

A Guide to Buy Property

Whether you are looking at properties for sale or looking to buy an investment property, it can be a stressful time – not for a client of Properties on the Market!
We have created easy to understand, step-by-step guides to help.

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1. Why are you buying?

First and most importantly, understand completely **why you are buying** as this will have an effect on other choices you make when looking at properties for sale.

Will this be a family home, a property for the children, a second home, are you relocating or are you looking at investment properties for sale?

If you are purchasing a new home, are you looking to scale up, scale down or maybe just a change of scenery?

It may seem a simple thing at first, and it is, depending on the why, you now have to consider your budget.

2. Deciding your budget

For many, when buying a property this will be a long-term financial commitment, so it's vital that you set yourself a realistic purchasing budget and avoid over stretching yourself.

Be disciplined and make sure that you can comfortably meet your monthly mortgage repayments as your home may be at risk should you not. Take into consideration any other financial commitments and if you have a financial buffer to cover any unexpected costs.

When buying a home or an investment property don't forget to take into consideration other costs and account for each of the following:

- Conveyancing and solicitor fees
- Searches and disbursements - usually between £35 and £200
- Land Registry fee
- Stamp duty
- Surveying costs.
- Lender arrangement fee
- Mortgage advice fee - consider using a mortgage adviser that doesn't charge a fee

Calculating the approximate sum total of these extra costs and then subtracting it from your combined mortgage and deposit will provide you with your final estimated property budget.

If you are uncertain, then speak with a member of the Properties on the Market team and we will be able to assist.

3. Property Selection and Location

You know why you are buying, you have a budget in mind, it's always a great idea to know what kind of property you would like and where you want it to be!

With so many properties for sale, have an idea of what type of property you would like to view, this will also depend on your budget and why you are looking at properties for sale.

4. Finding your property

You have established a budget, you know why, you know where, so we are half way there and the next step is to investigate the property market, or if you like “The How”.

To find the right property, you can scour the local press, estate agent windows, or even drive around areas that you are interested in moving to in search of “For-Sale” signs, they all work! The easiest, most time efficient and common way of researching the property market yourself as we all know is online! With so many sites and forms to fill in it’s important that you use the right ones as it may not be as simple as you think.

Finding an Agent

Finding the right agent or agents to help in your search for the right property can be key. It’s a very competitive market place, properties for sale, properties for rent, with some agents also having exclusivity when selling properties.

Established agents will know the local area and should also be the first to know when a property that fits your criteria comes to market - it’s their market so let them do the work for you!

Properties on the Market estate agents have a long-history of success and are renowned for their unmatched expertise. When looking at residential or investment properties for sale here are some tips to help you get the most from estate agents:

- Be clear about your requirements - tell the agent which of your property requirements are fixed, and which are more flexible
- Be clear about the locations you will and won't consider
- Demonstrate that you're a 'hot' buyer - this will help to ensure you are top of mind when suitable properties come to market
- After viewings give as much feedback to your estate agent as possible – this will give a better idea of what you like and dislike

5. The viewing process

In the majority of cases, once you find a property that meets your requirements the next step is to arrange a viewing. The only exception really is for those who are looking at investment properties for sale at auctions. Although it can be rewarding at times, not viewing a property can be a risky strategy, so if you can, speak to as many agents as possible before bidding on a property.

Before viewing any property make a list of the pros and cons, this will then enable you to make an informed decision – here are some additional considerations:

Consider the exterior - assess what the street is like and how well maintained the properties are, this will give you an indication of the desirability of the area.

Look at the property itself, does it have private off-street parking? Is the front of the property in good repair? Are there slates or tiles missing from the roof? Are there water marks on the front of the property from leaky gutters?

Consider the Interior - does the layout of the home work for you?

Check out the size of the rooms and think about the furniture and fittings that you have, so don’t be afraid to take your tape measure with you.

Investigate storage, does the property have built in wardrobes or will you need to account for reduced floor area for additional cupboard space?

When viewing properties for sale, don't be put off by the decor, this can easily be changed so shouldn't prevent you from bidding for a property that ticks all of the other boxes.

Ask the owner lots of questions –

Why they're moving, what the neighbours are like, and how many viewings they've had, what the average utility bills are or if they have had any work done on the property.

If you like a property after seeing it, do not be afraid to go back for a second or even a third viewing before you make an offer. Remember, properties for sale will look different at different times so try to view the property during daylight and during the evening. Further, if it's possible try to create extra time to spend in the local area checking for things such as traffic flow and parking etc.

A good agent should know the answers to each of these questions, but for your own piece of mind ask questions, after all you are the one looking to spend or invest tens, maybe hundreds of thousands of pounds!

6. Making an offer

When you find a property that meets your requirements be positive and decisive because in an active market, properties can sometimes sell in hours so it is vital to move quickly if you can. If you have asked the right questions you will know that in many cases vendors are open to offers, so don't be afraid to start off with an offer that suits you.

Having found a property that you like, you are now ready to commit to a purchase so speak to the agent. Don't forget that as soon as you are in a position to make an offer that you should instruct property solicitors who will manage all the legalities of the transaction.

7. Organising a survey

Any properties for sale require a survey prior to purchase and ensure this is carried out before you finalise the purchase. If any problems are discovered they may simply be cosmetic or could prove expensive or problematic. In any case, the result of a survey could mean renegotiating the purchase, so it's a very important step of the property buying process.

Mortgage valuation

For those of us who require a mortgage, a surveyor will be instructed to value the property on behalf of the mortgage lender. This will assess the monetary value of the property along with top-level comments on the overall condition of the building which may have an adverse effect on the valuation.

It is important to not confuse a mortgage valuation with a Homebuyers Report or Building Survey, in many cases the buyer will have to pay for these.

Different homes require different types of Survey but they should always be carried out by a member of The Royal Institution of Chartered Surveyors (RICS). In addition to a property valuation there are three levels of service in the RICS Home surveys suite.

RICS Condition Report

Typically the lowest priced of the surveys, a condition report offers guidance to legal advisers highlighting any urgent defects and is aimed at conventional or newer properties.

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RICS Homebuyer report

Also known as a 'Homebuyer Survey and Valuation', this is a more detailed survey that is carried out on the purchaser's behalf. The survey includes all the features of the RICS condition report, including valuation along with insurance rebuild costs.

The survey assesses the general condition of the property including dampness, timbers, evaluating any major faults that may affect the property value and maintenance options.

RICS Building survey

Also known as a Structural survey, this is a more in-depth study that culminates in a detailed and lengthy report on the condition of the property.

This is essential for older or larger properties and properties that you are planning to carry out major works on.

If you have any doubt which survey is best for you, speak to a member of the Properties on the Market team who will be able to provide advice on your options and will then find a reputable surveyor to carry out the work on your behalf.

Once the survey has taken place you will be provided with a copy of the report. Should there be any concerning issues, request a meeting at the property so that you are able to see any damage or areas of contention for yourself.

8. The completion process

Having searched for properties for sale, you are now closing in on the finishing line. Prior to exchange of contract your solicitor will:

- Organise all of the required local authority searches on your behalf.
- Receive replies to questions raised and report to you with details of the contract for signing.
- Request and hold your deposit.
- Deal with the formal mortgage offer and all the conditions on your behalf.
- Receive the search results and communicate any problems.

Your solicitor will liaise with the vendors legal representatives and any agents, once contracts have been exchanged, your solicitor will then:

- Transfer your deposit to the seller's solicitor.
- Prepare a final completion statement for your approval.
- Organise collection and payment of any balance of funds required.
- Prepare the deed of transfer and mortgage deed and arrange for you to sign them.
- Organise final searches to check for debts and bankruptcy.

On completion, your solicitor will:

- Receive and arrange for payment of any stamp duty, this is a Government tax charged on the proportion of property price that falls within the particular rate band. To find out the current rates and banding, please visit www.gov.uk and search 'stamp duty'.
- Prepare and send off application to HM Land Registry to register your ownership.
- Send deeds to the lender (if the property is mortgaged).

9. Buying Through Our Agents

Our agents offer unrivalled local knowledge and expertise making certain that purchasing a property is made simple with Properties on the Market.

We are an established local agency with a national presence, our network of dedicated specialists and property experts continues to grow. Whether buying to live or buying to let you will need access to the right team, who are on hand 24-7, and are intent on making the purchasing process as hassle free as possible.

We are more than an online agency and from the moment you register, a dedicated team of specialists gets straight to work. An exceptional level of customer service comes as standard, from sourcing property through to legal's, financing, and removal services Properties on the Market has all the bases covered.

Whether you are a first time buyer, purchasing a new build property, or buying for investment or commercial reason the first time you purchase a property with us, it's only the beginning.

10. Buying Property at Auction

Buying properties at auction is becoming a conventional way of purchasing a property, you can buy, sell, reserve and sell again with a click of a button, but it's not for the faint-hearted!

It can be both exciting and potentially very profitable with many of the properties on offer from vendors who want a quick sale. Additionally, many properties made available at auctions are there as a result of repossession so with this in mind, buying at an auction can be a great way to pick up a bargain.

If you are thinking of buying or selling a property at auction, speak to an experienced member of the team today who will be able to guide you through the process. Whatever your requirements, our advice is based on your individual needs and our understanding of planning, taxation and probate.

With experience in both commercial and residential property auctions, Properties on the Market offer you numerous benefits including:

- An unrivalled auction sales success rate
- A strong reputation for honesty and integrity
- With a team of experienced professionals, with efficient support staff with extensive market knowledge
- Unbeatable marketing campaigns to make sure you have access to what you want, when you want it.
- A number of backend support services to property professionals, agents and purchasers.
- A full range of in-sourced and outsourced property services, pre-sale, post-sale, pre-buy, post-buy

If you are looking to buy or sell a property at auction and need expert advice, contact us today and ask to speak with a Property Auction specialist.

11. How to Buy Online

The internet is the tool of choice for those looking to buy property, but with so many new sites, networks and apps it can be hard to know which one is the best option.

Our quick guide to help those who are looking to buy property online with Property on the Market offers the following:

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1. Register with Properties on the Market to receive updates of properties for sale that match your criteria.
2. An experienced property professional will review your requirements and initiate initial searches on your behalf.
3. We will then contact you confirming your buying strategy and to make certain you only receive the information on properties or services relevant to your enquiry.
4. After initial searches are completed an experienced member of Properties on the Market team will be in touch.

Presentation is key, and that goes for online too!

When buying or selling a property you will always get a great idea of what a property is like with us because we provide high-quality photos, detailed floorplans and descriptions.

As soon as any of the properties online catch your eye contact us, you can even ask us for a live online tour.

12. New Homes

In 2014 a little over 145,000 new homes were registered in the UK, the highest since 2007, including a 24 percent rise in the number of new build properties (38,113).

As more new build properties than ever become available, Properties on the Market has access to a fantastic choice and with developments of all shapes and sizes, it's never been better to buy new build properties.

When buying new build properties, there are many benefits when including:

- All New, Under Warranty, Peace of mind
- Energy and Cost Savings
- Low Maintenance
- Safe and secure
- That New Home Feel
- No chain involved

For further information on the pros and cons of new build properties join Properties on the Market

13. Costs and Guides

Deposit

The amount you put towards the cost of the property when you purchase. On average, you need at least 5% to 20% of the purchase price when obtaining a mortgage.

Stamp duty Land Tax (SDLT)

If purchasing a property whether a house, flat, land or building with a value in excess of £125,000, the purchaser will be required to pay Stamp Duty.

The rate of stamp duty you'll pay depends on where in the UK you're buying a property with England, Wales & Northern Ireland having the same rates, but with Scotland uses different rate bandings.

Of late, stamp duty has been reformed and the system where property purchasers paid a single rate on the entire property price has recently changed.

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Always speak to a specialist, but see below for some facts.

Residential properties

You'll pay:

- nothing on the first £125,000 of the property price
- 2% on the next £125,000 (the portion from £125,001 to £250,000)
- 5% on the next £675,000 (the portion from £250,001 to £925,000)
- 10% on the next £575,000 (the portion from £925,001 to £1.5 million)
- 12% on the rest (above £1.5 million)

Non-residential and mixed-use properties

You'll pay:

- nothing on the property price, premium or value up to £150,000 (annual rent less than £1,000)
- 1% on properties up to £150,000 (annual rent £1,000 or more)
- 1% on properties between £150,001 and £250,000
- 3% on properties between £250,001 and £500,000
- 4% on properties over £500,000

If you want to find out how much you would pay use the HMRC SDLT calculator to work it out.

Special rules for SDLT

There are special rules and exceptions for SDLT for those who:

- Buy 2 or more properties from the same seller or someone you're 'connected to' (eg a relative or business partner)
- Buy property through a shared ownership scheme
- Transfer ownership of a property through marriage, civil partnership, divorce, from a will or to a company

You have 30 days to pay the tax from the date of purchase completion. If you have any questions regarding stamp duty or taxes contact us today to speak to one of our tax specialists.

Valuation fee

One of the most important tasks for purchasers and mortgage lenders who will assess the value of the property. Costs can vary and can be anywhere between £150 and £1,500 based on a percentage of the property's value.

When instructing an independent agent find out what else you can get if you pay a valuation fee, you may find there are a number of optional extras including exclusivity of sale, multi listing and other services.

To find out more about Properties on the Market **Valuation Services contact us today**

Choosing a mortgage/mortgage fees and costs

Choosing a mortgage that is right for you will often require the advice of an experienced professional.

We recommend that you always speak with an experienced mortgage broker or qualified financial adviser. Properties on the Market have access to more than 5000 experienced consultants and regulated professions.

Make certain you are aware of any upfront costs. Are any fees added to your finance arrangement? And whenever possible negotiate a fixed fee. If you are looking for a mortgage or purchasing finance find out more about the services provided by the Properties on the Market team.

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Surveyor's fee

To establish if there are any issues with the property before you buy you're going to need a good surveyor! There are a range of options when having a survey, a basic home condition survey which could cost around £250 to a full structural survey costing anywhere from around £600 or more, plus VAT.

Legal fee

To ensure a smooth transaction, it's always advisable to have the law on your side, especially when it comes to making an investment in a property. A solicitor or licenced conveyancer will carry out all the legal requirements whether purchasing a property or selling your home.

Your legal fee will include the cost of things such as local searches, at a cost of around £250-£300 +VAT. You may also require things such as checking for any local planning requirements or potential issues and should allow an additional £500-£1,500 including VAT.

Working with the Properties on the Market pre-sales and post sales team, we'll ensure that you have a full understanding of the costs when it comes to Legal Fees.

Electronic transfer fee

In some cases you may be required to pay an electronic transfer fee, which typically costs around £40-£50, covering things such as the lender's transferring mortgage funds from the solicitor and then seller.

If you are purchasing the property with cash or as an investment, these fees will often be disclosed prior to purchase and in most cases can be negotiated, just speak to a member of the Properties on the Market team to find out more.

Estate agent's fee

If you are selling your property with the help of an estate agency, a fee will be discussed and is often negotiable depending on the number of services that you choose to benefit from.

Some may offer a fixed listing fee, and others may offer a resale service of anywhere between 1% - 3% of the sale price plus VAT.

For those investing in property, it is possible that your local estate agent has access to investment properties and opportunities. In some cases a property sourcing or agency fee may be required in advance, this is often common with experienced property consultancies and property networks.

To find out more about our fees contact us today or speak to a member of the team.

Removal costs

This could be around £300-£600 though you could do it yourself, however this is often one of the things that people leave until the last minute. Always book in plenty of time, make sure that you obtain a number of quotes and speak to a member of the Professional Movers Association.

We can discuss options here with the PMA and Moving Etc