

# A GUIDE FOR HOME BUYERS

*Helping you find and buy your ideal home*

Winkworth

# 1: Buying

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What kind of lifestyle is important to you?

Where are your friends and family based?

What's the main reason you're looking to buy and what can you compromise on?

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Whether you're upsizing to accommodate a growing family, you want to live in a livelier part of town or you're investing in a buy-to-let property – these are some of the bigger questions to consider before you even think about bricks and mortar.



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**Once you've established your buying priorities, the search begins. This guide will see you through the process from start to finish, covering the tasks on this checklist.**

- ✓ Research good local agents in your chosen area and pop in to their offices for a chat about your needs and lifestyle.
- ✓ Sit down with a mortgage broker and find out what you can afford to borrow.
- ✓ Explore the properties your agent recommends to you and make an offer on the one that meets all the criteria you aren't willing to compromise on. Once agreed, instruct solicitors and give all the details to your mortgage broker.
- ✓ Instruct a surveyor to carry out a survey on the property and agree on dates for exchange of contracts and completion.
- ✓ Once your solicitor is ready to exchange, arrange buildings and contents insurance to start from the exchange date.
- ✓ Let your utility companies know of your moving date.
- ✓ Complete and send your new address to your friends and family.

## 2: Mortgages

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Finding the right mortgage will get your purchase off to a great start.

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### **There are two options available to you:**

1. Employ an impartial mortgage adviser who'll search the mortgage market to find the best deal for you.
2. Find your own mortgage by scouring the market for the best products around – price-comparison websites have now made this task much easier.

### **Repayment mortgage or interest only?**

1. With a repayment mortgage you repay the capital and interest together in fixed instalments typically over a 25 year term.
2. Interest-only mortgages require you to service only the interest on the mortgage every month and don't reduce the outstanding capital balance over the term. Most mortgage lenders expect you to have in place a suitable repayment vehicle to provide you with sufficient capital to allow you to repay the outstanding debt at the end of the term. These are considered to be niche products and only suitable for certain clients, generally with larger deposits.

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## Interest-rate terms

**You'll need to decide what kind of interest rate you want with your mortgage. There are a few to choose from:**

**Fixed-rate:** With a fixed-rate mortgage, the interest stays the same so you have the security of knowing exactly how much you'll pay every month for a fixed number of years. So, even if interest rates go up, your repayments won't.

**Tracker-rate:** These are based on a margin over the Bank of England base interest rate. They're variable and will change in line with Bank of England rate movements and as such can go up as well as down. Some lenders base their trackers off their bank base rate so it's important to note whose base rate the product tracks.

**Discounted-rate:** The lender provides borrowers with a discount from their standard variable rate, typically for two years. These mortgage rates are more risky than fixed or tracker rates as the bank or building society can increase the amount you pay at any time.

**Capped-rate:** A capped-rate mortgage means you won't pay above an agreed rate for a fixed number of years. If the base rate falls, the interest rate on your mortgage will also fall. There aren't many of these deals available at the moment.

**Offset:** You can offset your savings and potentially money in your savings account against your outstanding mortgage balance. This will ensure you reduce the amount of interest you pay. You won't earn any interest on funds in your current and savings accounts for the length of the agreement but with the current low savings rates on offer, the hope is you will still make savings.

**Standard variable rate:** Once most of the mortgages mentioned above finish, they'll typically switch to a standard variable rate and this means mortgage repayments will probably increase by a significant margin. If possible it is generally worth avoiding going onto this rate.

**Before you enter into any mortgage agreement, check important details such as charges for repaying the mortgage early or making any overpayments.**

**Make sure you know how long the mortgage offer lasts for and try to make overpayments on time if possible.  
Late repayments may cause problems securing new credit.**

# 3: Finding your new home

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When viewing a property you must be able to see it working for you, your family and the lifestyle you lead.

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You've thought about your lifestyle and what really motivates you as a buyer and now you're ready to view the properties that really interest you. Remember, you're also viewing the area, the local amenities, council-tax bands and transport links.

## Tips

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**When you go to view a property, why not take your partner or friend with you for a second opinion and for personal security?**

**All Winkworth viewings are accompanied.**



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**To help you identify suitable properties, you may want to ask these key questions.**

1. Is the property near suitable transport links?
2. What are the neighbours like and are there any long-standing disputes?
3. Is the property near a busy main road?
4. Is the property on a well-lit street?
5. What state are the kitchen and bathroom fittings in? White bathroom suites and neutral kitchen units make a property more appealing to future buyers.
6. Are there any signs of damp?
7. If it's a leasehold property, what service charges apply and how many years are left on the lease? Mortgage lenders usually prefer the lease to have at least 65 years left.
8. Is there gas central heating? If so, get the boiler checked.
9. What council tax band is the property in?
10. Ask to see a copy of the Energy Performance Certificate (EPC).
11. Does the property have double glazing?
12. Is there an attic? If so, is it well insulated? (check the EPC)
13. Check the state of the roof – sagging or missing slates may mean work is needed.
14. Are fixtures and fittings included?
15. Do the timings work? Are the sellers looking to move at around the same time as you?

# 4: Making the offer

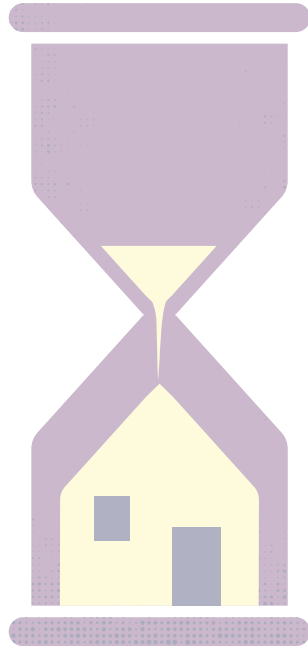
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When you're ready to make your offer, call the estate agent immediately. If you like the property, the chances are others will too, so don't delay!

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The estate agent will contact the seller and await their decision. If your first offer is rejected, don't lose heart – buying and selling is about negotiation and this is where the estate agent comes into their own, so if you're a seller as well as a buyer, make them work for you!

The agent must confirm any offer in writing to both parties. If the seller receives similar offers, you may be asked to take part in a sealed bid. This means you'll be given an opportunity to make only your best and final offer, and the seller will use this information to make a choice.





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## Your offer has been accepted – success!

Now the agent will write to confirm the address of the property, the agreed price and the terms and conditions. The letter will also include the names and addresses of you, the seller and your solicitors.

**However, there are two potential hurdles to navigate before you start planning a housewarming party. Remember all offers are ‘subject to contract’ and therefore not binding until contracts are exchanged.**

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### **Chains:**

when a group of sellers and buyers is reliant on the sale of each other's properties. If one falls through, everyone can be affected.

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### **Gazumping:**

your offer has been accepted and everything is going well, then someone slips in with a higher offer. By law an agent must put all offers to tender unless they have it in writing not to do so.



# 5: Legal

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Once your solicitor has navigated these potential pitfalls, the legal process begins in order to make the property your own...

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## Conveyancing

It's essential that you employ a professional to handle your conveyancing. The seller's conveyancer will prepare the contract to transfer the ownership of the property to you. Their conveyancer will check all the details of the contract thoroughly and take charge of any negotiations on your behalf. Searches will be conducted to check the 'Title' of the property (to ensure the seller is indeed the legal owner); any planned works in the area that may have an impact on the property; boundaries and any legal or planning restrictions.

When both parties and your conveyancers are happy with the agreement, you'll exchange contracts and transfer your deposit. The process will complete on an agreed date and the conveyancer will coordinate the transfer of funds for you.

Conveyancing can take four to 12 weeks in most cases but, depending on market conditions, may take longer. Leasehold properties tend to involve more work because the lease has to be checked thoroughly and this affects conveyancing costs too.

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## Surveys and valuation reports

Your mortgage lender will arrange a basic valuation of the property. This inspection is purely for their benefit, even though you have to pay for it, and it reassures the lender that the property is worth the price you've offered. It's a good idea to commission a more detailed survey of your own, which will uncover any problems.

There are two other types of survey you can buy:

### Homebuyer's report:

More detailed than a basic valuation – it will reveal any problems with the property that may cost you money to rectify either immediately or in the long term. The surveyor will recommend further investigation if they discover a potential problem and this will help you decide whether the property is worth what you're offering. The homebuyer's report is particularly suitable for properties built in the last 50 years.

### Building survey:

For older properties or those with obvious problems, it's worth arranging a building survey to check for any structural defects in those made of timber or other unusual materials, or any property you are planning to renovate. The surveyor will do a detailed survey of the building, listing all major and minor faults – however small. The survey will also give a list of recommended work and approximate costs.

## Costs

The costs involved in buying and selling your property depend on many factors, such as the value of the property and the complexity of the transaction. For every potential cost listed, different providers will charge different fees, so it's always best to get a range of quotes.

# USEFUL CONTACT INFORMATION

## **RICS HQ**

12 Great George Street (Parliament Square)  
London SW1P 3AD  
T: +44 (0)24 7686 8555  
F: +44 (0)20 7334 3811  
E: [contactrics@rics.org](mailto:contactrics@rics.org)  
[www.rics.org](http://www.rics.org)

## **Council for Licensed Conveyancers**

16 Glebe Road  
Chelmsford  
Essex CM1 1QG  
T: 01245 349599  
F: 01245 341300  
E: [clc@clc-uk.org](mailto:clc@clc-uk.org)  
[www.conveyancer.org.uk](http://www.conveyancer.org.uk)

## **Association of British Insurers**

51 Gresham Street  
London EC2V 7HQ  
T: 0207 600 3333  
E: [info@abi.org.uk](mailto:info@abi.org.uk)  
F: 020 7696 8999  
[www.abi.org.uk](http://www.abi.org.uk)

## **Leasehold Advisory Service (LEASE)**

Maple House  
149 Tottenham Court Road  
London W1T 7BN  
T: 020 7383 9800  
E: [info@lease-advice.org](mailto:info@lease-advice.org)  
F: 020 7383 9849  
[www.lease-advice.org](http://www.lease-advice.org)

## **The Law Society**

The Law Society's Hall  
113 Chancery Lane  
London WC2A 1PL  
T: 020 7242 1222  
E: [findasolicitor@lawsociety.org.uk](mailto:findasolicitor@lawsociety.org.uk)  
[www.lawsociety.org.uk](http://www.lawsociety.org.uk)

## **The National Association of Estate Agents (NAEA)**

Arbon House  
6 Tournament Court  
Edgehill Drive  
Warwick CV34 6LG  
T: 0845 250 6001  
E: [info@naea.co.uk](mailto:info@naea.co.uk)  
[www.naea.co.uk](http://www.naea.co.uk)

## **The Property Redress Scheme**

Premiere House,  
1st Floor, Elstree Way,  
Borehamwood,  
WD6 1JH.  
T: 0333 321 9418  
[www.theprs.co.uk](http://www.theprs.co.uk)