



# MYHABITAT

## The complete guide for **buying your property**

### **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.

### **Getting a mortgage**

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

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

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

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

## **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.

## **Getting the most out of viewings**

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

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

## **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 the agent and seller aware of this, as this can put you in a very favourable negotiating position, especially if the seller is in a chain. 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.

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.

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.

### **Conveyancing - the legal aspects**

#### **Tips for choosing and using a conveyance**

1. Get at least three conveyancers' quotes well before you start looking for property. Ask friends, family and your estate agent for recommendations.
2. Tell your conveyancer if you want answers to any specific questions in advance.
3. Let them know when you would like to exchange contracts and complete. Tell them you will require regular updates of how the purchase is progressing.
4. Try to negotiate a no sale - no fee deal, so if the deal falls through you don't pay anything.
5. Check and compare quotes carefully making sure they are like for like. Decide if you also want the conveyancer to arrange an Environmental Search, which will give information such as flood risk, radon levels and local mines in the area.

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

- Giving the conveyancer some basic information to get started; things like your mortgage lender details, the seller's details, proof of your ID and any specific questions you would like them to ask the seller.
- Completing mortgage application forms and responding to solicitors' queries as soon as you can. Use registered post or deliver documents by hand to save time.
- Checking 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).

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.

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

- Use a good removal firm - seek recommendations from friends or get removal quotes from. Look for members of the British Association of Removers who operate a strict code of conduct.
- If possible, try to stagger moving days so you don't have to do everything all in one day.

- This can also give you time to do any essential work to the new property such as carpet cleaning or any decorating that needs to be done before all your belongings arrive.
- Try to avoid Mondays and Fridays which are the busiest days on the roads.
- 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.