banner jones
solicitors

Property Chains
Useful Information and Advice

Our team are here to help you every step of the way.

0330 108 0366
www.bannerjones.co.uk

Property Chains

A property chain begins with someone who is only buying and ends with someone who is only selling.

What is a property chain?

A property chain is where a group of properties all depend on each other to proceed, where your upward purchase depends on your buyer's sale proceeding in the chain below you and so on.

It is highly likely when buy or sell a property that you will become part of a property chain.

Chains can often include half a dozen houses and sometimes more, making them complex and often very fragile.

Your sale and purchase can only move as fast as the slowest link, so you may find you are waiting for others in the chain to get their mortgage offers and surveys, slowing down your own house move.

Who is affected if a chain collapses?

Unfortunately, if a transaction within the chain falls through, the chain collapses and everyone is affected. You may have already been waiting months, and the frustration can be overwhelming.

What happens when a chain collapses?

Recent events in the financial markets have meant that many lenders have had to withdraw their mortgage products until they are in a position to see what the appropriate interest rates should be.

Many chains are under pressure because of this, and many will already have collapsed as mortgage offers are withdrawn or simply inflated beyond the buyer's affordability.

What could cause a chain to collapse?

There are several reasons why property chains collapse and many of the reasons will be outside of your control, including:

Someone changes their mind about a purchase or sale, possibly down to affordability.

A **survey reveals a problem** with a property in the chain.

A buyer **fails to get the mortgage offer** they need.

Changes in someone's circumstance, for example they lose their job, separate from a partner or even fall ill.

DON'T PANIC

What can I do if my chain collapses?

Unfortunately, until the contracts of the sale are exchanged, the deal is not legally binding on either party, so the best you can do is try to repair the chain if you can.

The situation may not be completely irreparable, and there will be options available to you.

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If it is your buyer that has pulled out, there maybe a number of other potential buyers...

Get back in touch with your estate agent to see if they can find you a first-time buyer or a buyer with no chain. This may reduce the risk of another chain collapse.

If your buyer pulls out, but your sale going ahead will keep the chain intact...

You could look to move out of your home into rented accommodation, or possibly move in with family to allow your sale to proceed until you find somewhere else to buy. You would then be in a stronger position as a buyer with no chain. You could then look for properties with no upward chain, such as a new build.

Re-negotiate a deal with everyone in the current chain...

If you are under pressure from your buyer to reduce your selling price so that they can get the finance they need, see if there is movement to reduce your purchase by the same amount. It does happen and it's always worth asking your representatives to negotiate for you.

How can we help to keep the chain moving?

If you do find yourselves in a property chain, then there are things you can do to help keep things moving:

Sign and return all of your paperwork promptly

With the Banner Jones Flying Start portal this can be achieved within hours, rather than weeks.

Use an experienced conveyancer who knows the local market

They are more likely to have good relationships with local estate agents, surveyors and lenders to help move things along more smoothly.

Have your finances in place well in advance, especially your deposit

Have your proof of funds ready to be checked by your conveyancer as they will need this before they can proceed to exchange.

Be contactable

If you are going away, make sure your conveyancer is aware of that and leave a mobile number if possible, just in case something needs to be discussed urgently to prevent the chain collapsing.

An experienced and approachable conveyancer is worth their weight in gold in situations like this, and our teams at Banner Jones provide support with property chains every single day and are here to help.

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