



SQE1 · FLK2 · PROPERTY · 2026 - 2027

Property

Practice

for the SQE: from instructions to completion

Title, searches, the contract, exchange, completion and Stamp Duty Land Tax, step by step.

One transaction, start to finish

FQPS Academy – SQE Prep

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Property Practice

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Every property question asks the same thing: what happens next?

What is This Guide?

A practical route through **Property Practice for SQE1**: one freehold transaction followed from the first instructions to registration. Who you can act for, title and searches, the contract and the **Standard Conditions of Sale**, exchange, the transfer deed, completion and what to do when it is late, and **Stamp Duty Land Tax** with Land Transaction Tax in Wales. Three worked examples and a decision tree.

Who This Guide is For?

- SQE1 candidates sitting FLK2 in 2027
- Anyone who knows the steps but mixes up their order
- Candidates who have never seen a conveyancing file
- Paralegals in property teams who want the rules behind the forms

Why It Matters?

Property questions reward knowing where you are in the transaction. Most wrong options describe a real step at the wrong moment: a search after exchange, risk still with the seller, legal title passing on completion, SDLT due from exchange. Know the order, the documents and the deadlines, and most answers follow.

How Property Practice Is Tested



Property Law and Practice is an **FLK2** subject; from January 2027 it sits in **session 2**, with Criminal Liability and Criminal Law and Practice. A question gives you a buyer, a seller, a lender and a problem, and asks what happens next, who does it, by when, or what it costs.

What the specification lists	In short
The transaction	Investigation of title (registered and unregistered), searches and enquiries, the Conveyancing Protocol, finance and acting for a lender
Exchange	Drafting the contract, the Standard Conditions of Sale and Standard Commercial Property Conditions, special conditions, the deposit, insurance and risk, basics of VAT in a contract, the Law Society's formulae, the consequences of exchange
Completion	The transfer deed and its execution, pre-completion searches, apportionments, completion and post-completion steps, and the remedies for delayed completion
Tax	The basis of charge of SDLT in England and LTT in Wales, for residential and non-residential freehold property; also VAT and Capital Gains Tax (not covered here)

How much of the paper

The blueprint gives Property Law and Practice, with Solicitors Accounts in the context of conveyancing, **14 to 20%** of FLK2, unchanged in 2027.

Which law

The law examined is the law in force four calendar months before the first day of the window: **11 September 2026** for January 2027 and **12 March 2027** for July 2027.

The question format

Single best answer: five options and "only one correct answer". Closed book: know the steps, the order and the documents.

Tax figures

Where you must apply a rate or threshold, the specification says "these will be provided", but you must remember long-standing ones. Learn the bands on page 16 anyway.

Important: what this guide covers

The freehold transaction, and SDLT and LTT. Commercial leases, the 1954 Act, planning, VAT, Capital Gains Tax and Solicitors Accounts (see our free guide) are outside it.

Sources: SRA SQE1 Assessment Specification, applicable from 1 September 2026 (Property Law and Practice; taxation guidance); SRA 2027 session map and blueprint. Accessed 23 October 2026.



The Transaction on One Page

FREEHOLD, STANDARD CONDITIONS OF SALE · TICK THE BOX WHEN YOU KNOW THE RULE AND WHEN IT APPLIES

STAGE AND RULE	FIGURE	PAGE	DONE
Before exchange			
Customer due diligence Identify and verify the client first (MLR 2017 regs 28, 30)	Before acting	05	☐
Unregistered title: root of title At least, under LPA 1925 s 44	15 years	07	☐
Land charges search priority (K15, K16) Complete within it (LCA 1972 s 11)	15 working days	08	☐
Searches and enquiries Made by the buyer's conveyancer	Before exchange	08	☐
Contract formalities LP(MP)A 1989 s 2: otherwise no contract	Writing, all terms, signed	10	☐
Exchange			
Deposit Of the price, held as stakeholder (SCS 2.2.1, 2.2.6)	10%	10	☐
Risk From the date of the contract: the buyer insures (SCS 5.1.1)	Buyer	10	☐
Exchange by telephone C for chains; client's authority first	Formula A, B or C	11	☐
Before completion			
Requisitions on a new matter After it comes to light (SCS 4.2.2)	6 working days	11	☐
Draft transfer; engrossment Before completion date (SCS 4.3.2)	12; 5 working days	12	☐
Official search (OS1) priority Register within it (LRR 2003 r 131)	30 working days	12	☐
Completion			
Completion date After the contract, if none agreed (SCS 6.1.1)	20 working days	14	☐
Completion by post Seller's solicitor acts as the buyer's solicitor's agent, no fee	Law Society Code	14	☐
Completion money Later: next day, for apportionments and compensation only	By 2.00pm	14	☐
Notice to complete Then time is of the essence (SCS 6.8.2)	10 working days	15	☐
Late completion compensation On the price, less the deposit if the buyer pays (SCS 7.2)	Contract rate	15	☐
After completion			
SDLT return and payment (England) After the effective date (FA 2003 ss 76, 86)	14 days	16	☐
LTT return (Wales) Beginning with the day after the effective date	30 days	16	☐
Register the transfer (AP1) Legal title passes on registration (LRA 2002 s 27)	Priority period	14	☐
Charge by a company Register at Companies House (CA 2006 s 859A)	21 days	14	☐
First registration Or the transfer is void as to the legal estate	2 months	14	☐

Summary only: each rule has conditions on the page shown. SCS = Standard Conditions of Sale, 5th edition, 2018 revision.
legislation.gov.uk, GOV.UK, the Law Society; checked 23 October 2026.

Taking Instructions



Firms in the Law Society's Conveyancing Quality Scheme "must follow" its **Conveyancing Protocol** (2019 edition). It assumes a sale and purchase of a home for an owner-occupier, with lenders on both sides, and runs in six stages.

Stage	Protocol name	What happens, in short
A	Instructions	Identity checks and terms; the seller completes the TA6 Property Information Form and TA10 Fittings and Contents Form (plus TA7 if leasehold); the buyer is advised on searches
B	Pre-exchange: submitting a contract	The seller's conveyancer sends the draft contract and title; the buyer's raises enquiries and reports to the buyer
C	Prior to exchange of contracts	Contracts signed, the deposit arranged, the completion date agreed along the chain
D	Exchange of contracts	Exchange by a Law Society formula; certificate of title to the lender "promptly"; pre-completion searches
E	Completion	Completion by post under the Law Society code; the seller's conveyancer pays off the seller's lender; keys released
F	Post-completion	Form DS1 for the old mortgage, SDLT or LTT, and registration within the search's priority period

Money laundering

A solicitor taking part in "the buying and selling of real property" is within the Money Laundering Regulations 2017 (reg 12). You must identify the client, verify their identity (before the transaction, reg 30) and assess its purpose (reg 28).

Costs

Clients must receive "the best possible information" about how the matter will be priced and its likely overall cost, at the start and as it goes on (SRA Code para 8.7).

The lender

The buyer's conveyancer usually acts for the lender too. The certificate of title is the document that confirms to the lender that the property has a good title it can lend against.

Who you can act for: before you take instructions from a second party in the same transaction, run the conflict test on page 06. Own interest conflicts (para 6.1) have no exceptions; conflicts between clients (para 6.2) have two.

Sources: Law Society Conveyancing Protocol 2019 (Stages A to F) and Conveyancing Protocol page; Law Society transaction forms page; MLR 2017 regs 12, 28 and 30; SRA Code of Conduct for Solicitors, RELs and RFLs, paras 6.1, 6.2, 8.7 (in effect from 11 April 2025); Law Society, Approved certificate of title. Accessed 23 October 2026.

Who Can You Act For?

Our method, built on paragraphs 6.1 and 6.2 of the SRA Code of Conduct. Ask the questions in order, and again whenever the facts change.



Run it: four requests

Request	Stops at	Answer
A client asks you to act on the sale of a flat that you want to buy yourself	1	Do not act: own interest
Mr Ali sells his house to Ms Bell; both ask you to act, and the price is still being negotiated	3	Normally no: one client selling to another (SRA guidance)
Two clients each want to put in a sealed bid for the same house	4	Competing for the same objective: only with all three conditions
Ms Cole buys a home with a standard mortgage from her bank, which instructs you too	2	Usually yes, if there is no conflict and no significant risk of one

Keep checking

The Protocol tells you to consider conflicts “during the whole transaction”: they can arise whenever you act for more than one party.

Your undertakings

“You perform all undertakings given by you”, within the agreed time or, if none, a reasonable time (SRA Code para 1.3). Exchange, completion and TA13 all involve them.

Our examples, invented names. Rules: SRA Code paras 1.3, 6.1, 6.2, Glossary; SRA guidance, Conflicts of interest; Conveyancing Protocol 2019, general obligation (c). Lender example: Law Society guidance (risk of conflict is high with non-standard terms, or without the approved certificate of title).



Title and Searches

The buyer's conveyancer checks that the seller owns what the contract sells, and what burdens and rights come with it. How depends on whether the title is registered.

Registered land: official copies

The seller's conveyancer supplies official copies of the register and title plan (form **OC1**). Every register has three parts: the **property** register (the land, by reference to the title plan, and rights that benefit it), the **proprietary** register (class of title, owner, restrictions and, where practicable, the price paid) and, where needed, the **charges** register (charges, leases and other interests that burden the land) (LRR 2003 rr 4, 5, 8, 9).

Unregistered land: the epitome

Title is proved by deeds, listed in an epitome of title. A buyer can require title going back at least **15 years** (LPA 1925 s 44), starting from a good root. A land charges search (form **K15**) is made against the names of the owners in that period.

Rule	What it means for the buyer
Registration vests the estate (LRA 2002 s 58)	Once a person is entered as proprietor, the legal estate is "deemed to be vested in him as a result of the registration"
Unregistered land charges (LCA 1972 s 4)	An estate contract or Class D charge not registered before completion is void against a purchaser of a legal estate for money or money's worth
First registration (LRA 2002 ss 4, 6, 7)	A sale of unregistered land triggers compulsory registration within 2 months ; if missed, the transfer becomes void as regards the legal estate

Report to the client: the specification lists the purpose and process of reporting. Tell the buyer what you found on the title and in the searches, what it means for their plans, and what you have done about it, before they commit at exchange.

Sources: Land Registration Rules 2003 rr 4, 5, 8, 9, 134; Law of Property Act 1925 s 44; Land Charges Act 1972 s 4; Land Registration Act 2002 ss 4, 6, 7, 58; GOV.UK form pages OC1, K15 (via Land Charges Rules 1974 r 16). Accessed 23 October 2026.

Searches and enquiries

The specification asks for the range and purpose of searches and enquiries, who makes them, and what the results can show. Pre-contract searches are made by the **buyer's** conveyancer: after exchange the buyer is bound, so anything found later is usually too late.

Search or enquiry	Made to	Purpose and points to know
Local land charges search	HM Land Registry (or the council, where not yet moved)	The Chief Land Registrar keeps the register (LLCA 1975 s 3). Free to search; £15 for an official certificate. Not every council's data is on the service yet
CON29 enquiries	The local authority	Not part of the HM Land Registry service. Cover matters such as nearby road schemes or outstanding notices
Pre-contract enquiries: TA6, TA10	The seller, through their conveyancer	Property information (boundaries, disputes, works, services) and what is included in the price
Land charges search: K15	Land Charges Department	Unregistered land: a full search of the index, against the owners' names. Priority: 15 days , counting only days the registry is open
Bankruptcy search: K16	Land Charges Department	Made by the conveyancer acting for a lender , against the borrower and any guarantor, registered or unregistered land
Official search with priority: OS1 or OS2	HM Land Registry	Registered land, pre-completion : OS1 for the whole title, OS2 for part. Page 12

Two registers, two outcomes

Unregistered land charge

An estate contract or Class D charge not registered before completion is **void** against a purchaser of a legal estate for money or money's worth (LCA 1972 s 4(6)).

Unregistered local land charge

Still **enforceable**. But a buyer whose search failed to reveal it is entitled to **compensation** for loss (LLCA 1975 s 10).

Issues the results can raise

A charge you did not expect, a covenant that blocks the client's plans, a notice from the council, a seller who is not the registered owner. For each one: raise an enquiry or requisition, tell the client, and if needed tell the lender. Do not exchange until it is resolved or the client accepts it in writing.

Tell the lender

The Protocol: "if you need to report a matter to the lender you must do so as soon as you become aware of it".

Old replies

At Stage B the seller's conveyancer confirms and updates replies to enquiries if they were completed more than two months earlier (Protocol, step 10).

Sources: Local Land Charges Act 1975 ss 3, 9, 10; GOV.UK, Search for local land charges; HMLR Practice guides 63 and 79; Law Society Conveyancing Protocol 2019 and transaction forms page; Land Charges Rules 1974 r 16; Land Charges Act 1972 ss 4, 11; GOV.UK form pages OS1, OS2. Accessed 23 October 2026.

Worked Example: the Register

An invented, shortened register. You act for **Priya**, who is buying 22 Mill Lane with a mortgage and plans to run a dog-grooming business from the garage. The contract names the seller as **Mark Smith**.

Title number XY000000 · official copy of the register (invented)

A: PROPERTY REGISTER

- 1 The freehold land shown edged with red on the title plan and known as 22 Mill Lane.
- 2 The land has the benefit of a right of way on foot and with vehicles over the driveway shown coloured brown on the title plan.

B: PROPRIETORSHIP REGISTER

- 1 Title absolute. PROPRIETOR: DAVID SMITH of 22 Mill Lane.
- 2 The price stated to have been paid on 3 March 2015 was £240,000.

C: CHARGES REGISTER

- 1 A Conveyance dated 1 May 1962 contains a covenant not to use the land for any purpose other than a private dwellinghouse.
- 2 REGISTERED CHARGE dated 3 March 2015. PROPRIETOR: NORTHSHIRE BANK PLC.

Entry	What it means	What you do, before exchange
A2	A right that benefits the land: Priya can use the driveway	Check it covers how she will reach the garage, and report it
B1	The registered owner is David Smith, not the seller named in the contract	Raise it at once: ask for evidence of Mark Smith's right to sell. Do not exchange until it is resolved
C1	A burden : the covenant appears to stop business use	Report to Priya before she commits: her plans may breach it. Report it to the lender if its instructions require
C2	The seller's mortgage. The SCS sell free from incumbrances other than those listed, and the list excludes mortgages the buyer knows about	Require it to be paid off on completion: an undertaking from the seller's conveyancer (TA13) to redeem it and send form DS1

Why it matters

Under SCS 4.2.1 Priya cannot raise requisitions on title shown before the contract. Anything on this register must be dealt with **before** exchange.

If the title were unregistered

You would read an epitome going back at least 15 years from a good root, and make a K15 land charges search against the names of the owners in that period.

Our example, invented title and names. Rules: LRR 2003 rr 4, 5, 8, 9; SCS 3.1.1, 3.1.2, 4.2.1; LPA 1925 s 44; Land Charges Rules 1974 r 16; Law Society transaction forms page (TA13); GOV.UK form page DS1.

The Contract



A contract to sell land “can only be made in writing and only by incorporating all the terms which the parties have expressly agreed”, in one document or, on exchange, in each part. Each party must sign. Terms can be incorporated by reference, which is how the Standard Conditions come in (LP(MP)A 1989 s 2(1) to (3)). Fail, and there is no contract.

Standard Conditions of Sale

5th edition, 2018 revision: “intended primarily for use in residential conveyancing”. They apply “except as varied or excluded by the contract” (SCS 1.1.4).

Special conditions

The contract’s own terms: they vary or exclude the standard conditions and add what is specific to the deal, such as a different deposit, a contents price or a sale subject to stated burdens.

Topic	SCS	The rule
Deposit	2.2.1, 2.2.6	10% of the price, paid by the date of the contract and held by the seller’s conveyancer as stakeholder , paid to the seller on completion with interest
Deposit in a chain	2.2.5	A seller buying a home in England and Wales may use it as the deposit on that purchase, held on terms to the same effect
Burdens	3.1.1, 3.1.2	Sold free from incumbrances except those listed, such as those in the contract, those discoverable by inspection, and those (other than mortgages) the buyer knows about
Physical state	3.2.1	The buyer takes the property in its state at the date of the contract, unless the seller is building or converting it
Risk and insurance	5.1.1, 5.1.2	“The property is at the risk of the buyer from the date of the contract”; the seller need not insure unless the contract or a lease requires it
Completion	6.1.1, 6.1.2	20 working days after the contract if no date is agreed; money due by 2.00pm
VAT	1.4.1	The price is inclusive of any VAT

Commercial property: the SCPC

The Standard Commercial Property Conditions (3rd edition, 2018 revision) also put risk on the buyer from exchange (8.1) and keep 20 working days and 2.00pm (9.1). But VAT is **added** to the price (condition 2), and if the seller’s policy continues, the buyer pays a share of the premium (8.2.3).

Sources: Law of Property (Miscellaneous Provisions) Act 1989 s 2; Law Society, Standard Conditions of Sale (5th edition, 2018 revision), page and specimen; Standard Commercial Property Conditions (3rd edition, 2018 revision), specimen. Accessed 23 October 2026.

Exchange of contracts

At exchange the contract becomes binding. Exchange is usually by telephone, using one of the Law Society's three formulae. Before using any of them, "make sure that the client has authorised exchange of contracts".

Formula	Use it when	How it works
A	One solicitor holds both signed parts	The holder confirms that, from that moment, it holds its client's part to the other's order, and sends it that day
B	Each solicitor holds its own client's part	Each undertakes to hold its part to the other's order, so contracts are exchanged at that moment. Check both parts are identical first
C	A chain of transactions	Two parts. Part I: each solicitor undertakes to hold its signed part until a final time that day. Part II: exchange happens when the seller's solicitor activates it. Needs the client's express authority

Under Formula C the deposit is held as stakeholder, or as agent for the seller only to pass it on as the deposit in a related purchase; "The deposit must ultimately be held by a solicitor as stakeholder." The undertakings in the formulae are professional undertakings: you must perform them (SRA Code para 1.3).

The consequences of exchange

Both parties are bound

Neither can withdraw. A buyer who fails to complete after a notice to complete can lose the deposit (page 15).

The buyer bears the risk

Under SCS 5.1.1 the property is at the buyer's risk from the date of the contract, so the buyer insures from exchange.

Title questions close

The buyer cannot raise requisitions on title shown before the contract, only on a matter that comes to light later, within **6 working days** (SCS 4.2.1, 4.2.2).

The lender

Send the certificate of title and request the mortgage money "promptly" after exchange (Protocol, Stage D). Check the lender's own instructions for how much notice it needs.

Not a tax date

Exchange alone is not the effective date for SDLT. That is completion, or earlier "substantial performance", such as the buyer taking possession (FA 2003 s 44).

Watch item: the Law Society has published a draft code for signing and exchanging property contracts that would replace Formulae A, B and C. At 23 October 2026 it had no start date, so the formulae are still current.

Sources: Law Society, Formulae for exchanging contracts by telephone (Formulae A, B, C, with notes); Law Society, Code for signing and exchanging property contracts (draft); SRA Code para 1.3; SCS 4.2, 5.1; Conveyancing Protocol 2019 Stage D; Finance Act 2003 s 44. Accessed 23 October 2026.

Before Completion



Between exchange and completion the buyer's conveyancer prepares the transfer, makes the last searches and works out the money.

The transfer deed

A legal estate passes only by deed (LPA 1925 s 52). For a registered title, form **TR1** transfers the whole (TP1 for part). A deed must say on its face that it is one, and be validly executed and delivered (LP(MP)A 1989 s 1).

Who signs

An **individual** signs in the presence of a witness who attests. A **company** uses its seal, two authorised signatories, or one director with an attesting witness (CA 2006 s 44). HM Land Registry accepts certain electronic signatures on transfers, but not a simple one (Practice guide 82).

Step	Time	Detail
Buyer sends draft transfer	12 working days	At least, before completion date (SCS 4.3.2)
Seller approves or revises it	4 working days	After delivery of the draft
Buyer sends the engrossment	5 working days	At least, before completion date
Official search with priority	30 working days	OS1 (whole) or OS2 (part). The buyer's application to register made within the period takes priority over entries made during it (LRA 2002 s 72; LRR 2003 r 131). HM Land Registry: deliver it by noon on the day priority expires
Bankruptcy search (K16)	15 days	Against the borrower, for the lender; complete within the priority period, which cannot be extended
Completion information	TA13	The seller's conveyancer answers requisitions on completion; some replies are undertakings, such as to redeem the seller's mortgage

The money

Income and outgoings are apportioned on completion so far as the change of owner affects them (SCS 6.3). The seller is treated as owning the property until the end of the day of apportionment, and sums accrue day by day. The buyer then pays the price, less any deposit already paid, adjusted for apportionments and any late completion compensation (SCS 6.4).

Sources: Law of Property Act 1925 s 52; LP(MP)A 1989 s 1; Companies Act 2006 ss 44, 46; GOV.UK form page TR1; HMLR Practice guides 12, 63 and 82; LRA 2002 s 72; LRR 2003 rr 131, 147, 148; Land Charges Act 1972 s 11; SCS 4.3.2, 6.3, 6.4; Law Society transaction forms page (TA13). Accessed 23 October 2026.

Worked Example: Completion Figures

Invented client and figures; fees and disbursements left out so the rules stand out.

Priya is selling her home, 4 Oak Close, for **£320,000**, and buying 22 Mill Lane in Leeds for **£410,000**. Both completions are on **Wednesday 2 June 2027**, on the Standard Conditions. Her buyer paid a 10% deposit of £32,000 on exchange. She owes Northshire Bank **£150,000** on Oak Close, and has a mortgage offer of **£200,000** for Mill Lane. She will own no other home.

Exchange: the deposit in a chain

Deposit due on Mill Lane: 10% of £410,000	£41,000	SCS 2.2.1
Used from the Oak Close deposit, as she is buying a home in England	£32,000	SCS 2.2.5
From Priya's savings	£9,000	Held as stakeholder by Mill Lane's seller's conveyancer

Completion day

Working	Figure	Why
Oak Close: price £320,000 less the deposit already paid	£288,000	Paid by her buyer on completion (SCS 6.4)
Less: redeem Northshire Bank	(£150,000)	Under the undertaking given on TA13
Net sale proceeds	£138,000	Towards Mill Lane
Mill Lane: price £410,000 less deposit £41,000	£369,000	Due by 2.00pm (SCS 6.1.2, 6.4)
Less: mortgage advance and net sale proceeds	(£338,000)	£200,000 + £138,000
Priya pays in before completion	£31,000	So the full £369,000 can be sent on time
SDLT on £410,000 at standard rates: £2,500 + 5% of £160,000	£10,500	She sells her old main residence the same day, so no 5% surcharge

After completion

SDLT return and tax by **16 June 2027**: 14 days after the effective date. Then form AP1 with the TR1, the DS1 for the Mill Lane seller's mortgage and her new charge, inside the OS1 priority period.

If her money arrives at 2.30pm

For compensation and apportionments, Mill Lane completes on Thursday 3 June, through her default: she owes one day's compensation on £369,000 at the contract rate (SCS 6.1.2, 7.2.2).

If she buys first and sells later

Owning Oak Close at the end of the day she completes, she would pay the higher rates: £10,500 + 5% of £410,000 = **£31,000**, reclaimable if Oak Close is sold within 3 years.

Our example. Rules: SCS 2.2.1, 2.2.5, 2.2.6, 6.1.2, 6.4, 7.2.2; FA 2003 ss 55, 76 and Sch 4ZA; GOV.UK, Stamp Duty Land Tax residential rates.

Completion and After



Completion is the moment the money is paid and the deed is handed over. Completion usually takes place by post and bank transfer, under the Law Society's **Code for Completion by Post** (2019), which the Protocol applies automatically unless either solicitor says otherwise in writing.

How

The buyer pays by direct transfer of cleared funds from a conveyancer's account at a clearing bank (SCS 6.7). Under the Code, the seller's solicitor acts as the buyer's solicitor's agent on completion "without fee or disbursement".

By 2.00pm

Money received after 2.00pm: completion is treated as happening the next working day, but only for apportionments and late completion compensation. Not on a vacant possession sale where the seller had not moved out: then the seller is in default (SCS 6.1.2, 6.1.3).

Effect

"Completion does not cancel liability to perform any outstanding obligation under this contract" (SCS 7.3). For registered land, the legal title passes only on registration (LRA 2002 s 27).

Post-completion

Step	Deadline	Detail
Seller: redeem the mortgage	On completion	Send the redemption money; the lender proves discharge with form DS1
Buyer: SDLT return and tax	14 days	After the effective date (FA 2003 ss 76, 86). In Wales, LTT: 30 days
Buyer: register the transfer	Priority period	Form AP1 with the TR1, the discharge and the new mortgage. Until registered, each disposition "does not operate at law" (LRA 2002 s 27(1))
Unregistered land: first registration	2 months	Form FR1 . If missed, the transfer is void as to the legal estate and the seller holds it on a bare trust for the buyer (LRA 2002 ss 6, 7)
Company borrower: register the charge	21 days	At Companies House, beginning with the day after the charge is created (CA 2006 s 859A)

The registration gap

Until registration the buyer owns the land only in equity. Register inside the OS1 priority period and nothing entered meanwhile ranks ahead of the buyer and the lender.

Sources: Law Society, Code for Completion by Post 2019, paras 1 and 4; SCS 6.1.2, 6.1.3, 6.7, 7.3; GOV.UK form pages DS1, AP1, FR1; Finance Act 2003 ss 76, 86; LTTA 2017 s 44; LRA 2002 ss 6, 7, 27, 72; Companies Act 2006 s 859A. Accessed 23 October 2026.

When completion is late

Under the Standard Conditions, completion date is not of the essence (SCS 6.1.1). So a party who misses it is in breach, but the other cannot simply walk away on day one. The specification lists four remedies.

1

SCS 7.2

Contractual compensation

The party whose total period of default is greater pays, at the **contract rate** (the Law Society's interest rate, unless the contract sets another) on the price, less any deposit if the buyer pays.

2

COMMON LAW

Damages

A claim for loss caused by the delay survives, but is reduced by any compensation paid under the contract (SCS 7.2.3).

3

SCS 6.8

Notice to complete

After 2.00pm on completion date, a party ready, able and willing may serve one. Completion must then happen within **10 working days**, excluding the day of service, and time is of the essence.

4

SCS 7.4, 7.5

Rescission

If the notice is not complied with, the innocent party may rescind, and keeps its other rights and remedies.

After an ignored notice

The innocent party may

Buyer in default (SCS 7.4.2)

Seller rescinds, and may forfeit and keep the deposit and interest, resell the property, and claim damages

Seller in default (SCS 7.5.2)

Buyer rescinds, and the deposit is repaid with interest; the buyer can still claim damages

Our example, invented figures. Price **£400,000**, deposit **£40,000**. Completion date Friday 7 May 2027. The buyer's money arrives at **3.15pm on Wednesday 12 May**. The seller was not in default. Assume a contract rate of **6%** a year and a 365-day year.

1

After 2.00pm, so for compensation completion counts as **Thursday 13 May** (SCS 6.1.2): 6 days late.

2

The buyer pays, so use the price less the deposit: $£360,000 \times 6\% \div 365$, about £59.18 a day.

3

$£360,000 \times 6\% \times 6 \div 365 = \textbf{£355.07}$, added to the money due on completion (SCS 6.4).

Our example. The contract rate is assumed for the arithmetic: check the rate the contract states. Rules: SCS 1.1.1(e), 1.1.3, 6.1, 6.4, 6.8, 7.2, 7.4, 7.5 (5th edition, 2018 revision). The court may also order a deposit repaid where it refuses specific performance (LPA 1925 s 49(2)).

Stamp Duty Land Tax



SDLT is charged on land transactions in **England** (and Northern Ireland). Since 1 April 2018 land in **Wales** is subject to Land Transaction Tax instead. The **buyer** is liable (FA 2003 s 85), and the tax is worked out slice by slice: each rate applies only to the part of the price in its band.

SDLT: residential (s 55, Table A)

Part of the price	Rate
Up to £125,000	0%
£125,001 to £250,000	2%
£250,001 to £925,000	5%
£925,001 to £1.5m	10%
Above £1.5m	12%

SDLT: non-residential or mixed (Table B)

Part of the price	Rate
Up to £150,000	0%
£150,001 to £250,000	2%
Above £250,000	5%

Mixed use, such as a shop with a flat above, uses Table B.

First-time buyers

0% to £300,000, 5% from £300,001 to £500,000. **Every** buyer must be a first-time buyer intending to live there. Over £500,000: no relief at all (Sch 6ZA).

Additional dwellings

Each rate **plus 5%** (5, 7, 10, 15, 17%) for an individual who will own another dwelling worth £40,000 or more, unless replacing their main residence (Sch 4ZA).

Non-UK residents

A further **2%** on each residential rate (s 75ZA).

What is taxed, and when

The price, **including any VAT** (Sch 4 para 2). The effective date is completion, or substantial performance if earlier (ss 44, 119). Return and tax within **14 days**; no return for a freehold under £40,000 (ss 76, 77A, 86).

Land Transaction Tax (Wales)

Main residential rates: 0% to £225,000, then 6%, 7.5%, 10% and 12%. Higher rates are a separate table starting at 5%. Non-residential: 0% to £225,000, then 1%, 5% and 6%. No first-time buyer relief. Return within **30 days**.

Sources: Finance Act 2003 ss 44, 48, 55, 75ZA, 76, 77A, 85, 86, 119, Sch 4 para 2, Sch 4ZA, Sch 6ZA; GOV.UK, Stamp Duty Land Tax residential and non-residential rates; Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 ss 4, 30, 44, 56; Land Transaction Tax (Tax Bands and Tax Rates) (Wales) Regulations 2018 Tables 1 to 3. Accessed 23 October 2026.

SDLT and LTT, Worked

Our method: (1) England or Wales? (2) Residential or not? (3) Which table: standard, first-time buyer, higher rates? (4) Add VAT if any. (5) Slice the price band by band. Invented buyers.

Buyer and property	Working	Tax
Anna buys a house in England for £295,000; she is moving home	0% on £125,000; 2% on £125,000 = £2,500; 5% on £45,000 = £2,250	£4,750
Ben, a first-time buyer, buys a flat in England for £450,000 to live in	0% on £300,000; 5% on £150,000	£7,500
Cara, a first-time buyer, buys a house in England for £510,000	Over £500,000: no relief. £2,500 + 5% on £260,000 = £13,000	£15,500
Dev, who keeps his home, buys a flat in England to let for £300,000	Higher rates: 5% on £125,000 = £6,250; 7% on £125,000 = £8,750; 10% on £50,000 = £5,000	£20,000
Eve Ltd buys an office in England for £275,000; no VAT	Table B: 0% on £150,000; 2% on £100,000 = £2,000; 5% on £25,000 = £1,250	£3,250
Same, but a new office: £275,000 + VAT at 20% = £330,000	VAT counts: 2% on £100,000 = £2,000; 5% on £80,000 = £4,000	£6,000
Fay buys her first home in Wales for £300,000	LTT main rates, no first-time buyer relief: 0% on £225,000; 6% on £75,000	£4,500
Gwyn Ltd buys a shop in Wales for £275,000	LTT non-residential: 1% on £25,000 = £250; 5% on £25,000 = £1,250	£1,500

The cliff edge

Cara pays £15,500 on £510,000; Ben pays £7,500 on £450,000. A first-time buyer just over £500,000 loses the relief on the **whole** price.

Why the new office costs more

A freehold sale of a commercial building under 3 years old is standard-rated for VAT, and SDLT is charged on the price including VAT (FA 2003 Sch 4 para 2).

England against Wales

Fay's £300,000 home costs £4,500 in LTT. The same home in England would cost a first-time buyer nothing, and a buyer paying standard rates £5,000.

Who files

The buyer is liable in both countries. In practice the buyer's conveyancer files the return and pays: 14 days in England, 30 days in Wales.

Our examples. Anna and Eve Ltd match GOV.UK's own worked examples. Rules: FA 2003 s 55, Sch 4 para 2, Sch 4ZA, Sch 6ZA; VATA 1994 Sch 9 Group 1 item 1(a)(ii) and Note 4; LTT Regulations 2018 Tables 1 and 3; LTTA 2017 ss 30, 44, 56.

Exam Traps

Ten ways a plausible option can be wrong. Check every answer against them.

1. Title passes on registration

For registered land, the legal estate passes when the transfer is registered, not at completion. Until then the buyer owns it only in equity.

3. The 2.00pm rule is narrow

Late money moves completion to the next working day only for apportionments and compensation; not if vacant possession was due and the seller had not left.

5. Compensation is net

The party with the greater total default pays. A paying buyer pays on the price less the deposit.

7. Searches before exchange

Title and searches must be checked before exchange: after it, requisitions on title already shown are barred.

9. The tax date is not exchange

SDLT runs from the effective date: completion, or earlier substantial performance. 14 days in England, 30 for LTT.

2. Risk passes on exchange

Under the SCS the buyer bears the risk from the date of the contract, and the seller need not insure. The buyer insures from exchange.

4. Notice to complete timing

Served only after 2.00pm on completion date, by a party ready, able and willing. Ten working days, not counting the day of service.

6. Two priority periods

OS1 or OS2: 30 working days. Land charges searches (K15, K16): 15 days, which cannot be extended.

8. The first-time buyer cliff

Over £500,000, no relief at all. Every joint buyer must be a first-time buyer. No relief in Wales.

10. Two kinds of unregistered charge

An unregistered land charge is void against a purchaser. An unregistered local land charge still binds, with compensation.

Before you choose, ask three questions

1

Where are we: before exchange, between exchange and completion, or after completion?

2

Whose client, and whose job: the seller's conveyancer, the buyer's, or the lender's?

3

Which rule decides it: statute, the contract, or the Standard Conditions as varied?

Test yourself

Cover the answers and give yourself a minute for each. All names and figures are invented; assume the Standard Conditions of Sale (5th edition, 2018 revision) apply unchanged.

1 Contracts are exchanged but no completion date was agreed. When is completion?

Answer. **20 working days** after the date of the contract (SCS 6.1.1).

2 The house burns down the day after exchange. The buyer has not insured. Who bears the loss?

Answer. **The buyer:** the risk passed at exchange (SCS 5.1.1), and the seller need not insure.

3 The buyer's money reaches the seller's conveyancer at 2.30pm on completion date; the house is empty. Effect?

Answer. Completion is treated as on the next working day, but only for apportionments and compensation.

4 The seller cannot complete on time. The buyer is ready. When can the buyer serve a notice to complete, and what does it require?

Answer. After 2.00pm on completion date. Completion within **10 working days**, excluding the day of service; time becomes of the essence.

5 The buyer ignores a valid notice to complete. What can the seller do?

Answer. Rescind, forfeit and keep the deposit and interest, resell, and claim damages (SCS 7.4.2).

6 You act for the buyer and the lender. Who do you make a K16 search against?

Answer. The **borrower** and any guarantor (HM Land Registry Practice guide 63).

7 An OS1 search is entered on the day list. How long is the priority period, and what must you do within it?

Answer. **30 working days.** Apply to register (AP1) within it; HM Land Registry says deliver it by noon on the last day.

8 A sole first-time buyer buys a house in England for £520,000 to live in. SDLT?

Answer. No relief over £500,000. $£2,500 + 5\%$ of £270,000 = **£16,000**.

9 The same buyer instead buys a house in Swansea for £300,000. Tax?

Answer. LTT at main rates, no first-time buyer relief: 6% of £75,000 = **£4,500**.

10 A company buys a freehold warehouse in England for £200,000; no VAT. SDLT, and by when?

Answer. Table B: 2% of £50,000 = **£1,000**. Return and tax within 14 days of the effective date.

11 Unregistered land is bought, but nobody applies for first registration within 2 months. Effect?

Answer. The transfer becomes void as to the legal estate; the seller holds it on a bare trust for the buyer (LRA 2002 s 7).

12 The parties agree that the seller will leave the shed, but the signed contract does not say so. Risk?

Answer. Section 2 requires **all** expressly agreed terms in writing; a missing express term can mean no contract at all.

Your Property Practice Checklist

Tick a line only when you can explain it from blank paper, in order, in under two minutes.

Instructions

- ☐ I know the six stages of the Protocol and the TA forms (page 05)
- ☐ I can decide whether to act for buyer, seller and lender, with paras 6.1 and 6.2 (page 06)

Title and searches

- ☐ I can read the three parts of a register and say what to do about each entry (pages 07 and 09)
- ☐ I know which searches are made, by whom, to whom and when (page 08)

Contract and exchange

- ☐ I know the formalities of s 2 and the key Standard Conditions (page 10)
- ☐ I can choose Formula A, B or C and explain the effects of exchange (page 11)

Completion

- ☐ I can list the pre-completion steps, the transfer deed and its execution (page 12)
- ☐ I can work out the money due on completion (page 13)
- ☐ I know the post-completion steps and their deadlines (page 14)
- ☐ I can apply the four remedies for late completion (page 15)

Tax

- ☐ I can calculate SDLT and LTT on residential and non-residential property (pages 16 and 17)

On the day

- ☐ I ask the three questions before choosing an answer (page 18)
- ☐ I have scored twelve out of twelve on the self-test, under time (page 19)

Make the method automatic

STEP 1

Learn the map

The one-page table on page 04: cover the figure column and test yourself.

STEP 3

Work on paper

Rework the examples on pages 09, 13 and 17 from blank paper, step by step.

STEP 5

Build exam pace

Full-length SQE1 mocks in the 2027 format (2 x 85 questions).

STEP 2

Place every question

Ask where the transaction is before you read the options: before exchange, after it, or after completion.

STEP 4

Test yourself

The twelve questions on page 19, then the traps on page 18.

STEP 6

Questions?

Email support@fqps.co.uk and a person will answer.

FQPS Academy. Full-length SQE1 mocks in the 2027 format (2 x 85 questions).

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Property Practice rewards order. Each morning, cover the right-hand column on page 04 and say what happens at each stage. Then rework one example from blank paper.



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