



**THE ULTIMATE GUIDE
TO BUYING A HOUSE**

The start of your home-buying journey should be an exciting time, but for many it feels daunting and even unachievable. It's one of the biggest investments you will ever make, and the team at Allcotts want to make sure that you get the most from your money, and perhaps even enjoy the process along the way.

Our experts have put together a guide to walk you through the steps towards getting on the property ladder, with some handy hints and tips thrown in along the way.

Our guide will help you through each stage of buying a home. It will support you with getting a grip on your finances, and delving down into what is most important to you when looking for a property, and what can be compromised. We talk you through the advantages and pitfalls of buying new and old properties, buying in urban or countryside settings, and we highlight additional considerations if you are interested in a listed building or a non-standard construction.

When you come to make an offer, the guide will help you decide what is realistic and affordable and provide tips on negotiating your offer. We also steer you through the steps post-offer, from arranging conveyancing and a survey, through to exchange and completion.

Finding and buying a property can take anything from a few months to years, but our experts are here to help you make informed decisions so that you find the home that is right for you.

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BUDGETING FOR A HOUSE

A house or flat is one of the biggest purchases you are ever likely to make. Figuring out what deposit you can afford, and how much you can pay each month towards a mortgage, are critical first steps to getting on the property ladder (unless you are lucky enough to be able to buy a house outright).

Getting your budget sorted means you can get on with the exciting process of looking for a property, but first, you need to have a critical look at your finances, the cost of property and the other fees that you will be liable for when buying a home. But don't worry, we are here to walk you through it all, step by step.

HOUSE DEPOSITS

Unless you are lucky enough to be able to buy a house outright, you will need to save up a deposit.

Deposits usually make up at least 5% of the cost of a house; however, if you can afford to build up a bigger deposit, you will have more, and better, options when it comes to getting a mortgage.

If you are a first-time buyer, your deposit will be made up of your savings, perhaps with some help from the bank of Mum and Dad.

If you are selling, your deposit might include some savings, but the bulk of it will probably come from equity from your current home.

In this case, it's important to understand how much you have already paid off your mortgage, and how much your house is realistically going to sell for.

Your lender will be able to let you know how much of your mortgage has already been cleared. It is also worth finding out if you have the option to port your mortgage (that is, move it to your new property) – this will mean you avoid early repayment fees, exit fees and arrangement fees for a new mortgage. All of this information can be used to help you work out your deposit.

*****TIP***** The housing market is constantly fluctuating, and how much your house sells for will depend on a wide range of factors. However, online tools like **Zoopla** will give you a ballpark idea of a likely sale price.

MONTHLY PAYMENTS

Once you have an idea of the size of your deposit, you will need to decide how much you can afford to pay into a mortgage each month.

Most lenders offer 4–4.5 times salary for single mortgage applicants, or 3.5–4 times joint salary for joint applicants. However, that doesn't necessarily mean you can, or would want to, borrow and pay back that amount. **This is where budgeting comes in.**

If you are currently mortgaging or renting, take a look at how much money you have left over at the end of the month and whether some or all of that could go into mortgage payments. Conversely, you might be looking for a more affordable property to free up some of your monthly budget. Either way, sit down with your bank statements and be honest with yourself about what you are and are not willing to pay.

At this stage, you can play around with online mortgage calculators. These will show you how much you will be paying back each month at a particular interest rate and length of mortgage term.

For now, you can use average values to get a ballpark idea of how much you could borrow for the deposit and monthly payments you're able to commit to. Later down the line, once you are looking at real mortgage offers, these calculators are invaluable for getting accurate numbers for budgets, payments and length of borrowing terms.

At the time of writing the average deposit is 15% of a property's value. For a £240,000 home, this would be £36,000. This equates to a mortgage of £204,000.

With the average 5-year fixed deal at around 4.7% interest, over a term of 30 years, monthly repayments would be around £1058.

*****TIP***** Once you are ready to start viewing houses, you will probably want to get a mortgage 'agreement in principle' – find out more in our [chapter on Getting a Mortgage](#)

MORE COSTS TO BUDGET FOR!

Several other bills will come your way when buying a house.

One of the biggest is stamp duty. Stamp duty (or Stamp Duty Land Tax [SDLT], to give it its full name) is a tax payable to the government on any homes that are bought for more than £250,000, or more than £425,000 if you're a first-time buyer and buying a house worth £625,000 or less.

The amount you pay is a percentage of the property value. Nobody pays stamp duty on the first £250,000 of the property value. For properties worth more than £250,000, different rates of tax are applied to different price bands.

STAMP DUTY IN ENGLAND: STANDARD

UP TO £250,000 0%

£250,001 TO £925,000 5%

£925,001 TO £1.5 MILLION 10%

OVER £1.5 MILLION 12%

STAMP DUTY IN ENGLAND: FIRST-TIME BUYERS*

UP TO £425,000 0%

£425,001 TO £625,000 5%

N/A N/A

N/A N/A

*First-time buyer stamp duty exemption only applies to properties worth up to £625,000. If the property is worth more than this, normal stamp duty rates apply.

Stamp duty calculators can be a big help when working out how much you will owe.

You will also need to set money aside for other costs. If you are buying using a mortgage, you will need to appoint a solicitor to do the conveyancing on the property. This can cost anywhere in the region of £1500–£2500 for an average house. Sellers will need to stump up £1000–£2000 for conveyancing for the selling process.

Sellers do get a bit of a raw deal here – they're also likely to need to pay estate agent fees, which are typically between 1% and 4% of the sale price.

You are also likely to want a level 2 or level 3 survey of the property you are buying. Prices start at around £450 but can be significantly higher for older and higher-value properties. Instant quote pages can be used to get an idea of how much a survey will cost.

A survey will also help you budget for any repairs that you will need to make before or shortly after moving in. Don't despair though – survey reports can often be used to negotiate the sale price and can end up saving buyers many times the cost of the survey.

Other costs include buildings and contents insurance, and potentially service charges and ground rent if you are buying a leasehold property.

WHAT IF I CAN'T AFFORD IT?

If you are struggling to raise the money to buy a home, don't be disheartened. It is incredibly hard to get on the housing ladder, with first-time buyers typically saving for 8 years to build up enough for a deposit.

As well as considering different locations and house types that may be more affordable, there are some government schemes that can give you a helping hand.

The Help to Buy scheme has come to an end, but there are other shared ownership schemes available through housing associations, local councils and similar organisations. First-time buyers may also be able to benefit from the government's First Homes scheme, which provides discounts for local buyers and key workers. Alternatively, the Rent to Buy scheme offered by housing associations involves tenants paying an intermediate rate or rent on a property, allowing them to save for a deposit, with the chance to buy the home at the end of the agreement period.

*****DON'T FORGET***** It's easy to accidentally leave stamp duty out of your budget calculations, but the amounts can soon add up.

If you are buying a house for £550,000, you will pay 5% tax on the portion above £250,000 (£300,000), which equates to £15,000.

*****8 years is the average time people save for a deposit – that means, for around half of people, it takes longer...sometimes, substantially longer***.**

LOCATION (...LOCATION, LOCATION)

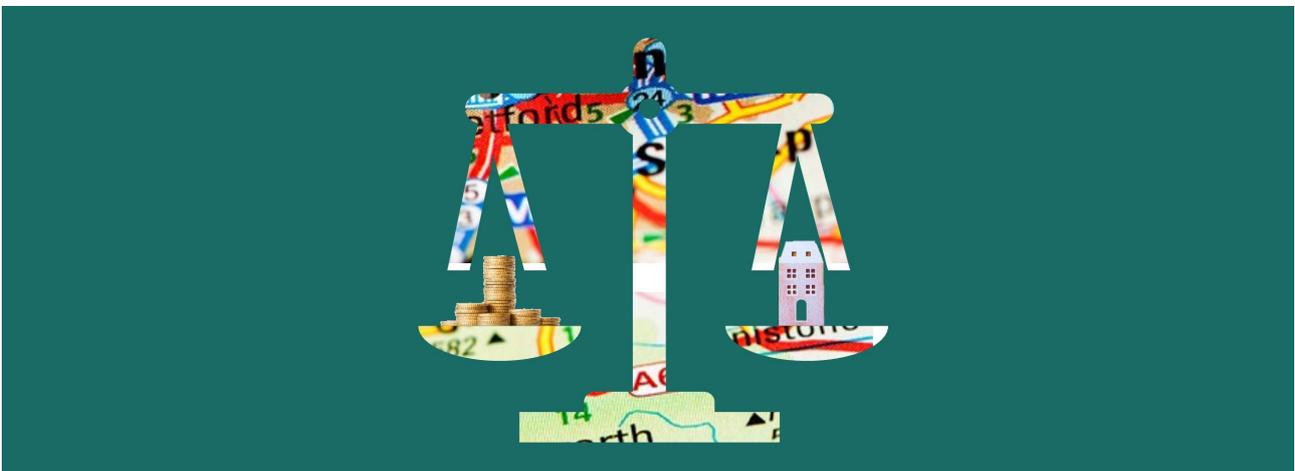
Yes, location is so important that it really is worth saying it three times.

The area you choose will have a huge influence on the house you buy. It affects the size of house that you can get for your money, how much outdoor space you will have, the types of house style available and even your lifestyle after you move in.

LOCATION, LOCATION, LOCATION vs MONEY, MONEY, MONEY

It is a fact of life that competition drives up prices. In other words, living in a popular area will cost you more than choosing a location that is 'up and coming'. There is almost always some compromise when it comes to finding a property, and when balancing out your wishlist with affordability, it helps to have a clear idea of your priorities.

- Do you want to live in a city or town centre, in the suburbs or somewhere more rural?
- Do you need to be able to commute to your current place of work?
- Do you want to be able to walk to shops and cafés, or are you happy to be further away from amenities?
- If you have a family or might do in the future, do you need to be near a good school?
- Do you have your heart set on a particular style of house? You won't find chocolate-box thatched cottages in modern settlements like Milton Keynes, for example.



Next, it can be helpful to get on Google Maps and pinpoint some areas you're interested in. It's then easy to get an idea of the types of houses and their prices in those areas, thanks to the online search tools provided by the likes of Rightmove and Zoopla.

Be honest with yourself.

Can you afford the type of house, with the space you need, in the area you're looking at? If so, great! Full steam ahead.

If not, you have two options. You can either look for a smaller, or lower-end property in that area or expand your search a little further afield.

KEY THINGS TO CONSIDER: THE AREA

Does the local area meet your needs? Ask yourself what you need from the place you live in – what has to be close by, and what you don't mind travelling further afield for. Here are a few questions to get you going:

- If you love long dog walks in the country, are there good stumping grounds nearby? If you enjoy going for a drink in the evening, what's the local pub like (yes, that pint can definitely be justified as 'research!')?
- Are the local schools, GP surgeries etc. satisfactory?
- Are the houses and shops in the area well-maintained? Is anything boarded up, and why?
- Is the area well-served by public transport? Perhaps it's more important to have a motorway nearby
- Is crime a significant issue?

GET TO KNOW THE LOCATION – SOME SURVEYOR SEARCHES YOU CAN DO YOURSELF



If the property is on a **floodplain**, do some digging to find out if there has been any recent flooding. Talk to people in the neighbourhood (another good excuse for a trip to the local pub or café!), search the government's flood risk database, and check out public records. If flood risk is high, check out your mortgage options by talking directly to lenders, before setting your heart on a particular home.



If **radon levels** are high, as they are in many areas, you can test the property you buy once you move in for around £50. If levels are high internally, there are plenty of measures you can put in place to reduce radon levels. These do come at a cost, however, and so it might be something to consider when choosing your area.



Past mining activity in the area of a house can increase the risk of subsidence. This is when the ground sinks, resulting in damage to the foundations of the property, cracking in the walls and potentially even collapse. Severe cases can render a home unmortgageable, dramatically reducing value. However, nearly one-third of UK houses sit on top of coalfields, and most aren't falling down. A thorough survey when you buy a house will look for any signs of structural movement and subsidence, putting your mind at rest. Your legal advisor will also carry out several mining searches, including a check to see if there are any mine entries within 20 metres of a property's boundary, which would put it at higher risk.



Japanese knotweed is an invasive plant species that grows aggressively and is difficult to eradicate. Homeowners have a legal obligation to prevent Japanese knotweed from spreading, and its presence can devalue a property and make getting a mortgage difficult.

Fortunately, Environet has a Japanese knotweed heatmap that you can use to see whether this plant species is common in a particular area. Your building surveyor will also be on the lookout for the plant, and your conveyancer will question the vendors on whether they are aware of its presence in the grounds of the property.

URBAN OR RURAL?



MIDDLE OF NOWHERE

Rural properties are often large, with lots of parking, outside space and peace and quiet.

However, they can be isolated and often lack public transport connections. It can also be harder to meet new friends if you're moving into a new area.



VILLAGE

Villages have a strong community feel while retaining the advantage of being close to the countryside. Choose carefully though – some are lively, with pubs, shops and schools, while others are more likely to suit people looking for a quieter life.

Village houses can, however, be pricey, particularly if they are in a commuter belt. Plus the community atmosphere doesn't suit everyone...nosy neighbours can put people off!



TOWN / CITY

While town-centre living can be fairly affordable, city-centre living is often costly, because of the better job opportunities and amenities at hand.

Towns can be a great affordable option, with excellent transport links and potentially decent shops and entertainment centres nearby. Have a wander down the high street – is it buzzing, with independent shops and a lively atmosphere, or has it seen better days?

Ultimately, it's almost certain that you won't get everything you want. But this exercise will help you decide what your dealbreakers are, and what you are willing to compromise on.

SHOULD YOU BUY A NEW OR OLD HOUSE?

This question really includes three options at its simplest, and a whole multitude once you really dig into it.

NEW, MODERN OR OLD?

First, you might have the option of buying a 'new build'. This is a house that has never been lived in before and will either have just been built or will be under construction when you are making your decision.

Other houses are known as 'existing property'. However, these shouldn't all be lumped together. Existing properties can be modern, i.e. built in the last few decades. At the other end of the scale, existing homes can be hundreds of years old, and may even have listed status, meaning that there are legal limitations on the alterations you can make to them.

NEW BUILDS vs MODERN PROPERTIES vs PERIOD HOMES... IN A NUTSHELL

NEW BUILDS

- **New builds** are often chosen for their convenience. There shouldn't be any works that need doing when you move in, so you can get on with normal life pretty much straightaway. You will also avoid the need to deal with a 'chain' – nobody needs to sell up and move out before you buy and move in.
- They usually come with a 10-year BuildMark Warranty from NHBC.
- You can expect them to be more energy efficient than homes built in the last century and earlier.
- Developers have been known to rush properties through, which has led to issues. While these are covered by the warranty, they can cause a lot of disruption while issues are fixed.
- In the short term, house prices can fall as you lose the initial novelty of the property being brand new.
- If you're looking for a big, private garden, you might struggle – most developers prioritise maximising the square footage of the house; gardens are often small and overlooked by neighbours.



MODERN & MID-CENTURY HOMES

- Shares some of the advantages of a new-build. Likely to be fairly energy efficient.
- Better use of space for modern living than a period home – if it was built in recent decades, it would have been designed with a modern lifestyle in mind.
- You will probably get more for your money than either a new building or a historic house.
- Architectural style can be a positive or a negative, depending on your preferences. There's also likely to be a better sense of community than on a new build development, and more established local amenities.
- Maintenance will be relatively low if the property is fairly new, but those little jobs will start to stack up.
- Depending on when it was built, you might get more land than with a brand-new property. You are almost certainly going to benefit from a more mature, established garden, compared with the patch of turf you would get with a new build.



PERIOD PROPERTIES

- Character is the main reason people go for an older property. Your property is likely to be unique and packed with charming period features. It will also have thicker walls, giving you a bit more privacy.
- Rooms in period homes tend to be fairly large. Kitchens can be the exception as unlike in new properties, the house will probably have been built with separate kitchen and dining areas. Having said that, in many cases previous owners will have carried out alterations to open up the space already.
- The space continues outside, with many older homes having more land, more parking and more established gardens than new houses.
- Older homes are more likely to need work and redecoration when you move in. Depending on your point of view, this could be a positive, because it means you can put your own stamp on it when you move in, and potentially even add value.
- Maintenance requirements are likely to be more extensive than with newer homes. If the property is around 100 years old or more, the materials and techniques that need to be used will also be different from those used for modern houses...and more expensive.
- Energy costs are likely to be higher, especially if the property has traditional windows and doors.



HOUSES THROUGH THE AGES: WHAT YOU NEED TO KNOW

New Builds

With a new build, you are usually covered by a 10-year warranty, and so if anything goes wrong you have the reassurance that the builder will fix it. Make sure you understand what is and isn't covered by the warranty. There are different periods within most warranties, with some aspects being covered only for the first two years.

Delays are a common issue with new-build purchases. Labour shortages, supply chain issues and planning constraints can all push back completion dates. As well as being disappointing, this can cost you a significant amount of money in rental fees. Mortgage agreements can also expire, so make sure your broker is aware you are buying new, and keep them informed of any challenges you are facing. One of the most important steps you can take to protect yourself is to make sure your solicitor checks the long stop date. The long stop date is the deadline date that the developers must be ready by, otherwise, you are entitled to withdraw and get your deposit back.

Snagging

Even the best builders and developers will make some errors when putting together a house, and this can be exacerbated if builders are working on large-scale developments under pressured budgets and timelines. A snagging survey is a visual check of the quality of build and workmanship against applicable standards. Typical findings include sticking doors and loose tiles, but the surveyor will also look at the brickwork and pointing, insulation and ventilation.

The ideal time to get one is before you exchange contracts, but if this isn't possible, arrange it as soon as possible after you have moved in. This will give you a list of anything substandard or not up to building regulations standards, for you to report to your builder so that they can remedy it.

Restrictive Covenants

Restrictive covenants are restrictions that are written into the deeds for a property that limit what the owner can do with the house and land. They can apply to any property (and your solicitor should check for them), but some are particularly common on new build estates. Some of the most frequently used ones include restrictions on parking commercial vehicles and caravans at the property, bans on satellite dishes and limitations to the number and types of animals that can be kept on the property.

Existing buildings

In contrast to new builds, when you buy a pre-owned property, any issues with its condition or structure are usually apparent. The presence of defects doesn't mean you shouldn't go ahead with the purchase, but it does pay to understand what needs to be done to repair any critical problems, and how much maintenance there is likely to be.

A level 2 building survey will cover any serious issues with the property, and a level 3 survey will provide a thorough description of repair and maintenance items, both major and minor, to help you budget and decide whether to proceed with the property purchase.

You will also need to budget for any renovations that are needed – perhaps the kitchens or bathrooms are dated, or the house needs a lick of paint or new carpets.

There will have been opportunities for previous owners to make structural alterations to the house, so it's important to make sure your legal advisor gets all the appropriate documentation and certification to confirm that the works were done to current standards.

Very new existing houses are a bit of an exception – if it was built within the past 10 years, it may still be within its 10-year warranty. If this is the case, the warranty will usually pass to you as the new owner. Assuming the property is over 2 years old, you will be out of the builder warranty period, but still within the structural insurance period that covers physical damage owing to any failures to build according to NHBC standards.

*****If the home you are looking at is listed, there are a few extra factors to take into account. While listing shouldn't be a barrier to buying a home, it does mean that there will be some restrictions on what you can alter. Find out more in our chapter on Buying a Listed Home.*****

BUYING A LISTED PROPERTY

If you have been charmed by an older, character home, there is a chance that it will be Listed.

WHAT 'LISTED' MEANS

"Listed" means that the property is registered on the National Heritage List for England. This means that it has special historic significance, and means that there are legal controls over altering, extending or demolishing it.

WHAT 'LISTED' DOESN'T MEAN

Listing is not intended to prevent any changes to a property. Planning authorities understand that properties need to be adapted to make them suitable for modern use, and many alterations will be permitted. You will just need to make sure you get official permission before making any permanent changes to the property.

WHICH HOMES ARE LISTED?

Old houses are more likely to be listed than modern homes; for example, all buildings from 1700 or earlier that still have some original features are listed, as are most buildings that date from 1840 or earlier. Houses built in the late 19th century or in the 20th century can also be listed if they are of special architectural interest.

Buildings can be listed as either Grade I, II* or II. Grade I or II* properties are rare; most listed buildings, and almost all listed houses, are grade II.

Listing usually covers the entire property, including the inside, outside and any structures that are within the boundary of the plot.

THINGS TO CONSIDER

Don't let a listing put you off your dream home – while a listed building might not be for you if you have grand designs to knock down multiple walls and completely change the space, you can still make reasonable changes. Even if your initial plans aren't approved, most conservation officers will work with you to find a solution that works for you whilst preserving the historic character of the building.

It's also worth remembering that listed buildings tend to hold their value and even go up in value faster than nearby, non-historic properties.

As with non-listed older properties, understanding the budget needed to maintain a listed home is critical. Energy efficiency is likely to be below average, so you are likely to need to budget for higher-than-average heating bills. Similarly, repairs and maintenance will be required due to the age of the building; there are also likely to be restrictions on the materials that can be used, both because of the age of the building and because of listed building alteration restrictions, and this can add to the costs.

*****You can find out if your property is listed by searching the list on Historic England. Your conveyancer should also do these checks if you proceed with buying the property.*****

*****Owning a listed building can often be considered an advantage. It means that you are living in a unique property that is part of history. Your house certainly won't be short of interesting and characterful features that each tell a story; these can range from beautiful fireplaces to ornate brickwork and even priest holes.*****



WHEN YOU BUY A LISTED HOME

If you decide to go ahead with a purchase of an older property, listed or not, guidelines recommend an RICS Level 3 survey – these are the most thorough type of survey and have the scope needed to consider historic and unusual features.

You should also check that your surveyor has experience with period properties – the construction methods and materials suitable for a historic building are different from those that are used in modern houses, and you need a surveyor who will make appropriate recommendations and cost up repairs and maintenance accurately. Your surveyor will also be able to tell you if they think that any alterations have been made to the property, and can advise you on the feasibility of any alterations you might have planned, and any likely pitfalls.

Similarly, make sure you use a conveyancer with experience in listed and heritage homes. Your legal advisor will check the listing, and whether listed building consents were obtained for any works that have been done since the house was listed. This is important, because as the new owner, you will inherit the legal responsibility for any unauthorised alterations that have been made, and you can be made to remove the works or update them, at your cost.

An experienced conveyancer will also check whether any restrictive covenants apply to the property, and can advise on whether they are enforceable. They will also check for chancel liabilities, i.e. obligations for homeowners to financially contribute to the local church.

FREEHOLD vs LEASEHOLD

The properties you look at will all be either 'freehold' or 'leasehold'. But what does this mean?

Freehold means that you are buying the house and the land outright.

Leasehold means that you are buying the rights to the property for a set period, usually between 125 and 999 years. The freeholder will retain ownership of the land, and you will need to comply with any rules included in the leasehold terms. You are also likely to have to pay service charges – the estate agent has to give you information on these charges and the lease length, and it's important to bear these costs in mind when deciding on a property. It is also worth asking about when and how charges are likely to increase over time.

If the remaining lease is getting short, and particularly if it's under 80 years, **it can affect the value of the property and your ability to sell it down the line.** It can be tricky to find a mortgage for homes with less than 80 years remaining on the lease. Leaseholders normally have the right to extend their lease by 50 years for a house, or 90 years for a flat, but this is associated with significant charges, particularly if there are fewer than 60 years left on the lease. You can also ask the landlord at any time if you can buy the freehold from them, but they have no obligation to sell.

Most houses are freehold, and most flats are leasehold, but there are exceptions.

In general, buying a leasehold is more complex, and there will be more for your conveyancer to consider. However, there is an advantage to a leasehold. Shared spaces are looked after by the landlord, and upkeep and maintenance of those areas is the landlord's responsibility. For this reason, you should make sure that you also look closely at the communal areas, to check that they are in good condition. It's also worth finding out if communal utility bills are paid promptly.

If you are looking at a leasehold property, you should review the guidance on the government Leasehold Advisory Service website.

GROUND RENT. You may hear ground rent and administration charges mentioned when people talk about taking on a leasehold property; however, following the Leasehold Reform (Ground Rent) Act 2022, these charges have been abolished for new residential lease agreements.

HOW TO FIND A HOUSE

It's time to get stuck into house hunting!

The big property websites, like Rightmove, Zoopla and OnTheMarket, are great for getting a feel for the types of properties that are available in your area and their asking prices.

However, these websites all charge high fees for listings, and estate agents do what they can to get a sale before they even get to the stage of listing the property.

TACTICS TO MAKE SURE YOU'RE IN THE KNOW

Get to know the local estate agents, so that they get in touch with you as soon as they are engaged by a seller. The more you can demonstrate to an agent that you are ready to buy, whether that's by agreeing a mortgage in principle, showing that your home has already sold or is about to, or advising them that you're a cash buyer, the more eager they will be to market their properties to you. Keep checking in with agents too, especially if the market is busy – keen buyers are preferred, because it means agents get their commission quicker!

Other tried and tested tactics include **dropping notes through the letterboxes** of houses you are interested in, explaining a bit about who you are and telling them that if they're thinking of selling you would be very interested. This can be really appealing to anyone toying with the idea of selling up because it means they will avoid costly estate agency fees – if you're lucky, they will share some of that saving with you too and you'll pay a bit less than you would for a comparable property down the road.

Similarly, **spreading the word** that you are looking for a home in an area can be very effective. People you meet at the local pub may know others who are looking to sell soon, or you could even knock on a few doors to get the lowdown on the local housing market.

“Word of mouth should never be underestimated.”

In particularly competitive markets, you could also consider **using a buying agent**. These people make it their business to know which properties are about to come to market, and find out about people looking to sell 'off market'. They will do the leg work, searching for your ideal property, and can advise on negotiations too. For this reason, they can also be helpful for anyone who is time-poor or lives a long way from the area they want to buy in. This help can be invaluable but does, of course, come for a fee!

*****TIP***** The high cost of listing on a property website means many homes never hit the website listings, particularly in fast-moving markets. Instead, you will need to use other methods of finding out what is on the market.

HOW TO GET A MORTGAGE

By now you will have reviewed your budget and will have an idea of the monthly payments you can afford. You might also have started having a look around the property market, to see how much you will need to spend on a home.

Now, it's time to look at getting a mortgage.

GETTING A MORTGAGE

Once you are ready to look at borrowing, mortgage calculators will come into their own again.

Start to review the mortgage products available and plug the data into the calculator to help you understand what your monthly payments will be. You can also use the calculator to play around with how different aspects will change your repayments.

Use a mortgage calculator to test out how payments are affected by:

- Increasing or decreasing the mortgage term
- Changing the deposit amount
- Interest rate fluctuations.

FINDING A MORTGAGE

Comparison websites, such as Money Supermarket, can be a good place to start when looking for a mortgage. These sites are great for getting an overview of the types of rates and deals available on the market, so you can get an idea of what a competitive mortgage offer looks like.

At this stage, it's good to get a sense of the interest rates available for fixed and variable-rate mortgages, the product fees that the banks are charging, and the length of fixed terms that are being offered.

Take care not to authorise credit checks at this stage, unless you are seriously considering going with a specific lender. Submitting too many formal lender inquiries in a short period can negatively impact your credit score.

Mortgage brokers can be extremely helpful when looking for a mortgage, especially if there is anything unusual about your circumstances or the property you are buying. Brokers will have access to a different range of products than those that are available directly to consumers and will be able to advise you on the best products to suit your needs.

Be aware that while many brokers will not charge you directly, they will instead receive a commission from the lenders, and so there is an inherent conflict of interest there. There will also be some mortgage packages that they cannot access because these are available directly to buyers only.

If you have the time, it pays to do as much research as possible – after all, this is likely to be the largest, and longest-term, debt you will ever take on.

CREDIT SCORE

Your credit score will be a key consideration for any lenders deciding on whether to offer you a mortgage.

You can view your credit score through portals such as Experian – these can also be used to track improvements that you have made. It is a good idea to check your score before carrying out applications for loans, mortgages and credit cards because too many credit checks from these services can reduce your score. Soft credit checks by companies like Experian and Money Saving Expert, on the other hand, will not harm your score.

If your score is low, don't panic – there is a lot you can do to increase it.

Firstly, make sure you are registered to vote at your current address. This helps confirm your identity.

Next, build up a credit history by opening a bank account and getting a credit card. Stay well below any overdraft limits; use your credit card, but don't max it out, and make sure you pay off your credit card in full and on time each month – this shows you are a responsible borrower.

You can also take out other forms of credit, such as mobile phone contracts or store cards. Again, the key is to pay your bills on time and in full to demonstrate that you are financially responsible.

Over time, these steps will have a significant impact on your credit rating.

AFFORDABILITY

Next, lenders will look at affordability. This is how easily the bank or building society thinks you will be able to meet the monthly repayments.

One of the key aspects of affordability is salary.

However, salary is not the only consideration. A lender will also ask for detailed information on your current outgoings, and will want details on your employment so that can judge how secure your income is. They will also take whether you are supporting any dependents (i.e. children) into consideration, and will stress test your ability to repay the mortgage if interest rates rise, or if you have a period of unemployment.

The more able to you are to comfortably meet the repayments, the more attractive you are as a customer. And the more attractive you are as a customer, the more likely you are to get the best mortgage deals.

*****A credit score is a prediction of how likely you are to repay money you have borrowed on time. It is based on information from credit reports. A high score means that lenders are more likely to provide a loan, and to give you the best rates, because you are deemed as low risk of missing payments.*****

Most lenders offer 4–4.5 times salary for single mortgage applicants, or 3.5–4 times joint salary for joint applicants.

LOAN-TO-VALUE

Loan-to-value (or LTV) is the relationship between the size of the mortgage and the total value of the property. This is another key factor when lenders are deciding on whether to lend to you and which packages to offer.

The lower the LTV, the lower the risk to the bank, because if you did default on your mortgage, they are more likely to be able to recover the money lent by repossessing the home.

For this reason, **the best mortgage rates tend to be for LTVs of 60% or lower.** However, mortgages are usually available in LTVs up to 95%. In some cases, 100% mortgages can be made available, but these normally require a family member with their own property to guarantee the mortgage for you. This means that their home will be at risk, as well as yours, if you do not keep up with the repayments.

GETTING AN AGREEMENT IN PRINCIPLE

An agreement in principle (or mortgage/decision in principle) is a written statement from a mortgage lender saying that in theory, based on the information you have given them, they would be willing to lend you a certain amount.

It is important to remember that getting an agreement can often require a credit check, so don't get multiple agreements from different lenders unless you are sure their checks will not affect your credit score. Instead, choose one that you are seriously considering getting a mortgage from, or get help from a trusted mortgage broker.

The agreements are not binding and you are not obliged to take out a mortgage with that firm; however, you do want to avoid having a high number of credit checks, because (as discussed above), this could impact your credit rating and therefore your ability to borrow money.

Once you have had an offer accepted and you have instructed a conveyancer, you can submit a full mortgage application and get a formal mortgage offer.

TYPES OF MORTGAGE

In most cases, your mortgage will be for your main residence, i.e. you are not buying a second home, but are buying a place to live in.

These mortgages are the standard packages offered by lenders and can be split two ways.

Let's say you have a deposit of £100,000.

If you want to buy a house for £400,000, you will need to borrow £300,000.

The LTV would be $\frac{£300,000}{£400,000} = 0.75$, or **75%**.

If the house you wanted to buy was only £250,000, you would need to borrow £150,000.

The LTV would be $\frac{£150,000}{£250,000} = 0.60$, or **60%**.

*****TIP*** Getting an agreement in principle is really important when you are looking for a house. In a competitive market, many estate agents and vendors will not show you a property unless you have an agreement in place – it demonstrates that you are serious about buying a house.**

Firstly, mortgages are categorised by the way that payments are calculated.

- **Repayment mortgages.** With repayment mortgages, the amount you pay back each month is made up of some of the money you have borrowed, along with the interest on that money. This means that over time, the amount of money you owe the lender decreases, and the proportion of your home that you own increases. By the end of your mortgage term, your entire loan will have been repaid and you will own 100% of the property. Repayment mortgages are the most common type of mortgages.
- **Interest-only mortgages.** With these mortgages, your monthly payments only cover the interest on the money you have borrowed. The total amount you borrowed initially remains unpaid; instead, you will pay back the entire value of the mortgage at the end of the mortgage term. Because of this, interest-only mortgages are usually used on properties that you plan to sell at the end of the term, and so are rarely used for people's main home.

Secondly, mortgages are categorised by the way that the interest rates are agreed.

- A **fixed-rate** mortgage means that the interest rate applied to the money you have borrowed stays the same for a set period. So, even if the Bank of England base rate goes up or down, the interest charged on your loan will stay the same, and so your repayments will stay the same.
- Fixed rate deals usually last between 2 and 5 years, after which time you can look for another deal, or switch to a standard variable rate.
- These deals provide financial security by protecting you against interest rate fluctuations but often mean you are fixing at a slightly higher rate than the most competitive variable rate mortgages at the time.
- They usually also come with charges if you leave the deal early. It's important to check the terms and conditions carefully if you do plan to overpay your mortgage or if there's a chance you might sell before the end of the fixed term.
- A **variable rate** mortgage is one where the interest rate can change at any time – mostly by tracking the Bank of England's base interest rate. These include a standard variable rate (SVR) mortgage, a discount rate mortgage (in which the rate is set a certain amount below the SVR) and tracker rates (which are usually set according to the Bank of England base rate).

For those buying second homes, buying to let, or letting to buy, mortgages can be more limited. There are also more considerations regarding stamp duty, and conveyancing is likely to be more complex, lengthy and expensive. You can find advice about these options at Unbiased.co.uk.

WHAT HAPPENS TO YOUR MORTGAGE WHEN YOU MOVE?

If you have any sort of mortgage deal agreed (i.e. anything other than the standard variable rate), you are likely to incur charges if you sell and pay back your entire mortgage to get a new mortgage for another property.

Fortunately, however, most mortgage deals are portable, meaning that you can move them over to a new property. The lender will take you through a new application process, considering the new loan-to-value ratio, any changes to your income and spending, and of course, any changes to the size of the mortgage if the new home is more expensive.

Where it gets complicated...

Depending on your current deal and when you took it out, you might find that there are more competitive options out there for you, and you could save more overall by switching mortgages or mortgage providers, even taking early repayment charges into account.

Alternatively, if you are nearing the end of your mortgage deal, it might be worth waiting until the end of the term and switching to the standard variable rate for a few months while you arrange your new mortgage.

It is important to take the time to work out which options will be most beneficial in the long run. Arrangement fees, repayment charges and exit fees all need to be included in your calculations. Your current mortgage provider, or a mortgage broker, will be able to provide advice on which options might be best for you.

WHAT TO LOOK FOR WHEN VIEWING A HOUSE

You've found a home you're interested in and persuaded the vendor or an estate agent that you're a serious buyer. Now it's time for the fun bit! But what should you be looking for when you are viewing a house or apartment?

Here, we delve into the things you need to look for to determine if the property is right for you. Head to the next article if you're looking for common housing defects to watch out for.

DO YOU LIKE IT?

There are a lot of nitty-gritty considerations when choosing a property, but the first and most important consideration is whether you like the place and you can see yourself living there.

If you've been following this guide, you will already have taken time to consider the locations you are looking at, whether you would prefer an older, modern or brand-new home, and how far you can stretch your budget.

Your gut feeling when viewing a property is important, but make sure you don't rush any decisions. A common mistake is to fall in love with a house based on the décor, whereas your money is really going into the bricks, mortar, and location. Take the time to picture the property redecorated, potentially even renovated and refurbished, with your possessions and your style. Be honest with yourself about how much work you are willing to do to a place, but bear in mind that a lick of paint and decluttering are fairly straightforward, quick and inexpensive to do.

It's often recommended that you don't look at anything that is outside your price range. However, this does depend on the housing market at the time. There will be occasions in a sellers' market when most properties are going for over the asking price – if this is the case, you are better off looking at houses comfortably within budget. However, in a buyers' market, it might be worth looking at places slightly over budget, particularly if they have been on the market for a while because you might just get away with a cheeky offer.

HOUSE VIEWING CHECKLIST

Starting outside and working your way in, here are the key things our surveyors think you should look for when viewing a house.

- | | | |
|--------------------------|-------------------------|---|
| <input type="checkbox"/> | 1. Neighbourhood | Are the local amenities what you're looking for? What are the crime rates like? Any new building developments in the pipeline? |
| <input type="checkbox"/> | 2. Noise | Can you hear traffic, trains, planes or neighbours? What about at different times of the day? |
| <input type="checkbox"/> | 3. Aspect | South-facing rooms and gardens are brighter and warmer than their north-facing counterparts. |
| <input type="checkbox"/> | 4. Mobile | Check your mobile coverage – is it going to be an issue, either for you or for resale potential? |
| <input type="checkbox"/> | 5. Condition | Objectively assess the condition of the building – are there cracks that need fixing, doors that need replacing etc., and how does that fit with your budget and appetite for renovation. |
| <input type="checkbox"/> | 6. Room Size | Can you fit your furniture into the rooms? Check the living rooms and bedrooms in particular – will you have enough storage space? |
| <input type="checkbox"/> | 7. Garden | Is there a garden? Is it overlooked, safe for children and animals, and well-maintained? A garden can greatly improve saleability of a house. |
| <input type="checkbox"/> | 8. Windows | Windows are costly to replace. Are they in good condition? Is there any condensation on the inside pane? Is the double-glazing intact? |
| <input type="checkbox"/> | 9. Plumbing | Don't be afraid to flush toilets and run taps, and ask to turn the heating on so you can check the radiators. It can also be worth checking under sinks for leaks. |
| <input type="checkbox"/> | 10. Structure | You might need a surveyor to thoroughly check this, but keep a look out for large cracks, wonky walls and sticking doors and windows. |
| <input type="checkbox"/> | 11. Electricals | Are certificates available for works done and safety inspections? How old is the fuse box? How old is the wiring? |
| <input type="checkbox"/> | 12. Roof | Check for standing water or undulations in flat roofs. Keep an eye out for missing or displaced tiles on pitched roofs. |
| <input type="checkbox"/> | 13. Damp | The easiest way to detect a damp problem is by smell. You can also look for patches and discolouration on walls, and peeling wallpaper. |
| <input type="checkbox"/> | 14. Floors | Does the flooring feel firm underfoot? A musty smell can suggest rot, which can lead to serious issues with the flooring. |
| <input type="checkbox"/> | 15. Drainage | Look for blockages and a build up of plants that could stop water draining away. If it has recently rained, look out for overflowing or standing water. |
| <input type="checkbox"/> | 16. Security | How secure is the property? Are there easy opportunities for would-be thieves? Are there security measures in place? |
| <input type="checkbox"/> | 17. Energy | Ask the vendor about energy bills – is the property efficient? Is the insulation appropriate and sufficient? How is the property heated? |

QUESTIONS TO ASK THE SELLER AND ESTATE AGENT

- **What's included** – do you have your heart set on the unique woodburner or the feature curtains? Checking what will come with the sale will help you budget and decide how much you are willing to offer.
- **Bills** – it can be quite revealing to find out how much water and energy costs are for the property. Council tax is also a big expense – the estate agent should be able to tell you what band the property is in.
- **How long the property has been on the market**, and how quickly properties sell in the area. How many viewings and offers have been made?
- **Why are you selling** – if the vendor mentions noisy neighbours or issues with the area, be wary.
- **What improvements have been made** – this will give you an idea of how well the property has been looked after. It's also worth noting down any building works they mention so your surveyor and conveyancer can make appropriate checks on the standard of the works and the permissions that were obtained.

*****TIP***** When talking to the agent and seller, it can pay to watch what you say.

If you come across too enthusiastically, it can make it harder to negotiate on price. Conversely, if you are too negative about a property or too vocal about dramatic alterations you want to make, you risk offending the vendors, who may decide they don't want to sell to you.

Instead, emphasise what a good buyer you are – how your finances are all in order; you're not going to do anything to hold up the sale, and how much you will enjoy being the custodians of the property once the sellers have moved on.

BE HONEST WITH YOURSELF

What you do with this information will be personal to you. Compare your notes with your ideas about what you were looking for in a property when you started the process. Do they match up?

No property will be 100% perfect, but you need to be honest with yourself about what you are and are not willing to compromise on.

Another important consideration is how easily it is to change things you don't like, and how much it would cost. Some things you're stuck with – untidy neighbours or a lack of good schools nearby. Others, you can improve. If the property is a bit run down, a lick of paint can be fairly budget-friendly. However, if the roof or windows need significant repairs or upgrades, this will need a chunky investment. A Level 3 Building survey can be a big help here – significant repair and maintenance costs will be listed out for you in the report.

HOUSING DEFECTS: COMMON PROBLEMS TO WATCH OUT FOR

Depending on when the property was built, there are several common housing defects to watch out for.

MODERN HOUSE ISSUES

Unless you are buying a house less than 10 years old, the modern property you are looking at is probably out of the warranty period. There are a few things our building surveyors suggest that you look out for in particular:

Flat roofs are fairly common in houses built in this period. While today's flat roofs are well made and can last for decades, water damage is not unusual. Blocked or insufficient drainage, insufficient pitching (sloping) of the roof and dents in the roof itself, can lead to water collecting on the surface. Standing water will damage the roof, eventually leading to water penetration and damp.

Concrete cladding is also seen on houses from this period, and is prone to deterioration, particularly if it is exposed to substantial amounts of water:

Any cracks should be sealed up and drainage should be examined carefully to ensure it's adequate.

Pointing and masonry should be checked because unfortunately, it is not that unusual to come across examples of poor workmanship.

Timber-framed houses have also become more common, and a building surveyor should inspect the timbers for signs of warping, rot and infestation.

Furthermore, **cavity wall insulation is never appropriate for a timber-framed house but was**

unfortunately added to many properties in the late 20th century. The insulation prevents air from circulating and can cause the timber beams to rot. Look out for indications that cavity insulation may have been used, such as plug holes in the mortar pointing or the presence of damp.

If you do find inappropriate insulation, be aware that it may affect the mortgageability of the property.



POST-WAR, MID 20TH CENTURY PROPERTY DEFECTS

Asbestos was frequently used by house builders during this period, and it can be found in anything from floor tiles and ceiling coatings to door handles, cement boards, insulation and soffits. If left undisturbed, asbestos is not necessarily an issue, but if you want to do any work to a property the presence of this material can dramatically increase costs because a licensed asbestos contractor will be needed to safely remove it.

Structural issues such as concrete carbonation, which can ultimately damage the steel reinforcements holding up a property, become more common as buildings get older. Look out for spalling and cracking of concrete; if the steel is visible through the concrete, then the damage is severe.

Inside, we often see low-level single glazing and excessive gaps between stairs and balustrades. These do not conform with modern safety regulations and can be particularly problematic if young children are living at the property.

Spray foam insulation is typically used to cover the inside of the roof, with the aim of reducing heating costs. However, issues with this method mean that the presence of spray foam can not only damage your property but also decrease its market value. In recent years, lenders have taken a cautious approach to spray foam, and its presence can, on occasion, render a home unmortgageable.

Poorly installed spray foam forms a complete seal across the underside of the roof, preventing any ventilation and causing substantial moisture build-up in the roof space. In turn, this can cause rot, damaging the roof timbers. What's more, this damage is often impossible to spot, because the timbers are obscured by the spray foam itself. The presence of the foam also makes repairs very difficult.

Bridging the damp-proof course is another common problem.

Previous homeowners may have installed new driveways, decking or paving, or built up flower beds around the walls of the house. These additions may look attractive, but if they raise the ground level towards the damp-proof course, it can breach it, resulting in damp. Covering walls with render or waterproof masonry paint can have the same effect.

Cavity wall insulation problems can also be found in homes from this period. Most cavity wall insulations are appropriate and improve efficiency, but we do come across instances of poor practice and workmanship that have led to damp becoming an issue internally. Installation of cavity wall insulation where there are cracks in masonry or issues with drainage can lead to water getting into the cavity, soaking into the insulation, saturating the walls and leaching through to the inside of the property.

Another problem can arise from failure to ensure adequate ventilation is installed when fitting insulation – because the insulation makes the property more airtight, additional ventilation is often necessary. If this is not fitted, moisture builds up and leads to damp.

This period was also when **non-standard construction** methods began to be widely used. Shortages in labour and materials following the war, combined with increased demand for housing, led to new and novel construction methods being used to meet demand. A non-standard construction is typically defined as one that does not have conventionally built brick or stone walls. They are typically metal frame or concrete-based and vary considerably in terms of the quality of build and durability.

If you think your property might be a non-standard construction, a building surveyor can advise you on what to look out for, depending on the type of build and its current condition. They will also be able to provide insight into how the construction type will affect mortgageability and resale potential.

*****Unsuitable renovations are often found in houses from this era.***** Two key examples are spray foam insulation and bridging of the damp-proof course.



COMMON ISSUES WITH PERIOD HOMES

One of the advantages of buying a period home is that you know it has stood the test of time!

“Structural problems do occur in old properties but are not as common as you might think. Period homes do, however, require more maintenance than modern houses, and the correct materials and techniques must be used when fixing defects, to avoid causing new problems or exacerbating existing ones.”

A good example of the need to use appropriate materials in the maintenance of period homes is choosing the **correct mortar** when repairing stone- or brickwork. These houses were built using lime-based mortar, which is breathable, allowing moisture from within the property to escape. In contrast, if a cement-based mortar is used, moisture is forced to escape via the masonry, resulting in damage to the walls. It can also lead to damp problems internally, both because it doesn't allow enough moisture to escape, and because damage to masonry can allow water into the property.

All homes have some level of moisture inside, but be alert to obvious **damp issues**, such as musty smells and patches on the walls. It's also worth noting if a property has been rendered – again this can trap moisture inside a home, leading to damp and even structural problems.

At some properties, we see issues because owners have **covered the original slate roofs with concrete tiles**. The additional weight of the concrete can make the roof bend, pushing out the walls and making them unstable.

Woodworm can be an issue in these properties, particularly if damp is present. Historic woodworm that has been treated is not a problem, but active woodworm can lead to structural damage. Look for signs like bore dust, larvae and live or dead beetles.

Another thing to be aware of is whether a property is **listed**. If it is, buyers need to be aware of changes that have been made since the listing and check via their solicitors that appropriate permissions for the works were granted.

Watch out for **The Schrijver damp-proof system** and similar systems. These also involve retrospectively inserting porous ceramic tubes into walls, theoretically working either by drawing moisture from the surrounding brick or stone and allowing it to evaporate, or by increasing airflow. Another system is injected damp treatment, which involves drilling rows of small holes into the wall and filling them with a chemical fluid that then solidifies to form a damp-proof course. However, **there is no evidence that these damp-proof systems work in old buildings**; and in many cases they can cause damp issues by reducing breathability, creating localised cold bridges causing condensation on structural elements.

Basement and loft conversions are particularly common in Georgian and Victorian properties, because of the space available in these areas. If a basement has been converted, it's important to check the standard of the damp-proof tanking. For any type of conversion, fire standards and escape provisions should be checked, and you will need to confirm that building regulations have been adhered to and building consents obtained where relevant.

*****TIP***** Because most properties over 100 years old will inevitably have had some works done, it's crucial to look out for updates that are not in keeping with the age of the property.



MAKING AN OFFER

The key to making a strong offer is preparation. Do your research so that you have a good understanding of the current market value of similar homes, and spend time scrutinising your finances and budget to make sure your offer is realistic for you.

HOW TO DECIDE HOW MUCH TO OFFER

There are several things to consider when deciding how much to offer for a house or flat.

1. How long the house has been on the market.

- If it has been listed for a few months, the vendors might accept a lower price than they were originally aiming for.

2. How much similar houses are selling for.

- You can find sold prices for specific properties on the HM Land Registry website.
- Zoopla and Rightmove are great tools for getting an overview of house prices in a certain area and can provide estimates of market value for a particular house.
 - However, it's important to note that these are computer-generated estimates. If the house has unique features, it is more difficult for algorithms to predict the value. The tools also use historical data, so they are often a little behind the current market.

3. Whether other offers are on the table.

- If you have competition, you need to stand out. You can do this by going straight in with a great offer, by emphasising how attractive you are as a buyer, or both.

4. Your position as a buyer.

- If you are a cash buyer ready to move, you are in a great position and might be able to get away with a lower offer.
- Conversely, if you are relying on a mortgage and in a chain, unable to move until you receive the funds from your own property sale, you are a riskier prospect. You might need to increase your offer to persuade a vendor to choose you over a cash buyer.

5. How much you will need to spend on the property.

- If there are critical works that you need to do soon after moving in, you need to factor this in when calculating what you can afford to offer.

6. Whether your offer is realistic and affordable.

- Make sure you have factored in stamp duty, conveyancer and surveyor fees, and costs for urgent repairs if needed.

7. Whether to go in with your best offer or leave room for negotiation.

- A first and best offer shows you are serious and can be a good move if houses are selling quickly and you have a lot of competition.
- In quieter markets, it might pay to start with a lower offer and negotiate if rejected.

WHEN TO MAKE AN OFFER

Two things to bear in mind: view the house a second or even third time if you can, and at different times of the day if possible; and make sure your mortgage in principle is in place, otherwise you won't be seriously considered by the vendor.

HOW TO MAKE AN OFFER ON A HOUSE

Offers are usually made via the estate agent marketing the property. **By law, the estate agents have to pass on any offers they get to the vendor**, so don't let them tell you that it is too low for them to pass on.

If it's a private sale, go straight to the vendor. Remember, they are saving thousands of pounds in fees by not using an estate agent, so there may be more wriggle room on your offer price.

It is a good idea to follow up with an offer in writing, to avoid any potential confusion.

It can be worth adding a note to your offer, that it is conditional on the property being taken off the market. This reduces the chances of someone else gazumping you; that is, making a higher offer and getting the property even though your offer was already verbally accepted.

You should also be clear if your offer is based on the assumption that particular fixtures and fittings within the house will be included, for example, a log burner or kitchen equipment.

*****Remember, in England and Wales, an offer is not legally binding until contracts are exchanged*****

CONVEYANCING

It's time to get the lawyers involved...

So your offer has been accepted – **congratulations!** Next, you will need to find a conveyancer. If you are getting a mortgage, their details will be needed to complete your mortgage application form.

CONVEYANCING

Buying a house is an official legal process involving the transfer of ownership of a property. This process is called 'conveyancing', and needs to be done by a licensed conveyancer or solicitor.

FINDING A CONVEYANCER

You need to appoint a legal representative ('conveyancer') to prepare the paperwork involved in buying a home, liaise with the seller's solicitor, carry out searches related to the property and manage the transfer of funds and fees between the various parties. They will also arrange registration of you as the new owner on the property deeds with the Land Registry.

You should instruct a conveyancer once your offer has been accepted. Look at a few firms and get several quotes. Compare price, quality, reviews and reputation, and how easy it is to communicate with them. It can also be a good idea to get recommendations from friends and family. Estate agents will often recommend conveyancers, but remember they may be getting referral fees and so could be a bit biased!

*****TIP***** You are looking for a conveyancer who is reasonably priced but who has experience in the type of property you are buying, and has a reputation for keeping the process moving. If you are buying using a mortgage, you should also check that they are on the panel of your lender's approved legal representatives.

THE CONVEYANCING PROCESS

The conveyancing process can be completed in around 6 weeks, but can often take much longer, leading to frustrated buyers and sellers.

If the transaction involves a chain of properties, the process can take weeks longer. Even if there is no chain involved, hold-ups with obtaining paperwork and information from either party can extend the timeline. It's a good idea to make sure all your important documents are on hand. These include proof of address and proof of identity documents, evidence of income from payslips and bank statements, and evidence of your deposit.

You might also need to apply some gentle pressure to the vendors to keep things moving.

*****TIP***** If an estate agent is managing the sale, you can use them to help you – they will be just as keen as you for the sale to progress quickly so that they get their fee!

SEARCHES

Your conveyancer will carry out numerous searches on the property you are buying and the land around it. These will determine whether there are any restrictions or rules that apply to the property, such as whether it is listed, in a conservation area, or subject to any restrictive covenants. They might also suggest additional searches, such as flood risk and nearby mining activity.

Your conveyancer will also make several enquiries with the vendors. They will ask the vendor to fill out a TA6 Property Information form, which the vendor must answer truthfully. This form covers things like rights of way, boundaries, planning and building control, Japanese knotweed and septic tanks. They will also get the vendors to complete a TA10 form, which tells you exactly what items within the property are included in the sale and which are not. They will obtain paperwork and warranties for anything remaining in the house, such as the boiler, electrical systems and glazing.

The conveyancer will also confirm if the property is freehold or leasehold, and they should carefully check the terms of the lease if it is a leasehold property.

If you have a building survey, your surveyor can also raise recommendations for items your conveyancer should look into. They might point out that similar properties are subject to chancel repair liability (i.e. an obligation to pay money to a local church towards certain repairs), or that there are signs of mining activity close by. They might also identify building works that look to have been carried out after the house was built so that your legal adviser can follow up and ask the vendors for documentation to show that the works were done correctly and with the appropriate permissions.

*****FRAUD ALERT***** Sadly, fraud can be a risk when you are buying a house, given the large sums of money involved. If you get any communications you are unsure about, such as your conveyancers advising they have changed their bank details, check them thoroughly by calling your conveyancers on a number you know and trust. Remember, it is very rare for conveyancers to change their bank accounts. If in doubt, do not transfer any money.

GETTING A HOUSE SURVEY

A house survey will give you a thorough insight into the home you are buying, helping you avoid expensive surprises and allowing you to move with confidence.

WHAT IS A HOUSE SURVEY?

A house survey is a thorough check of the condition and structure of a property.

Your surveyor will visit the house or flat and carry out a detailed inspection of the outside, each inside space, the grounds and any outbuildings. All accessible areas of the property will be examined, from ceilings and roofs to walls, floors, cellars and woodwork.

Defects will be recorded and the report will explain how serious they are, and how quickly they need to be fixed.

It is a visual inspection, which means that the surveyor will not drill holes or dig down to the foundations; in the rare cases where these types of investigations are required, your surveyor will provide recommendations.

House surveys are often referred to as 'RICS surveys'. These are carried out by RICS surveyors, which means that the surveyors are members of a regulatory body – the **Royal Institution of Chartered Surveyors**. This means that the surveyors have undergone rigorous training and examination to gain RICS status and that they complete regular training to maintain up-to-date knowledge and high standards of work.



WHY GET A SURVEY?

Buying a home is one of the biggest financial investments you are ever likely to make. A house survey will give you a thorough understanding of the property you are buying – it will tell you its current condition and whether any expensive or serious issues could affect its value or your ability to sell it in the future.

Some people use the results of the building survey to negotiate their offer, often **saving several thousands** on the purchase price of the property – many times the cost of the initial survey fee. In this way, getting a survey can actually save you money!

Others use the information to set aside budgets for repairs over the coming years, and plan a schedule of works for the property.

While rare, in some cases, the survey results mean that buyers decide that it is not the right property for them, either because the works required are too expensive and extensive, or because getting a mortgage on the property might be challenging.

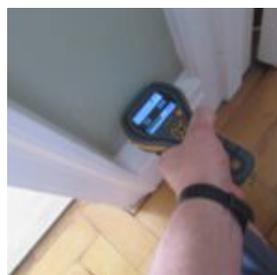
A house survey allows you to make an informed decision on whether to go ahead and buy the property and can help you decide how much you are willing to pay for it.

MORTGAGE VALUATIONS vs HOUSE SURVEYS

It is important to remember that a mortgage valuation is not the same thing as a house survey. A mortgage valuation is carried out on behalf of the lender and is designed to make sure that the house is worth at least the value of the money being lent. They do sometimes highlight very serious defects that affect the value of the property to the extent that the lender may not wish to provide a mortgage; however, they do not consider the overall condition of the property, nor any structural defects that are less severe, however costly they may be for you to rectify.

In fact, the surveyor carrying out the mortgage valuation might not even visit the property – drive-bys and even desktop valuations are becoming more and more common.

Only a house survey will give you a full insight into the condition and structural integrity of the home you are buying.



LEVEL 3 vs LEVEL 2 SURVEYS

Most people choose between an RICS Level 2 (Homebuyer) survey and an RICS Level 3 (Full Building) survey when buying a house.

A Level 3 survey is the most thorough type of inspection you can get. The surveyor will look for visible issues, and will also use their experience and building knowledge to advise on potentially hidden problems. Everything that can be looked at, will be looked at, including cellars, attics, under loose carpets and behind moveable furniture.

A Level 3 survey report will be detailed and tailored to your house. As well as an in-depth description and discussion of the surveyor's findings, it will also include implications of defects and recommended priorities for repair, along with estimated costs for the works.

A Level 2 survey is slightly less detailed and follows a set format – for this reason, Level 2 surveys are recommended only for newer properties that are conventionally built and in reasonable condition. A Level 2 survey will cover all easily accessible areas and will focus on highlighting any moderate or serious issues, along with anything likely to affect the value or safety of the property.

WHEN TO GET A SURVEY

Most people instruct their surveyor once their mortgage has been confirmed; however, in busy periods there can be a wait to book a survey appointment, so it is worth getting the survey in the diary as soon as you can.

Some people decide to get a survey on their own home, either to help them plan works and renovations or to get a good idea of the condition and value of their home before putting it on the market.

ORGANISING A SURVEY

In most cases, surveys are instructed by you, the buyer of the property.

You will need to find a surveyor – as discussed above, you will probably want to look for an RICS-regulated surveyor or firm at www.ricsfirms.com.

Don't be afraid to question the surveyor on their experience with properties similar to the one you are buying, particularly if the house is old or non-standard. And ask for example reports so that you can see what level of detail you can expect from them.

Once you have instructed a survey, the surveying admin team will arrange access for the surveyor. This is often done via the estate agent or can be done directly via the vendor. Either way, the team will manage all the contact and communication, and update you as soon as the survey is booked in.

After the survey visit, the surveyor and their team will begin working on the survey report; this should be with you a few days after the survey visit after the surveyor has had time to review their findings and reflect on their assessment. Your surveyor will be available to discuss their findings with you and to clarify anything in the report that you are unsure of.

Organising a survey when buying a house can seem daunting, but the surveying team will take care of each stage of the process for you. And by using an RICS-regulated firm, you have the security of knowing that the work is held to globally recognised ethical and professional standards.

NEGOTIATING ON HOUSE PRICE

Buying a home is often a process of negotiation, and this can continue right up until exchange of contracts.

NEGOTIATING ON HOUSE PRICE

Of course, buying a house is often a process of negotiation. This can be at the point of making an offer and it being accepted, or further down the line.

Your offer can be renegotiated at any time up to the exchange of contracts, but this can hold up the process, and increase the risk that the seller will pull out and remarket the property.

*****TIP***** Negotiations are easiest if they are evidence-based; for example, survey reports are often used as leverage to reduce the purchase price of a home, if significant defects are found.

The easiest way to negotiate is to be open about what a survey report has found, and what the estimated costs are to rectify the issues. Depending on how severe the issues are and how long they would take to fix, you could ask the vendors to carry out the works themselves, but this may hold up the sale. More commonly, the purchase price will be dropped to allow buyers to hold back enough funds to carry out the works once they have moved into the property.

If houses are in high demand, it can be more difficult to negotiate on price; however, most sellers are reasonable and will find a compromise. If the vendor refuses to reduce the price, make sure you take a step back and ask yourself how much you really want the property, and whether you can still afford to take it on.

WHAT ARE EXCHANGE AND COMPLETION?

You're nearly there! Just Exchange of Contracts and Completion to go.
But what do these steps involve?

EXCHANGE

'Exchange' refers to the swapping of contracts between the buyers and sellers, and the signing of the contracts.

COMPLETION

"Completion" is when the money is transferred from the buyer to the seller, the keys to the property are handed over and you are listed as the owner on the Land Registry.

WHAT IS EXCHANGE WHEN BUYING A HOUSE?

'Exchange' refers to the swapping of contracts between the people buying the house and the people selling it, and the signing of the contracts. Exchange is the point at which your offer, and its acceptance by the sellers, becomes legally binding. **If either side pulls out of the sale after this point, they can be liable to pay major penalties.**

Once you exchange contracts, you are responsible for the property, so you will need to get building insurance in place from the date of exchange.

It is very rare for a sale to fall through after exchange of contracts. Once Exchange has taken place, you can be pretty certain that your house purchase will go through.

WHAT DO I NEED TO EXCHANGE CONTRACTS?

To get to the point where you can exchange contracts you will need to have completed the following steps.

- Agreed on a purchase price.
- Instructed a conveyancer.
- Obtained a formal mortgage offer in writing.
- Completed all the conveyancing searches and obtained all the property information forms from the vendors (your conveyancers will do this).
- Completed any property surveys and inspections that you wanted, and reviewed the reports.
- Organised buildings insurance.

- Have a deposit in place to pay to the seller (usually around 10% of the purchase price, but it can be lower if both parties agree, particularly if you are buying with a 95% mortgage).
- Organise funds to pay the Stamp Duty on the property and arrange to transfer these to your conveyancer.
- Agreed on a date of completion for the sale.
- Signed the contract.

If you are in a chain of property purchasers, all the exchanges of contracts should happen on the same day. The transaction at the bottom of the chain will happen first, and then the exchanges of contracts will work their way up the chain.



WHAT IS COMPLETION WHEN BUYING A HOUSE?

This is it! The final step in buying a home. Completion is when the money is transferred from the buyer to the seller; the keys to the property are handed over and you are listed as the owner on the Land Registry.

The completion date is written into the contract and is normally between 1 week and 1 month following exchange. This provides time for arrangements to be made to complete the sale. These include:

- Arranging transfer of funds from you and, if applicable, your mortgage lender, to your conveyancing solicitor.
- The sellers organising redemption of their mortgage, if they have one, on the property they are selling.
- The conveyancers preparing completion statements for the buyers and sellers.

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