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Buyer's Guide

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Introduction

Moving home is an exciting time but it can also be stressful at times. We have put together a brief guide which will hopefully give you some handy tips, particularly for buyers new to the process.

1. Deciding what you can afford

This sounds easy enough - your income minus your expenditure. However, it is very easy to get carried away when you see the home of your dreams and are tempted to stretch yourself.

Well, we've been there and done that too, and it can then mean that you have to sacrifice the holidays, the nights out, a meal here and a new pair of shoes there, so please try and be objective about what you can realistically afford.

2. Getting a mortgage

This has changed dramatically in the last few years and you will find that unless you put down a deposit of around 15% plus of the property value, then you will probably be paying a higher rate of interest.

Due to the credit crunch, we recommend that you find a mortgage provider and understand what is available to you before you start looking too hard for a property.

You could do this through a mortgage broker/advisor, or by searching on comparison sites.

You can check our Help with your move section for offers from our mortgage providing partners.

3. Finding your ideal property

There are really two aspects to this; the property itself and its location.

The property

You should consider such things you require like:-

- Number of bedrooms and bathrooms
- Parking requirements
- Separate kitchen/dining room
- Size of garden
- Options for using or developing additional space

The location

As is often said, in terms of property value, one of the most important things is its location, as this relates to things like:-

- Entertainment
- Transport links
- Schools
- Local amenities
- Council tax band

4. Getting the most out of your viewings

If you are looking at many properties to start with, it may be hard to fully research all of them.

But as you get closer to narrowing down to your ideal property, it can be worthwhile researching the immediate area more and also take a tape measure and camera, to check if some of your favourite furniture will fit! Be sure to check you have the owner's permission before taking any pictures though.

5. Offers and negotiations

Once you find a property that you are happy with, the next step is to make an offer. If you are not in a chain, a first time buyer or have a mortgage in place, your negotiating position should be stronger and you should make the vendors aware of your position.

You should try and get the best offer for you, but we also believe you should try and be objective, realistic and fair. You can always come back to a vendor if they don't accept your first offer, but if the property is popular, you could miss out, so consider all possible factors.

Also, try and make sure you have a good idea of what your budget ceiling is and stick to it, or if you feel you absolutely must increase your offer, consider carefully the impact this will have on your living standards over time.

Do some checking of what similar properties have sold for in the area and if there are similar properties on the market and what they are asking.

If you make an offer and it is accepted, ask the vendor to take the property off the market, although there is no requirement for them to do this. Make it clear the offer is subject to contract and a satisfactory survey.

Now you should move as quickly as you can as the vendor 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.

The lender will arrange for a valuation to be done on the property. If you do not need a mortgage, you don't have to get a survey done, though buying a property without one is not advisable and risky.

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

6. The legal part – conveyancing

The good news is your solicitor should take care of the complicated legal parts and look after your interests. The legal aspect of home buying and selling is commonly referred to as conveyancing.

Some of the key things your solicitor will take care of for you, are:-

- Obtain sellers' 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 regulation certificates.
- Confirm the seller really is the owner of the property and prepare a Report on Title for you.
- Undertake local authority searches and plans for the local area.
- Transfer monies and funds as and when appropriate.
- Pay stamp duty tax on the property.
- Arrange registration of title in your name.

You can help your solicitor keep the process moving smoothly by:-

- Giving them some basic information to get started; like your mortgage lender details, the seller's details, proof of your ID.
- Letting them know of any specific questions you have for the sellers, or about the purchase.
- Completing mortgage application forms and responding to solicitors' queries as soon as you can. Use registered post or deliver documents by hand to save time.

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.

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.

Once everything is ready, you'll then be asked to pay your deposit before contracts can be exchanged. If you pull out after this stage, you will lose your deposit and may face legal action from the seller. It is essential to have Buildings Insurance cover in place at this stage and you should also consider other protection such as Life Insurance.

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A date for completion is usually set for at least two weeks after contracts are exchanged.

Your solicitor will call you to tell you when your money has arrived - so you can get the keys and move in. They 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.