay to the completion date
- Negotiating for the property to be decontaminated
- Making clear who is responsible for any additional costs (decontamination etc...)

There is no set rule to state who is responsible for any additional costs arising from COVID-19. You should discuss this fully with your solicitor as it may be more appropriate to share the financial burden with your buyer, or for each party to agree a different arrangement.

Will COVID-19-related losses including the cost of decontamination be covered by insurance?

Businesses across the world are suffering a variety of different losses as a result of the spread of, and public reaction to, COVID-19. The answer to the question of whether these losses will be covered by your insurance policies is, as with most questions regarding insurance coverage, "it depends".

Your buyer may have Home Buyers insurance which protects them from any loss if you need to delay or void the contract so speak to them. Insurance generally aims at protecting against the unforeseeable, COVID-19 is something that everyone is now aware of. You are unlikely to be able to secure any indemnity insurance for COVID-19 related issues going forwards.

If you think your insurance policy does cover your loss – speak to your provider.

Completion and moving house

We are ready to complete, can we move house during COVID-19?

BPP Pro Bono Centre's 'Information for Buyers' factsheet has more detail about issues with moving house during COVID-19.

Moving should only take place if it is absolutely unavoidable and social distancing measures can be followed at all times. Sellers should be aware that many removal companies are advising their employees not to fulfil their obligations if the move is not essential, you should speak to a removal company if you have hired one to help you move out.

Myself or someone in my house is now required to self-isolate, what should I do?

Speak to your solicitor and buyer as soon as possible. You should not move house if you or someone in your household has symptoms of COVID.

It is really important that you stay in communication with your buyer, this is particularly the case where you are part of a chain transaction. Remember that everyone in the chain will be in a similar position to you in regard to the social distancing measures. Everyone is encouraged to be more flexible to ensure completion only takes place when it is absolutely safe to do so.

Will there be consequences if I refuse to vacate?

At present, there is no active bar on completion of the contract, merely advice that you should consider delaying. As such, if you refuse to vacate the property, you will not have completed and will most likely be in default of the contract. There are a number of steps that your buyer may take in response to this, including:

- Service of a notice to complete, giving you a set period in which to vacate the property
- If you fail to respond to this notice, they may require rescission of the contract and repayment of their deposit
- If they decide to continue with the contract, they may be entitled to compensation for delayed completion from you

Note that the government has introduced emergency legislation to suspend new evictions from rented accommodation while the national emergency is taking place; if the property in question is currently occupied by tenants, you cannot force the tenants to vacate at this time. If the property you are selling does have tenants in, you should explain the situation to your buyer as soon as possible, you will need to negotiate a delay to completion.

Will I be penalised for my refusal to complete the contract?

It may be the case that your contract is considered “frustrated” by the emergency measures and requirement to isolate. This means that the contract cannot be performed due to an unforeseen event which is not the fault of either party. As a result, the contract will be considered terminated, neither party will be considered to be in breach of contract, and you will not be able to require the seller to vacate.

Whether or not your contract is frustrated will be very dependent on the specific circumstances of your contract. In addition, COVID-19 and its impacts are unprecedented; it is therefore too early to say confidently what view the courts will take on this problem.

Funding and scams during COVID-19

You are a seller and the buyer has lost financing due to the COVID-19 crisis, what should you do?

Discuss the situation with your estate agent. If you are part of a chain transaction, then others may be in the same situation as you. You may all collectively be able to agree to delay the sales to allow your buyer time to discuss alternative funding with their lender.

If you have applied for a mortgage yourself or were relying on the funds of your sale to purchase another property yourself, you should speak to any other party involved in the sale as soon as possible to discuss any contract extensions. See the 'Information for Buyers' factsheet for more details.

I was relying on the sale of the property to pay off my mortgage, I now can't afford to pay – what can I do?

If you still have a mortgage to pay on the property but are unable to do so due to COVID-19 you should speak to your lender. The UK Government has announced a new 'mortgage holiday' of up to three months. This means you will not make mortgage payments during the three months, but they will be added onto your overall mortgage balance and your monthly payments will be re-calculated after the three months.

There may be other options including switching to an interest only mortgage until the sale of the property is completed so discuss this fully with your provider. More information about mortgage holidays is available in BPP's 'Information for landlords' factsheet.

Are there any scams I should be aware of during COVID-19?

In the current Covid-19 crisis, please be aware that many scammers have been texting people, in order to obtain bank details and other personal information. In particular, those who need to regularly contact the bank for mortgage, credit or house sale purposes will be especially vulnerable to fraud, and additional care is required.

In particular, there are land registry related scams. This is where a fraudster assumes your identity and gets your house deeds altered, often going on to be a fake seller. Remain especially vigilant as to who you give your personal details to. Properties at particular risk are those in which the homeowner is not present, or where the house does not have a mortgage.

The most important thing is that you DO NOT reply to or click on any links if you do not recognise the sender. Equally, do not give our personal or financial information to anyone you do not know or have not verified. You should report any suspected frauds to <https://www.actionfraud.police.uk/> and include the number used to call or text you, or the email address.

Further Information

BPP Pro Bono Centre has produced a series of Factsheets looking at how COVID-19 impacts on a range of different people. All of our factsheets can be viewed on the Pro Bono Centre Blog here: <http://probono.bppuniversity.ac.uk/blog/bpp-students-demystify-covid19/>

Information and Updates

The UK Government publishes several documents and updates as part of the ongoing response to Covid-19. These can be found on the UK Government website here:

<https://www.gov.uk/coronavirus>

To view the specific advice on buying and selling a property during COVID-19 visit:

<https://www.gov.uk/guidance/government-advice-on-home-moving-during-the-coronavirus-covid-19-outbreak>

Wellbeing

This is an extremely difficult time for everyone. There is much uncertainty and a lot of anxiety. Along with your physical health, it is important to look after your emotional wellbeing during this period. There are several organisations that can help you during this difficult time.

Mind - 0300 123 3393 (Monday to Friday, 9am to 6pm) - www.mind.org.uk

The Samaritans - 116 123 (any time)