

a
guide
to

buying



home
helping people move



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all about home

Why choose us to buy your home from? Maximum exposure on the web via the country's leading property portals – Regular advertising in the Warrington Guardian – SMS and email marketing – Fully trained professional staff all operating from the best location in Warrington.

Location! Location! Location! – Sankey Street in the Town Centre of Warrington is undoubtedly “Estate Agents Row”. From here, we are able to market properties throughout the WHOLE of Warrington and in to the surrounding areas.

So WE ARE in the right location - Now consider our prestigious showroom. 66 Sankey Street is a corner plot with Legh Street and due to incredible window space. We are the ONLY estate agent that is able to display every single property in our showroom windows, ALL of the time.

FACT – today most properties are initially viewed over the web. This is why home subscribe to the country's leading property portals (in fact we use approximately thirty websites) and therefore millions of people can view your property details. So if you are thinking of buying a property, call for more information.



WORKING OUT WHAT YOU CAN AFFORD

Buying a property is a big step involving a substantial long-term financial commitment, so think hard about what you can afford. You will need to consider the assets you have - like savings - as well as the money that's coming in and going out.

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

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



GETTING A MORTGAGE

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



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

The credit crunch means that, it is vital that you secure a mortgage with a lender before starting the searching process. This way, when you find the right property, you will avoid being beaten to it by another buyer and you will also be in a much stronger negotiating position. "Home" Financial Solutions are independent and can arrange mortgages from the whole of market.

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

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

FINDING A MORTGAGE

Firstly, get a rough idea of what's available. "Home" Financial Services are able to help you with this as a starting point.

- If you already have a relationship with a **bank or building society**, see what they have to offer.
- If your circumstances or if the property you want to buy is unusual it is even more important to talk to a Mortgage Broker. "Home" Financial Services is a whole of market broker. If you are asking other brokers, always ask if they search the whole market or just a small set of lenders, and how much they charge.
- **Home builders and developers** often have attractive mortgage deals.
- **Your employer** - some financial firms have mortgage schemes for staff.

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

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

HOW A MORTGAGE LENDER ASSESSES YOU

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

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

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

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

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



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

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

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

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

CHOOSING A MORTGAGE

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

- If you've got quotes from different lenders make sure you compare them on like-for-like basis looking at payments, charges and flexibility.
- Ask about the term of the mortgage. Most mortgages are 25 years in length, but you can choose a longer or shorter period if you wish, depending on what you can afford and how quickly you want to be debt free.

At the end of any special offer periods, you may be switched onto the lender's standard variable rate. So at the end of the period, remember to ask your lender if they have any better products available and don't be afraid to shop around to get the best deal.

GETTING A MORTGAGE IN PRINCIPLE



Once you think you've found a mortgage deal you like, the next step is to get a Mortgage in Principle agreement from a lender. Lenders provide this as a statement that this is what they are prepared to lend the named borrowers subject to approval of the property.

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

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

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

FINDING THE IDEAL PROPERTY

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

- number of bedrooms / bathrooms.
- parking provisions.
- separate kitchen and dining room.
- private garden.
- conservatory.
- how much time/money you may want to spend redecorating etc.



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

The area

If you are moving to a new area, you will need to see how this will affect your lifestyle such as commuting to work, taking the children to school, going to the gym, etc. You can find useful information about house prices, school performance, public transport links and other amenities on upmystreet.com you can also view aerial maps of the area.

GETTING THE MOST OUT OF VIEWINGS

Our website, www.home-estateagents.co.uk gives you the chance to find out as much as you can about a property you like using the photographs, online brochures and local information that is available with most descriptions.

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

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

NEGOTIATING AND MAKING AN OFFER

Once you have found the property of your dreams, the next step is to make an offer. It is important to consider a variety of factors when choosing your price level in order to achieve the right deal for you. Take a step back to logically look at all the things that matter before making your offer.

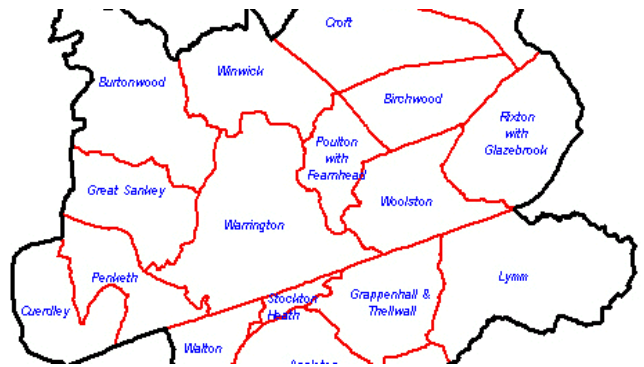
First time buyers, buyers with no chain and buyers who have pre-arranged mortgages have a head start on most of the competition. If this is you, then make us and the seller aware of this, as this can put you in a very favourable negotiating position, especially if the seller is in a chain. Be sure to check if they are in a hurry to sell or have been trying to sell for a long time. If so, they may be willing to accept a lower offer to make the sale. Sellers who are not in a hurry to move are more likely to hold out for a higher price.



Gazumping and Gazundering

These are terms used to denote a situation where the seller has accepted an offer but subsequently accepts a higher offer from another purchaser. This is legal and ensuring the property is taken off the market is one way of reducing this risk. Gazumping happens most frequently in a seller's market. Gazundering is the term for when a buyer reduces their offer just before the contracts are exchanged in the hope of forcing the seller to accept less for the property. Again this is considered legal.

Knowing your budget ceiling is crucial so decide your maximum limit from the start and stand firm. If the seller refuses to budge, you need to think very carefully if the property really is worth the extra money and of course, what you will have to live without over the long term. Do your homework and check what the property is truly worth. Whilst sold house prices can help give an idea of recent sales, it's better to see what the competition is like now. If there are few similar properties for sale in the area, chances are the seller has the upper-hand. Also, if there are any faults or repair work required, use this to justify a lower offer. In tougher times when there are fewer buyers, sellers may be more willing to negotiate on price.



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

And good luck!

Offer accepted, what next?

Once the seller has accepted your offer, ask them to take it off the market. They don't have to agree to this, but doing so will shut out other potential buyers. Now you need to move fast - the seller will want to see progress so try to avoid any unnecessary delays in getting the surveys and other legal work done. Complete the lender's application form and send them the documents they require - this will include proof of your ID, evidence of your earnings, proof of your address over the last few months and your bank statements, so have these ready.

The lender will arrange for a valuation to be done on the property. If you are lucky enough to not need a mortgage, you don't have to get a survey done, though buying a property without one is not advisable and risky. If you are buying an older property, one that needs repairs or just for your own peace of mind, you could consider getting a more detailed survey done than the basic lender's valuation. "Home" can arrange this for you, ask us or a surveyor at www.rics.org.uk for a quote. 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.

CONVEYANCING - THE LEGAL ASPECTS

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

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

- Obtain 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.
- Check the seller really is the owner of the property and prepare a Report on Title for you.



- Check local authority searches and plans for the local area.
- Pay stamp duty tax on the property.
- Arrange registration of title in your name.

Tips for choosing and using a conveyancer

Get at least three conveyancers' quotes well before you start looking for property. Home are happy to make recommendations.

- Tell your conveyancer if you want answers to any specific Questions in advance.
- Let them know when you would like to exchange Contracts and complete. Tell them you will require regular updates of how the purchase is progressing.
- Try to negotiate a no sale - no fee deal, so if the deal falls through you don't pay anything.

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

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

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

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

What happens next?

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). Exchange of Contracts happens when copies of the signed contracts are exchanged between the buyer's conveyancer and the seller's conveyancer, nowadays this tends to be done by 'phone.

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

A date for completion is usually set for at least two weeks after contracts are exchanged. This should give you enough time to arrange moving in. Although it is possible to exchange contracts and complete on the same day. Completion is the finalising of the sale when all monies are passed over the buyer has legal right to the property.

Your conveyancer will call you to tell you when your money has arrived - so you can get the keys and move in. The conveyancer will also send you a completion statement. Read it carefully - it should reflect their original quotation.

PREPARING FOR MOVING DAY



It is unusual to hear from someone who didn't have a stressful time moving but being organised is the trick to minimise your stress levels during this time. Our moving guides will help you to work out what to do and when - what you need to prepare as soon as possible, things to do one week before you move and our handy Moving Day checklist. Here are some tips to make moving day as smooth as possible:

Use a good removal firm - seek recommendations from friends. Look for members of the British Association of Removers.

- If possible, try to stagger moving days so you don't do everything all in one day.
- This can also give you time to do any essential work to the new property such as carpet cleaning or any decorating that needs to be done before all your belongings arrive.
- Try to avoid Mondays and Fridays which are the busiest days on the roads.



PREPARING TO MOVE - THE FIRST STEPS

When it comes to moving home, there is no such thing as enough time. The sooner you start cracking through the following, the less stressed you will be.

- I. Get quotes from 3-4 removal companies—The British Association of Removers is a good starting point. Negotiate to get the best possible price.
- II. Start working through our Key contacts checklist to let everyone know you are planning to move home. Most contracts require a minimum of a month's notice so the sooner the better.
- III. If your children are moving schools, inform the existing one in writing of the final date they will be attending. Call the new school to confirm the start date.
- IV. Your local council maybe able to arrange the removal of large items you no longer want. This service sometimes has a small charge.
- V. If your pets are not accustomed to travel or are of a nervous disposition, you may wish to speak to your vet for any advice to minimise the stress. The journey teamed with unfamiliar surroundings can be distressing for some animals.

VI. Take measurements of your favourite/largest pieces of furniture you want to move so you can take this on viewings with you.

VII. Start packing the items that you do not use frequently such as things from the spare room.

VIII. Your main focus will be on the house but don't forget the garden, garage, shed, attic, basement and other obscure places that are easily forgotten.

IX. If you are moving far, you may want to consider storage for non-essential items which allows the removers more time to get the most important items to your new property in a timely fashion. The remainder can follow the next day.

X. It can be tempting to pack as much into a box as possible, but lots of smaller boxes are easier and safer to move about than a few heavy ones. Start collecting boxes as soon as possible. Use the internet to purchase moving boxes at a discount.

XI. Let your neighbours know in advance so they can expect the removal van temporarily in the area. They may even offer to park their car elsewhere to allow the van some extra room to manoeuvre. Similarly, if there are parking restrictions outside your property, you may need to make arrangements to allow removers to set up.



- Save time and cost by doing some of the packing yourself.
- Check out the best value utility contracts for your new property well in advance and read the meters in both properties on moving day.
- Redirect post well beforehand - this is especially essential to protect yourself from identity theft

If your new place has any appliances left behind, download the instruction manuals from the manufacturer's website.

We recommend that you work through our Key Contacts checklist to ensure you notify everyone of your move. If you would like copies of any of our checklists, please ask us. And most importantly, enjoy your new home from all at **Home!**

