



Buying

...a move to be sure of

Buying

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Welcome to Sellsureuk's guide to Buying property

Guiding Right

Whether you are buying, selling, renting or letting we understand that even the smoothest of transactions can be traumatic.

Therefore, we have pooled our expert knowledge of the market to develop a series of essential guides to equip you with all the information and useful tips you need to experience remains a stress-free one.

This guide is made up of seven sections so you can dip in and out of what's most relevant to you. If you are selling an existing property, you may find our **Selling Guide** useful. If you need advice on buying a property to let out, you may like to also read our **Letting Guide**, which has useful information and advice for landlords.

Working out what you Can afford

THE COST OF BUYING

Buying a property is a big step involving a substantial long term commitment, so think hard about what you can afford.

You will need to consider the assets you have - like savings - as well as the money that's coming in and going out.

Although it may reduce your buying options, you don't want to commit to a mortgage and then realise you can't afford some of the nicer things in life! It may sound obvious but take time to think of all the things you spend money on throughout the year, even without a mortgage.

The Budget Calculator takes you through everything your household could spend throughout the year. You have the option of specifying whether the amount you spend is weekly, monthly, quarterly or annually so you don't have to calculate it all yourself.

In addition to understanding your monthly budget you need to work out your one-off moving costs.

SELLSUREUK RECOMMENDS:

Our guide to the other costs of moving so you can avoid any unwelcome surprises.

SELLSUREUK RECOMMENDS:

Sellsureuk's Budget Calculator helps you estimate what you may be able to afford on a new mortgage - this simple calculator could save you a lot of time and pain in the long run.

Getting a Mortgage

For most people buying a property the biggest ongoing cost is the mortgage - simply a loan secured against a property. You can't sell the property without paying off the mortgage first and if you don't keep up the repayments the lender can repossess the property.

Due to changes in bank lending due to the credit crunch, it is vital that you secure a mortgage with a lender before starting the searching process. This way, when you find the right property, you will have to avoid being beaten to it by another buyer and you will also be in a much stronger negotiating position.

Generally, the best mortgage deals are available to people who put in at least 15% of the property's value, leaving the mortgage company to lend the other 85%.

If you put in less than 10%, you may have to pay a "Higher Lending Fee" (sometimes called a Mortgage Indemnity or a Mortgage Guarantee Charge) which will add to the cost of your mortgage.

SELLSUREUK RECOMMENDS:

Our guide to Mortgage Costs and Fees, which outlines the additional extra costs you may have to pay.

As a rough guide, providing the amount you are borrowing is at least 85% of the property value, budget to add 1.75% onto the Bank of England base rate, which will give you a ball park figure of the likely annual interest rate.

Finding a Mortgage

- *Firstly, get a rough idea of what's available. Your estate agent should be able to help you with this as a starting point*
- *If you already have a relationship with a bank or building society, see what they have to offer*
- *If your circumstances or the property you want to buy are unusual it may be worth asking your estate agent if they know a good "intermediary" such as a mortgage broker who can help. Always ask if they search the whole market or just a small set of lenders, and how much they charge*
- *Home builders and developers often have attractive mortgage deals*
- *Your employer - some financial firms have mortgage schemes for staff*

SELLSUREUK RECOMMENDS:

Our guide to Mortgages which will help you decide what type is best for you.

If you are a council or housing association tenant, are on a low income or key worker there may be other options available.

You may also be able to get help from your parents if they are prepared to act as a guarantor mortgage.

SELLSUREUK RECOMMENDS:

Our guide for First-Time Buyers which outlines the options available to you in more detail.

Getting a Mortgage

How a mortgage lender assesses you

Mortgage lenders will take your credit history into account as well as your incomings. They are particularly interested in how often you have defaulted on other payments, your existing credit agreements, if you have any County Court Judgments or if you have been declared bankrupt.

If your credit rating is poor, you may be able to get a Sub Prime Mortgage deal where you'll probably pay a higher mortgage rate. Alternatively, you could wait until your credit record has improved. With mortgage lenders tightening their criteria, 'risky' borrowers will unfortunately find it increasingly difficult to obtain finance.

Its possible to check your credit reference file with the UK's main credit reference agencies: Experian, Equifax or CallCredit. Access to your file only costs a few pounds. If you see any thing that's wrong you can challenge its validity.

If you are self employed you'll probably have to show the lender income from your business for at least 2 years and if you are a contract worker, you'll have to prove to the lender that your earnings will continue.

For couples, the lender will look at both incomes. Some lenders will consider groups of up to four people buying together. Think carefully before you buy with friends because each of you will be "jointly and severally liable" meaning you will have to pay the mortgage if one of the others doesn't pay their share.

If you can prove your income is about to increase substantially - perhaps you'll soon qualify as a doctor - some lenders may be prepared to lend more.

While a lender will happily work out what they think you can afford, remember you need to be comfortable too. Make sure you will be able to deal with unexpected extras that crop up. Key questions to ask yourself are:

- *Can I continue to live the lifestyle I want if I were to take on this mortgage?*
- *What if my circumstances change, for example if I want to take a career break to study, have a child or have to look after a sick relative?*
- *What would happen if I lost my job?*
- *What would happen if interest rates went up?*
- *If any or all of these things happen could I still keep up the mortgage repayments?*

Budget for rises in interest rates - for example, for every 1% increase in the interest rate on £100,000 mortgage the interest payment alone jumps up by around £83 each month.

Choosing a Mortgage

Once you have read through all the mortgages on offer, you are ready to compare mortgages. Here are some tips:

- *If you've got quotes from different lenders make sure you compare them on a like-for-like basis looking at payments, charges and flexibility*
- *Ask about the term of the mortgage. Most mortgages are 25 years in length, but you can choose a longer or shorter period if you wish, depending on what you can afford and how quickly you want to be debt free*
- *At the end of any special offer periods, you may be switched onto the lender's standard variable rate. So at the end of the period, remember to ask your lender if they have any better products available and don't be afraid to shop around to get the best deal.*

Getting a Mortgage

Get a Mortgage in Principle

Once you think you've found a mortgage deal you like, the next step is to get a Mortgage in Principle agreement from a lender.

Jargon Buster

Agreement in Principle

Provided by lenders as a statement that this is what they are prepared to lend the named borrowers subject to approval of the property.

To do this they'll need to do a full credit check on you. As each check leaves a "footprint" on your credit files, its best not to do too many as it can hurt your credit rating.

A Mortgage in Principle will show agents and sellers that you are a serious buyer with a mortgage lined up - and put you a step ahead of other buyers.

Your mortgage company will provide a summery of the mortgage agreement, called the Key Facts Illustration showing the total cost of the mortgage, the interest rate, whether there are any penalties for early repayment and any other special conditions.

Finding the ideal property, things to consider

The property

You will need to consider what aspects of a property are most important to you:

- *Number of bedrooms / bathrooms*
- *Parking provisions*
- *Separate kitchen and dining room*
- *Private garden*
- *Conservatory*
- *How much time and money you may want to spend redecorating etc*

Tell your agent exactly what type of property you are looking for and the elements that you could possibly compromise on. Also inform them what you don't want and whether you have a mortgage agreed in principle.

DID YOU KNOW..?

Sellsureuk has the largest number of properties for sale available in the UK from over 90% of the UK's estate agents and house builders.

What's more, if you tell us what you're looking for, we'll send you automatic email alerts when a matching property is added to Sellsureuk.

New builds

You may want to consider buying a new build; which are growing in popularity and offer many benefits to homebuyers.

SELLSUREUK RECOMMENDS:

The benefits of buying a new build to see whether this could be the best option for you.

Finding the ideal property, things to consider

The area

If you are moving to a new area, you will need to see how this will affect your lifestyle such as commuting to work, taking the children to school, going to the gym etc.

You could find useful information about house prices, school performance, public transport links and other amenities on aboutmyplace.co.uk, where you can also view aerial maps of the area.

SELLSUREUK RECOMMENDS:

Our checklist for moving to a new area to ensure you have the basics covered.

How to get the most from Viewings

Use Sellsureuk.com to find out as much as you can about a property you like using the photographs, floorplans, virtual tours, online brochures and local information that is available with most descriptions. Always call or email the advertising agent to check any missing information.

As soon as you have established the property is of sufficient interest for you, book a viewing with the agent.

Also, don't forget to take a camera and tape measure on every viewing you go on - the camera is so you can avoid having to rack your brains about which property had the lovely en-suite. With cameras built in as standard on most mobile phones, this is easier than ever. But remember to always ask permission with the agent or owner before taking any pictures. The tape measure is for you to see if your large/favourite pieces of furniture will fit in the rooms.

SELLSUREUK RECOMMENDS:

Take our Viewing checklist with you on each viewing to ensure you have all the essentials covered.

Negotiating and making an offer

Once you have found the property of your dreams, the next step is to make an offer. This will be based on various factors such as:

Your position - first time buyers, buyers with no chain and buyers who have pre-arranged mortgages have a head start on most of the competition. Make the agent and seller aware of this as this can put you in a very favourable negotiating position especially if the seller is in a chain.

Your budget - decide your maximum limit from the start and stand firm. If the seller refuses to budge, you need to think very carefully if the property really is worth the extra money.

Seller's position - are they in a hurry to sell or have they been trying to sell for a long time? If so, they may be more willing to accept a lower offer to make the sale. Sellers who are not in a hurry to move are more likely to hold out for a higher price.

The property - what is the property worth? Whilst sold house prices can help give an idea of recent sales, its better to see what the competition is like now. If there are a few similar properties for sale in the area, chances are the seller has the upper-hand. Also, if there any faults or repair work required, use this to justify a lower offer.

The market - in tougher times when there are fewer buyers, sellers may be more willing to negotiate on price.

Once you make an offer make it clear that it's subject to contract and a satisfactory survey. If you are buying from a developer while selling an existing property, see if they will offer a part exchange to buy your existing house.

Good luck!

Offer accepted. What next?

Once the seller has accepted your offer, ask them to take it off the market. They don't have to agree to do this but doing so will shut out other potential buyers.

Jargon Buster

Gazumping & Gazundering

A term used to denote a situation where the seller has accepted an offer but subsequently accepts a higher offer from another purchaser. This is legal and ensuring the property is taken off the market is one way of reducing this risk.

Gazumping happens most frequently in a seller's market.

Gazundering is a term for when a buyer reduces their offer just before the contracts are exchanged in the hope of forcing the seller to accept less for the property. Again this is considered legal.

Now you need to move fast - the seller will want to see progress so try to avoid any unnecessary delays in getting the surveys and other legal work done.

Complete the lender's application form and send them the documents they require - this will include proof of your ID, evidence of your earnings, proof of your address over the last few months and your bank statements, so have these ready. The lender will arrange for a valuation to be done on the property.

If you are lucky enough to not need a mortgage, you don't have to get a survey done, though buying a property without one is inadvisable and risky.

If you are buying an older property, one that needs repairs or just for your own piece of mind you could consider getting a more detailed survey done than the basic lender's valuation. Ask your estate agent or a surveyor at www.rics.org.uk for a quote.

Negotiating and making an offer

The lender will use the surveyor's Valuation Report and other information you provide to calculate how much it will allow you to borrow by way of mortgage secured on the property.

SELLSUREUK RECOMMENDS:

If you haven't seen it already, this is the ideal time to read our top tips for preparing to move - there will be lots to do!

All about conferencing, the legal side

Jargon Buster

Conveyancing

The process of transferring the legal ownership of property or land from one person to another.

Here is our quick guide to understanding what a conveyancer does. They will:

- *Obtain seller's responses to questions, such as who owns the boundaries, whether they have had any disputes with neighbours and what fixtures and fittings are included*
- *Check copies of any guarantees on the property, details of planning permissions and building regulations certificates*
- *Check the seller really is the owner of the property and prepare a Report on Title for you*
- *Check local authority searches and plans for the local area*
- *Pay stamp duty tax on the property*
- *Arrange registration of title in your name*

SELLSUREUK RECOMMENDS:

Our guide to Home Information Packs for Buyers to understand what information you should be given about the property.

Tips for choosing and using a conveyance

1. *Get at least three conveyancers' quotes well before you start looking for property. Ask friends, family and your estate agent for recommendations*
2. *Tell your conveyancer if you want answers to any specific questions in advance*
3. *Let them know when you would like to exchange contracts and complete. Tell them you will require regular updates of how the purchase is progressing*
4. *Try to negotiate a no sale - no fee deal, so if the deal falls through you don't pay any thing*

Negotiating and making an offer

5. *Check and compare quotes carefully making sure they are like for like. Decide if you also want the conveyancer to arrange an Environmental Search, which will give information such as flood risk, radon levels and local mines in the area.*

You can also help to keep the process moving ahead by:

- *Giving the conveyancer some basic information to get started; things like your mortgage lender details, the seller's details, proof of your ID and any specific questions you would like them to ask the seller*
- *Completing mortgage application forms and responding to solicitors' queries as soon as you can. Use registered post to deliver documents by hand to save time*
- *Checking seller's responses to questions carefully*
- *Asking your conveyancer if you don't understand any thing.*

It can take anywhere between 6 and 12 weeks from the day your offer is accepted to getting all the paperwork completed and queries answered, even where there is no chain.

What happens next?

Once everything is ready, you'll then be asked to pay a deposit - usually 10% (but sometimes 5%) of the property value before contracts can be exchanged. If the buyer pulls out after this stage, they will lose their deposit and may face legal action from the seller. It is essential to have Buildings Insurance cover in place at this stage and buyers should also consider other protection such as Life Insurance.

In England and Wales, Exchange of Contracts is the last stage of the legal process after which you cannot pull out (without losing your deposit and any legal costs you may have incurred).

Jargon Buster

Exchange of Contracts

When copies of signed contracts are exchanged between the buyer's conveyancer and the seller's conveyancer.

A date for completion is usually set for at least two weeks after contracts are exchanged. This should give you enough time to arrange moving in.

Your conveyancer will call you to tell you when your money has arrived - so you can get the keys and move in. The conveyancer will also send you a completion statement.

Read it carefully - it should reflect their original quotation.

Buying in Scotland

In Scotland, the legal process is slightly different and buyers are committed at an earlier stage.

Here, the seller usually sets a guide price and interested buyers put in bids and suggested completion dates. Once the seller accepts their preferred bid, there is a compensation penalty to be paid if one of the parties changes their minds. For this reason, you need to have arranged your mortgage before you put in a bid.

Unlike in England and Wales, many conveyancing solicitors in Scotland also have an estate agency part to their business.

Preparing for moving day

It is unusual to hear from someone who didn't have a stressful time moving but being organised is the trick to minimise your stress levels during the time.

SELLSUREUK RECOMMENDS:

Our Moving guides to help you work out what to do and when - what you need to prepare as soon as possible, things to do one week before you move and our handy Moving Day checklist.

Here are some tips to make moving day as smooth as possible:

- *Use a good removal firm - seek recommendations from friends. Look for members of the British Association of Removers*
- *If possible, try to stagger moving days so you don't have to do everything all in one day*
- *This can also give you time to do any essential work to the new property such as carpet cleaning or any decorating that needs to be done before all your belongings arrive*
- *Try to avoid Mondays and Fridays which are the busiest days on the road*
- *Save time and cost by doing some of the packing yourself*
- *Check out the best value utility contracts for your new property well in advance and read your meters in both properties on moving day*



SellsureUK Letsure House, Southend Road, Billericay, CM11 2PL

Call 0845 604 8028 or visit www.sellsureuk.com

- *Redirect post well before hand - this is especially essential to protect yourself from identity theft*
- *If your new place has any appliances left behind, download the instruction manuals from the manufacture's website.*

SELLSUREUK RECOMMENDS:

Our Key Contacts checklist to ensure you notify everyone of your move.

And most importantly, enjoy your new home from all at Sellsureuk!