



Process of Buying a Property

This factsheet contains general information and the Process of Buying a Property. Should you need any more information then please contact Jeffrey Mills Solicitors.

Finding a Property

Before you start looking for a home it is important to work out the amount you can afford to spend on the property. This involves working out your monthly incomings and outgoings (remember to include anticipated council tax, house and contents insurance, utility bills, pension contributions, child care etc.), so you can see what you would have left to go towards repayments for your mortgage. It is wise to talk to a mortgage adviser, who can help you with this and will be able to see what you could get from a mortgage lender.

You can then start looking for a home that meets your criteria. You may wish to register with a few different estate agents and keep in regular contact with them for new property's that come on to the market.

Making an Offer

Once you have found a house that you can afford and you want to buy, the next step in the process is making an offer. You usually place your offer through the estate agent.

Mortgage

Once your offer has been accepted on a house it is time to arrange a mortgage. You can get your mortgage from an Independent Financial Adviser (contact Martin Eaton at Beacon Wealth Management Ltd, for more information m.eaton@beaconwealth.co.uk).

There are two main types of Mortgage:

- Fixed (interest rate you have been charged stays the same for a number of years)
- Variable (interest rate you pay can change)

Solicitor

Your Solicitor will explain the whole process for you and help you identify what needs to be done at every stage. They will handle all legal work involved when buying a home, and will be involved in all stages of the buying or selling process, therefore it is important to contact them as soon as you have agreed a sale.

Once the sale has been agreed your Solicitor will:

- Prepare/Examine the draft contract, supporting documents and legal title of deeds, raising any queries with the sellers solicitor
- Carry out pre-contract searches for you and your mortgage advisor to find out as much as possible about the property

Surveyor

You should pay for a survey to be carried out on the property to avoid hidden costs for the future. There are three types of survey:

- Home Condition Survey (basic survey)
- Homebuyer's Report (looks at the inside and outside of the property and gives a valuation)
- Building and Structural Survey (comprehensive survey)

If the survey reveals some problems you may ask that the current owners pay for the repairs, or lower the house price by the cost of the repairs.

The mortgage lender will also carry out a Valuation Survey to make sure the property is worth the amount you are paying, before your mortgage is approved.



Process of Buying a Property Continued...

Finalising Offer and Mortgage

This is often the most stressful part of the process for you and your solicitor as delays and problems may arise that you must be prepared for such as:

- The lender has valued your property at a lower price (meaning you will not be able to offer that amount you originally intended)
- The survey uncovered problems
- The seller withdraws the property from the market
- The seller accepts another offer from a buyer at a higher price
- Your mortgage application was rejected

If everything goes to plan then you can contact your mortgage adviser and tell them that you wish to proceed. Please be aware that you can still change your mind at this stage as you have not yet exchanged contracts (but you may lose some of your money depending on how far you have come in the process).

Exchanging Contracts

At this stage your Solicitor will receive the deposit, organise final accounts and final settlement for your approval, and approve the deed of transfer ready for you to sign. Make sure you check everything is correct with your Solicitor and your queries have been answered.

You can exchange contracts once the following has been agreed:

- Agreed an offer
- Had a mortgage and Valuation Survey
- Your Solicitor has done the relevant searches
- Organised Buildings Insurance
- Arranged to transfer the deposit to your Solicitor
- Agreed a Completion Date (If one person pulls out or delays, then everyone in the chain is held up.)
- You have read, understood and signed the contract

Once you have signed the contracts and they have been exchanged you have entered a legally binding contract to buy the property. This means:

- If you pull out now, you will lose your deposit and owe the seller more, if the deposit was less than 10%
- The seller has to sell or you can sue
- The seller cannot accept another offer

Between Exchange and Completion

Your Solicitor will lodge your interest in the property, freezing the deeds for 30 working days to allow you to pay the seller and lodge your application with the Land Registry to transfer the deeds into your name. They will then send out a statement showing the final figure to pay, which needs to be cleared at least one day prior to completion.

Completion

After completion your solicitor will pay off your mortgage, notify the Land Registry, pay Stamp Duty Land Tax and then hand over the deeds and any money owed to you.

There is usually a four week deadline between exchange of contracts and completion of the sale. The buyer and seller must agree a timeframe.

Moving Home

Please see our moving house checklist for more information and tips for moving house.

Contact Jeffrey Mills Solicitors

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