



a guide for
home buyers

Key facts to consider when buying a property



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Getting started

What do you need and what do you want to buy? What area do you wish to live in – is it close to transport, shops, leisure facilities, restaurants, schools or any other requirement you have? These are questions you will need to ask yourself before you even speak to an estate agent. Once you have established an area and what type of property you are after, the next step is to find out how much you can afford to spend.



Affordability

How much do you have as a deposit? It is normal for a buyer to have at least 5% but more likely 10% of the purchase price as a deposit upon exchange of contracts. For most the remainder of the purchase price would be in the form of a mortgage.

What mortgage can you raise? Different lenders have different criteria and allow different multiples of income to be borrowed. The standard is normally three times your single annual income excluding bonuses or two and a half times your joint annual income for couples again excluding bonuses. It is worth shopping around for the product that best suits your needs.

It is advisable to get a mortgage agreed in principle as early as possible, as this will speed up your mortgage application and allow you to realise how much you can afford to spend on your new home. You can either speak to an Independent Financial Advisor or direct to a Lender, either way be certain you are getting the right mortgage product for you.

Finding your home

When you have a clear idea of your requirements let us know and we will set about finding the perfect property for you. We will contact you as and when properties within your price range and which fulfil your requirements come onto the market. We will do this in several ways: e-mail you the details, post you the details or contact you by phone to tell you about each and every property we have in your price range.

In order for you to be successful in your search we would recommend that you view every property as soon as possible as other will be doing the same.



Making an offer

Once you have found the right property, you would submit forward an offer to the estate agents handling that particular property. The estate agent will ask you to provide details of your financial arrangements including with whom is your mortgage is placed and where is the deposit coming from. They will also ask you various other questions in order to substantiate your ability to purchase your desired property. Once the estate agent has received this they will converse with their clients and should write confirming the level of offer and what, if anything, it is subject to. Invariably there will be a little toing and froing between the sellers, estate agents and yourself. *However once an offer has been accepted it is our recommendation to our clients that the property is withdrawn from the market to allow the buyer to start the process of buying the property. This practice allows us as the agent to have more control over the process and minimise the risk of gazumping, a practice we at Kerr & Co frown upon.*

The buying process

Once your offer has been accepted by the seller you will need to instruct several people to carry out the buying process on your behalf.

Solicitors: Once your solicitor has received the contract and supporting documentation they will apply for a Local Authority Search from the local council. There is a charge for this for which you will need to provide your solicitor with the money to apply for the search. The local authority usually takes about three/four weeks to reply depending upon the area in which you are buying. The search will show any proposed developments that might affect the property as well as showing if there are any charges registered against the property (usually for non-payment of bills etc.). However, be aware that the search is only valid for 3 months. Your solicitor will also raise further enquiries from the sellers solicitor with regards the property you are buying

Mortgage Valuation Survey: There are a number of different surveys that you can ask a surveyor to carry out for you on your proposed purchase. If you are taking a mortgage on the property, the minimum a bank or building society will require is a valuation report. Quite simply the surveyor will do a valuation of the property and list any major defects he finds. This report is sent to the bank/building society and they will then be able to decide how much to lend dependent upon the valuation. If you require a more in depth survey you can opt for a full structural survey report. This is a very detailed report covering everything that you could need to know about the property. In between these two surveys there is the homebuyers report. This is again an in-depth survey but does not go into quite the same detail as a full structural report. The cost of these surveys varies enormously so it is worth phoning around to get a quote before proceeding with one.



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Once your solicitor is happy with the paperwork and has your formal mortgage offer he or she will normally ask you to come into their offices to go through the contract and ask you to sign it and to give them the deposit for exchange. Once both the seller and purchaser have signed their respective contracts and a completion date set (normally two weeks after exchange) both sellers and buyers solicitors will exchange contracts. At this stage the process has become legally binding on both parties.

Completion

A few days prior to the set completion date your solicitor will request the monies from your mortgage lender and you if you are raising a smaller mortgage. On the day of completion your solicitor will transfer the balance of the purchase price to the sellers' solicitor. Once that has happened we will be contacted by the sellers solicitor to say we can release the keys to you the buyer.

Timescales

You should allow yourself approximately least four months from the time you have decided upon an area and type of property you are after to find the home you want to buy. From the time solicitors are instructed you should allow approximately eight weeks (although some transactions do take longer than this) to get to the point of exchange. From exchange to completion is dependent upon both you and the seller agreeing a mutually acceptable timescale for the transaction to complete. However we would suggest you allow approximately two weeks before the property becomes legally yours. **These timescales do change and are dependent upon all parties in the transaction, however they can be shorter than those we have suggested.**



