

# HOUSEBUYER'S SURVIVAL KIT

## 16 tips - read them now.

### If you are buying any property...

- 1 Your survey is vitally important. Do not try to cut corners with it by going for the cheapest option, which is not really a survey at all, but a valuation for your lender, which does not protect you at all. A good survey will inform you about what you need to do to your property, and may enable you, should there be a defect not already apparent to you, to renegotiate terms from a position of strength. Do not forget, if you are purchasing a flat, that your survey should assess the condition of parts of the property for which you may be liable under the lease (see 3 above).
- 2 Never sign anything or hand over any money now. You may pay a deposit to a recognised estate agent providing it is refundable.
- 3 Get hold of the HIP and let your Solicitor see it at the earliest possible moment. This could save hundreds of pounds if there is something wrong with the title. Also there are a few things you should know about HIPs.
  - You should read the Energy Performance Certificate. With rising energy costs, it makes sense to save energy.
  - Some HIPs will be sub-standard, to be blunt. Not all lenders accept personal searches, and we advise against them as if a mistake is made by the search company or the council, there may not be appropriate compensation. The bad news is that if your seller has cut corners in getting their HIP, it will be down to you to pay for additional searches.
  - Some properties do not need a HIP as yet.

### When you buy a new property

- 4 The Sales techniques employed by Builders' sales offices will be particularly sophisticated. Often non-refundable deposits are requested. We have had cases where pressure has been put on purchasers after this to accept unfavourable contractual terms with the threat that if they withdraw, they will lose their deposit. We always advise clients never to pay a non-refundable deposit.  
  
If the developer has agreed to take your property in exchange, he may will want the right to try and sell your property as soon as possible, and this is not unreasonable. But be aware that some developers request you to sign a form appointing them sole agents for a fixed period. During this period, even if you have cancelled your other arrangements with them, you may be responsible to pay commission to them on a sale, even if arranged through another agent, or privately. Take legal advice before signing anything, even in a show home!
- 5 Make sure you know what is actually included. See a detailed specification. if the development is half completed and there are people living there, why not knock on a door or two and find out whether they had any difficulties. Ask about whether the property was finished on time.
- 6 Bear in mind that new developments are often a building site for some time after completion. Landscaping works, or second or subsequent phases can impinge upon your peace and quiet for some time.

### When you arrange your mortgage...

7	<p>Look very carefully at the deal offered.</p> <ul style="list-style-type: none"> <li>• If you are getting a 'discount rate', or a 'cash-back', how long will you have to stay with that lender?</li> <li>• Will you be tied to a high rate for a certain period?</li> <li>• What sort of penalty will you have to pay if you sell early or want to remortgage?</li> </ul> <p>Also please make sure:</p> <ul style="list-style-type: none"> <li>• That the mortgage you are applying for is the right one for what you want to do with the property. Don't apply for a residential mortgage if you are intending to let it.</li> <li>• That the offer applied for can be afforded by you not just today, but in the future if rates go up.</li> </ul>
8	<p>If you are offered an endowment mortgage, ask for full details of the expected return, in writing. Also ask for estimates of the 5 and 7 year surrender values as these are the most common intervals before sale. Ask about the respective advantages of repayment, endowment, pension and other sorts of loans.</p>
9	<p>Most lenders will try to arrange your house insurance, both Buildings and Contents. we have had cases where the amounts charged by them are almost twice as much as are offered by other insurance companies. If you have arranged your mortgage through an external broker, ask them to get you a number of quotations. If not, try ringing around yourself. You have a right to insure with whatever insurer you wish, although most lenders will charge an 'administration fee' of between £25 and £50. You may save a small fortune.</p>
10	<p>Make sure you know what charges will be charged by your Lenders. The following may apply:</p>
	<p>a. Penalties for paying off the mortgage early.</p>
	<p>b. A Mortgage Guarantee Premium, which protects the Lender against the risk that you might default and leave them with a loss. The premium is usually between 7% and 8% of the difference between the amount which you are borrowing and 75% of the valuation of the property. If you are borrowing 95% of a house valued at £100,000 for example, the premium would be between 7% and 8% of £95,000 - £75,000 = £20,000: - between £1,400 and £1,600. This is either deducted from the amount offered or added to the loan, so you pay interest on it.</p> <p>This is a large sum of money. If you do default, and a claim is made by the lender, this does not stop the company issuing the Mortgage Guarantee Policy chasing you for the amount it has to pay out.</p>
	<p>c. Loan arrangement charges.</p>
	<p>d. Transfer charges. Banks usually charge for sending money by electronic means to our account.</p>
<p><b>Generally - keep your eyes open.</b></p>	
11	<p>Tell us about..</p>
	<p>a. Vacant sites near the property, or boarded up properties which might be developed.</p>
	<p>b. Council notices stuck on lamp-posts indicated changes in parking arrangements or potential developments.</p>
	<p>c. Any part of the property which appears to be unfenced.</p>
	<p>d. Any part of the property which looks as if it has been added or changed, including porches, loft conversions, conservatories, extensions, garden sheds, etc.</p>
	<p>e. Trees very near the property.</p>

12	Think about the neighbouring properties as well as the one you are buying. Do they have the potential to "grow" extensions which might impact on your enjoyment of your new property? Just because an application might not have been made, it does not stop one being made, and local planning authorities only have limited grounds for refusing applications.	
13	If something comes up which you are not sure about, ask. Never assume that 'it will be OK'.	
14	Keep us informed about things that happen. We welcome being told about how your survey went, and if you have any problems with any aspect of the transaction we will try to guide you.	
15	Use the Internet. There is a lot of information on the Internet, some of which is useful, and some of which is not! Here are some sites which we think are worth looking at before you buy:	
	<a href="http://www.upmystreet.co.uk">www.upmystreet.co.uk</a>	Just enter the postcode of the property you are hoping to buy and up pops quite a lot of information
	<a href="http://www.voa.gov.uk">www.voa.gov.uk</a>	Valuation Office. Contains details of council tax and business rates for every property in England and Wales.
	<a href="http://www.homecheck.co.uk">www.homecheck.co.uk</a>	You can get free information about the environment in and around your property, from the company who provide our fuller environmental searches.
	<a href="http://www.iammoving.com">www.iammoving.com</a>	This site will take away some of the burden of notifying people that you have moved.
	<a href="http://www.ordnancesurvey.co.uk">www.ordnancesurvey.co.uk</a>	Links to maps.
	<a href="http://www.old-maps.co.uk">www.old-maps.co.uk</a>	Links to historical maps.
	<a href="http://www.multimap.com">www.multimap.com</a>	For maps and (in many areas) aerial photographs of your property.
16	If you want to find out who supplies gas or electricity to a property: <ul style="list-style-type: none"> <li>• For Gas, call 0870 608524</li> <li>• For Electricity call 0845 6000102 option 4</li> </ul>	

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## WHAT HAPPENS NEXT!

**This is a guide to what you can expect to happen in your Conveyancing Transaction.**

Time	Things you do.	Things done by the Your Solicitor	Things done by the Seller's Solicitor	Things done by others.
<b>Early Stages</b>	Make an offer via Estate Agents (if any), and instruct your Solicitor. Sends Solicitor a cheque to cover Search Fee (normally £400).	Sends you an estimate of fees on request.		Seller instructs Solicitors. Estate Agents notify all parties of sale.
		Writes to Seller's Solicitor with Property Information Forms for Seller to fill in, asking questions about the property.	Apply for Seller's Deeds and up to date copies of the Land Register entries. Writes to your Solicitor.	
<b>Sorting out money</b>	Apply for Mortgage and arrange for Survey.	Sends off Local Search and other necessary searches, if not already contained in the HIP.	Obtains Deeds and sends copies, together with draft contract, to your Solicitor. Asks Seller to fill in Property Information Forms. Writes to Landlord (if leasehold) asking for up to date copies of insurance and service charge accounts.	Lender does survey, as does your surveyor, if different.
	Send Survey report to Solicitor. Sort out any conditions attached to the Mortgage, such as insurance, extra reports, etc.	Receives draft contract and raises any extra questions. Approves contract. Alerts you to any legal problems.	Sends Property Information Forms to your Solicitor, answers any outstanding questions.	Mortgage Offer issued by Lender and sent to your Solicitor
<b>Getting ready</b>	Start thinking about what date you would like to move.  Provisionally book removals.	Prepares reports on: <input checked="" type="checkbox"/> Title to the Property <input checked="" type="checkbox"/> The Lease (if Leasehold) <input checked="" type="checkbox"/> Local Search <input checked="" type="checkbox"/> The Contract <input checked="" type="checkbox"/> The financial implications of the sale.	Sends contract to Seller for signing.	Local Search returned by Local Authority.

<b>Doing the exchange</b>	You read report and sign Contract, after asking any questions. You pay a deposit (usually 5-10% of the price) to your Solicitor.	Solicitor gets in touch with Seller's Solicitor and agrees a date for completion.  When everything is agreed, contracts are exchanged on the telephone.	Checks on completion date.	
		Deposit and contract sent to Seller's Solicitor.	Contract sent to your Solicitor.	
<b>Preparing for completion</b>	Finalise removal arrangements.  Attend your Solicitor's office and sign final papers, bringing proof of identity.	Prepare final papers, and accounts.  Send draft transfer deed to Seller's Solicitor for approval, with completion arrangement questions (Requisitions)  Apply to Lender for mortgage money.  Make final Searches at Land Registry and in order to check that Buyer is not bankrupt!  Completes SDLT Return.	Approve transfer Deed and have it signed by Seller.  Find out how much money is owing on Seller's Mortgage.  Answer Requisitions and provide a Completion Statement.	
<b>Completion nears</b>	Pay any money due to finance the transaction so that it is in your Solicitor's hands in time to be cleared for completion.  Finish packing.	Check that all is in order.	Make sure that everything is ready for completion.	
<b>The Big Day</b>	Telephone Solicitor at mid-day to check all has gone well.  Collect keys and move in.	Send purchase money by Bank transfer to Seller's Solicitor.	Release keys.  Pay off Seller's Mortgage.  Send Deeds to Buyer's Solicitor.  Send rest of money to Seller.	Seller moves out and makes sure that a set of keys is with the Estate Agents

<b>Afterwards</b>	You live happily ever after....	<p>For us, there's still loads to do,</p> <p>Pay any Stamp Duty Land Tax which needs to be paid.</p> <p>Apply to the Land Registry for registration of your title.</p> <p>Tell your new Landlord (if leasehold) that you have bought the property.</p>	When form of receipt and discharge for the Seller's Mortgage is received, send it off to your Solicitor.	
<b>When your title is registered</b>		<p>Send you a copy of your title.</p> <p>Send the original title papers to your Lender.</p>		
<b>And finally...</b>		Keep file for 10 years in case there are any queries.		