HOW TO...

BUY

A guide for people looking to buy a home in England and Wales



Part of the How to Guides series

HM Government

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This information is frequently updated. Search on GOV.UK for **How to Buy** to ensure you have the latest version.

The online version contains links you can click on to get more information.

If you do not have internet access, ask your local library to help.

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How to Buy

Introduction

Buying a home is often the largest purchase you will make in your lifetime. It is really important you have the right information, at the right time, to ensure you make informed decisions.

You can avoid stress and speed up the process by knowing which questions to ask, what your rights are, and what responsibilities you have as a home buyer. You will find a glossary at the end of this guide for many of the technical terms it uses , including those highlighted in **bold.**

Who is this guide for?



- This guide is for people who are thinking of purchasing a home. First-time buyers may find it particularly useful, but as the buying process can change, even more experienced buyers can benefit from understanding the latest key steps.
- It is focused on **freehold** properties.
- It includes a short overview of how to buy a leasehold property – more detailed information is available in Government's How to Lease guide.
- It covers purchasing a property which is currently rented out, but only if you plan to live in it yourself. If you're looking for more information on buying to let, details are available in Government's How to Let guide.
- It is intended for people purchasing a home in England or Wales. More information on buying property in Scotland or Northern Ireland is available through the links.
- It is intended as a helpful overview of the process; it is not a definitive statement of the law and not all of the steps are mandatory for all cases. If you are thinking of buying a property, you should seek independent financial and legal advice.

How to use this guide

- This guide is best viewed online as it contains hyperlinks.
- If you are reading this on a computer or tablet, you can click on the links to go to other websites with more detailed information.
- Hyperlinks are coloured and underlined like this.
- On Android and Windows devices, links work better if you download Acrobat Reader.

Who can help me?

During the home buying process a number of specialists can offer you advice or assistance:

- **Lender –** able to lend you money to purchase the property
- **Insurer –** able to provide the building insurance policy you need in order to purchase a property and the contents cover to protect your belongings
- **Legal representative/conveyancer –** able to carry out the legal work needed to buy a property
- **Surveyor –** able to assess the physical condition of the property and can give an independent valuation
- **Mortgage Broker or Adviser –** able to advise which mortgage is best for you
- **Specialist professional or tradesperson –** able to advise on any maintenance or building works that are identified in the survey
- **Energy Assessor –** able to answer queries on the Energy Performance Certificate (EPC)

The **estate agent** will help guide you through the buying process and work with other parties to help the sale progress. But remember - their primary role is to help the seller sell their property.

What can I afford?

Before you start looking for a new home, you should have an idea of how much you can afford to spend on a property. Most buyers will require a mortgage in order to purchase a home. You can typically borrow a multiple of your household income and this amount will be influenced by your **credit score.** Adding this sum to your deposit will give you an indication of your budget. The larger your **deposit,** the more favourable the mortgage deals you are likely to be able to access.

Government has a range of schemes to help people buy a home. These include Help to Buy: Equity Loan, Help to Buy: ISA, Lifetime ISA, (England); Help to Buy Wales, Homebuy Wales, and Rent to Own Wales (Wales). Shared Ownership and Shared Ownership Wales may be able to help you buy when you aren't able to afford a property on the open market in a specific location. You should make sure you are clear about what these schemes can offer you and when – for example the Help to Buy: ISA bonus can't be put towards the deposit or to pay for legal representative's or estate agent's fees, or any other indirect costs.

You should remember that buying the property is not going to be your only expense. You may also need money to pay for:

- stamp duty in England or Land Transaction Tax in Wales (unless you are a first time buyer and fulfil certain criteria – see links for more information)
- getting up-to-date surveys / reports
- conveyancing fees
- search fees
- building insurance
- moving costs
- essential home repairs or improvements
- mortgage costs and life insurance
- **service charges** and **ground rent** in leasehold properties (if appropriate – more information about leasehold properties is in the How to Lease guide)

Preparing to apply for a mortgage

Before you speak with a mortgage broker or adviser, you should check your **credit score.** This score shows how likely you are to be accepted for credit. The higher the number, the more likely you are to be offered a range of good mortgage deals. Information on how to check your credit score and how to improve it can be found from the Money Advice Service.

A mortgage lender will consider the total amount you can borrow and how affordable your monthly mortgage payments will be when deciding how much to lend. The affordability assessment will take into account your income and your current outgoings, and will consider any changes that might affect whether you would be able to afford repayments (for example if interest rates change or if you were made redundant). You may want to consider paying down debts on credit cards or loans before you apply for a mortgage, as the monthly repayments will be factored into the amount you can borrow. More details about what information mortgage lenders might consider, as well as a checklist of the information you might need to prepare for a mortgage application, can be found from the Money Advice Service.

There are many different types of mortgages on offer. Looking at price comparison websites can help you to understand the types of product available. Using a mortgage broker can be a good way to get individualised mortgage advice, although you may have to pay a fee. It may be especially useful to get individualised advice if you have unusual circumstances (e.g. if you are self-employed or have a low credit score), as this can limit the types of mortgages that are available to you. Equally, many lenders will have mortgage advisers who can advise on their own range of products.

Before you begin viewing properties you should get a mortgage **decision in principle.** This is a written statement from a lender giving an estimate of what you can borrow. It gives you some indication of your budget and signals to sellers that you are serious about buying a property. Getting a decision in principle from one lender does not mean you have to take out a mortgage with them. However, as part of the decision in principle, the majority of lenders will carry out a credit search. Some lenders will carry out a soft enquiry that will not affect your credit score. Other lenders will undertake a hard enquiry that may affect your credit score. You should find out what type of enquiry lenders use, as too many hard enquiries could negatively affect your credit score.

ID checks

Estate agents, lawyers and mortgage lenders are required by law to check your identity to prevent money laundering and fraud. At several stages during the transaction you will have to produce documents to prove your identity or address and information on your source of funds. This could include receipts from the sale of another property, savings, inheritance monies and financial gifts from family and friends. Checking this information is a legal requirement to help safeguard your transaction, and failing to provide ID documents could slow down the process.

Get the documentation you need together now to make sure you are prepared:

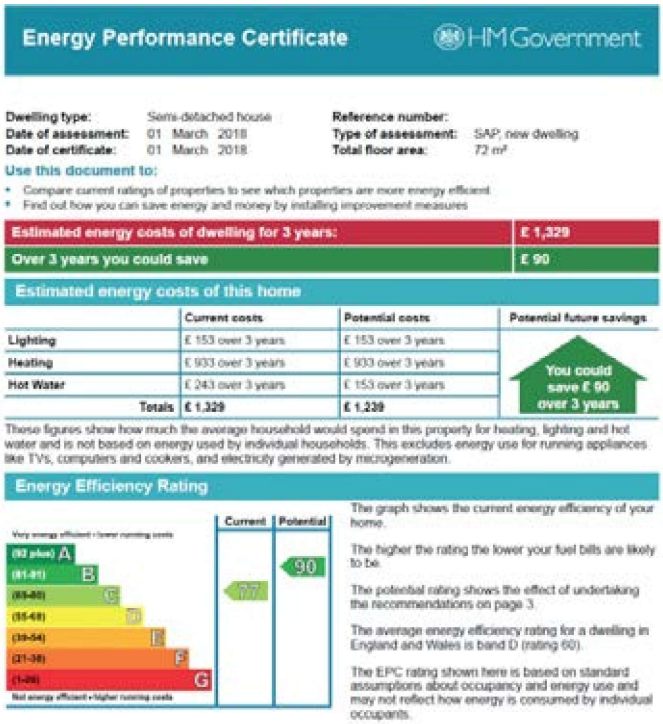
- ☐ proof of identity - passport, driving licence, EEA member state identity card.
- ☐ proof of address - driving licence, bank or credit card statement, utility bill (not more than 3 months old). Mobile phone bills are not a valid proof of address.
- ☐ proof of source of funds – including your last three months' payslips; P60 form from your employer; tax return and other documents if you are self-employed. More information on the documents you need is available on the Money Advice Service website.

Choosing a home

Most people start their property search with online property sites or through local estate agents.

When browsing properties you should think about lots of different criteria:

- **affordability –** what can you afford to spend on a property? (see page 4)
- **location –** the region or town you want to live in, and you may also wish to consider the feel of the area (quiet roads or social spaces) and amenities of the immediate neighbourhood (local shops, doctors' surgery, schools etc.) There are a number of sites online where you can find out more about a local area – try searching for 'local area information'.
- **transport links –** you should check your commute to and from work and/or school, using public transport or otherwise.
- **flat or house –** flats are nearly always leasehold, so you will pay a regular service charge and you may have to renew the lease. More information on purchasing a leasehold property can be found in the How to Lease guide.
- **new build or second-hand –** new builds can be appealing as they will be clean and energy efficient, and you may be able to make some decisions about fixtures and fittings (e.g. kitchen cabinets, tiling, lighting etc.). However, new builds may be more expensive than a similar second-hand home – this is known as the 'new-build premium'. Second-hand homes can provide more opportunities for improvements to tailor it to what you need and allow you to add value to the property.
- **number of bedrooms –** consider how many bedrooms you need now and how many you may need in the future.
- **energy performance –** how is the property's energy performance? What would need to be done to improve it? This information can be found on the property's **Energy Performance Certificate** or EPC (an image of an EPC is on the next page) although certain properties (usually historic buildings) are exempt from providing EPCs.



Energy Performance Certificate — HM Government

Dwelling type: Semi-detached house
Date of assessment: 01 March 2018
Date of certificate: 01 March 2018
Reference number:
Type of assessment: SAP, new dwelling
Total floor area: 72 m²

Use this document to:

- Compare current ratings of properties to see which properties are more energy efficient
- Find out how you can save energy and money by installing improvement measures

Estimated energy costs of dwelling for 3 years:	£ 1,329
Over 3 years you could save	£ 90

Estimated energy costs of this home

	Current costs	Potential costs	Potential future savings
Lighting	£ 153 over 3 years	£ 153 over 3 years	You could save £ 90 over 3 years
Heating	£ 933 over 3 years	£ 933 over 3 years	
Hot Water	£ 243 over 3 years	£ 153 over 3 years	
Totals	£ 1,329	£ 1,239	

These figures show how much the average household would spend in this property for heating, lighting and hot water and is not based on energy used by individual households. This excludes energy use for running appliances like TVs, computers and cookers, and electricity generated by microgeneration.

Energy Efficiency Rating

Current | Potential

Very energy efficient - lower running costs
(92 plus) A
(81-91) B
(69-80) C
(55-68) D
(39-54) E
(21-38) F
(1-20) G
Not energy efficient - higher running costs

77 | 90

The graph shows the current energy efficiency of your home.

The higher the rating the lower your fuel bills are likely to be.

The potential rating shows the effect of undertaking the recommendations on page 3.

The average energy efficiency rating for a dwelling in England and Wales is band D (rating 60).

The EPC rating shown here is based on standard assumptions about occupancy and energy use and may not reflect how energy is consumed by individual occupants.

- **amount of living space –** think about your lifestyle and storage needs – do you have a bike or a pram? Where is it going to go?
- **internet speed –** do you need fast internet for work or leisure?
- **car parking –** if available, is parking on-street, on a drive, or in a garage; and are there any parking permit costs?
- **scope for extending –** would you be able to extend the property or convert the loft or garage to make more space?
- **garden –** do you want an outside space? How much maintenance are you able and willing to do? Would the space be yours or would it be shared with other properties?
- **conservation area or listed building status –** check if the property is included on the National Heritage list as this may affect your ability to make changes to both inside and outside the property. Such properties may qualify for Energy Performance Certificate exemption – more details can be found on the Government's website.
- **condition –** some properties are immaculate and need no work; others may need updating and some may need considerable renovation or repair. You should think about how much time and energy you have to make the necessary repairs.
- **drawbacks –** properties on busy roads, backing on to railway lines, or located some distance from shops and public transport routes are often cheaper. You should make sure you are happy to make any compromises before you buy. These properties may also take longer to resell.

You should find out as much as you can about any properties you are interested in to help you decide which, if any, to buy. Things you may wish to ask the estate agent include:

- ☐ is there anything I should know about the property before I put in an offer? Ask your estate agent for the material facts about the property as they are legally required to pass this information on to you.
- ☐ how long has the property been on the market? If it has been on for longer than 3 months ask why they think it isn't selling. Is there something other people have been put off by, or is it overpriced?
- ☐ is the property part of a **property chain,** where a number of people are buying and selling their properties at the same time? How many people are in the chain? Will the sellers need to tie in their own purchase?
- ☐ how long have the owners lived there? If it is a short period of time you may wish to find out why – for example, there may be an issue with noisy neighbours.
- ☐ has the property repeatedly changed hands or have previous sales fallen through – if so, why is that? You can check the former online by looking at 'sold property price' data, which will also tell you what price the seller paid for the property.
- ☐ when are the sellers hoping to move out?
- ☐ have all the necessary consents been obtained for any work already carried out on the property?
- ☐ can you speak directly to the sellers? They will be able to give you good insight into issues relating to the property.
- ☐ is the property leasehold or freehold?

- ☐ if leasehold, how much longer is there remaining on the lease? How much is the ground rent and service charge? Will they change and if so, when and by how much? Are there any upcoming works for the building that you will have to budget a lump sum for? More information on purchasing a leasehold property can be found in page 8 of this guide and in the How to Lease guide.
- ☐ is the seller willing to enter into a reservation agreement to show they are committed to selling you their property and prepared to pay you compensation if they pull out of the deal?

While at the property you should also look at the condition of the building. A useful list of things to check outside and inside the property can be found on the Which? website.

If you are interested in a property, you should consider visiting it several times if the seller is agreeable. Visiting at different times of the day can be helpful – for example, traffic in the vicinity may be busier at certain times of the day.

Buying a new build property

Buying a new build property can be quite different from buying a second-hand home. You may be buying off-plan, meaning the property may not even be built yet. Some differences to be aware of include:

Money

- When buying a new build home, you may need to put down a **reservation fee** to hold the property. This may only be refundable in certain circumstances, so check the small print before you pay.
- Many developers will ask you to exchange contracts and pay a **deposit** shortly after reserving the property. You should make sure your lender and legal representative are aware of the deadline and are able to meet it.
- Many developers will have referral relationships with specific mortgage advisors and legal representatives. You are under no obligation to use these firms if you don't want to. More advice on this can be found on the Home Owners Alliance website.
- There may be additional charges associated with a new build property, for example **estate facility charges.** Make sure your legal representative fully explains the details of the contract so you know what you are signing up to.

Timescales

- If your property is still being built, your developer may give you a date by which the property should be finished. On some occasions this end date may be delayed or brought forward. Make sure you know what will happen in either scenario. If the former, your mortgage offer may need to be refreshed as they usually only last for a limited period.
- A **long-stop date** can be written into your contract, which permits you to withdraw from the purchase in the event of long delays to the property being finished.

Snagging Issues

- Snagging issues are defects or unfinished pieces of work in a new build home.
- You should consider agreeing at exchange that a snagging survey should be carried out once the property has been built and prior to completion.
- This survey can be carried out by a professional company or done yourself. You should report back any issues to your developer and ask for them to be addressed before you move in.
- Most new build homes have a 10-year warranty for major structural problems and a 2-year warranty for general defects, but this may not cover the whole of the property and any attached land. Make sure you are clear about what is and is not included in the warranty before you put down a deposit.
- Before you make an offer, understand what will and won't be fixed before **completion** and what happens if you have a dispute with the builder.

Make sure you ask the developer for all material facts relating to the property before you commit to buying.

More information on buying a new build home can be found on the Which? website.

Buying a home in later life

While many people want to stay in their family home for as long as possible, some may want to consider the potential benefits of moving to a more manageable property in later life. There can be advantages in terms of cheaper energy bills and maintenance costs; and in the case of specialist retirement properties, improved accessibility, care plans and communal spaces. More information about housing options in later life can be found from the Elderly Accommodation Counsel.

If you are considering a specialist retirement property, you should be aware that it is different from buying a freehold home. The property is likely to be leasehold and you may have to pay ground rent, service charges and **event fees,** or be subject to restricted sales clauses. You should do your research carefully and make sure you and your legal representative check the small print in detail to understand current and future costs. Advice about leasehold retirement properties is available from the Leasehold Advisory Service.

Other types of homes

Other special case property types include park homes, house boats, mobile homes and so on. Some of the advice in this guide will still be relevant for purchasing these types of homes, but you should also seek out specific advice. Guidance on park homes for England and Wales can be found by clicking the links.

Leasehold and freehold

When considering a property purchase, it is really important that you know whether the property is freehold or leasehold.

A **freehold** property means you own the property and land outright.

A **leasehold** property means you only own the property for a fixed number of years. You have the right to live in that property, but you will need to follow any rules laid down in the terms of the lease. Flats are often leasehold, but houses can be too.

The length of the lease will be specified in the contract, but you should ask the estate agent up front how long is left on the lease and should wait until you have this information before making an offer. Estate agents must be upfront about lease length, any costs or fees, and how these might change over time. As the lease length gets smaller, the property value may be affected, especially once it falls under 80 years. Many lenders are reluctant to lend on properties with less than 80 years left on the lease. More information is available from the Leasehold Advisory Service.

If you buy a leasehold property you may have to pay regular ground rent and service charges to your freeholder.

- The **ground rent** is a sum you have to pay to your managing agent/landlord if it is a condition of the lease.
- The **service charge** is paid to the managing agent or landlord towards the costs they incur for the services they provide, like repairs, gardening or cleaning of common areas. It can also include building insurance.

Both ground rents and service charges vary from one property to another and details about both should be written in the lease.

If you are thinking of buying a leasehold property, **make sure that you have carefully considered the terms of the lease.** It is important you ask your legal representative to find out:

- **what the cost of the ground rent is; when it is likely to increase; and what the scale of these increases will be** as these costs may impact the future value and saleability of the property. They should also check that your mortgage lender is happy to provide your mortgage based on the proposed level of ground rent and the length of the remaining lease.
- **whether the previous owners of the property have paid all outstanding service charges and if the landlord is planning any major building works you will have to contribute to.** The seller's legal representative should provide an LPE1 form and supporting documents which will help clarify these issues.
- **whether the lease contains any restrictive terms and conditions;** for example it may not allow you to keep pets in the property.

A leasehold property can often take a few weeks longer to purchase than a freehold property due to a number of additional steps in the process. More information on leasehold properties can be found in the Government's How to Lease guide and from the Leasehold Advisory Service.

Buying a rented property

Buying a rented property with a sitting tenant, or buying with the purpose of renting the property out, may be an investment option; however it is beyond the scope of this guide. If you are thinking of taking this route you should seek expert advice, as there are legal, tax and mortgage implications to becoming a landlord.

Buying a rented home to live in yourself is no different from buying a property that was occupied by the owner; you should take the same care in arranging surveys and researching the property's location (more detail on this below).The tenant may still be occupying the property when it is on the market, but the landlord must give the tenant a notice period to find a new home. This may add to the time it takes to complete the sale – you should ask the seller what arrangements they have made with their tenant.

When you are visiting the property, you should be mindful that it is the tenant's home and be respectful of their property, just as you would expect others to be respectful of yours. The landlord must give their tenant 24 hours' notice that a potential buyer is being shown the property, so bear this in mind when you are arranging viewings.

Making an offer

Making an offer on a property is a big step. You shouldn't feel pressured to put in an offer before you are ready – a second viewing is usually helpful when deciding whether it is the right place for you. The asking price is just that – don't be afraid to make a lower offer. This is the start of a negotiation process. The estate agent is legally obliged to pass on all offers and the seller is not obliged to accept any offer, regardless of how much it is.

Before you make an offer on a property, make sure you have considered the following:

- ☐ **what is included –** which fixtures and fittings does the offer include e.g. will the seller leave white goods or the garden shed?
- ☐ **what the property is worth –** what have similar properties in the area sold for and how many are on the market at the moment?
- ☐ **leasehold –** how much is ground rent and service charge, and will these change over time?
- ☐ **what you can afford and are willing to pay –** have an upper limit in mind, above which point you will walk away.
- ☐ **seller's circumstances –** is the seller part of a chain?
- ☐ **your appeal as a buyer –** let the seller know that you have a decision in principle (or are a cash-buyer), and if you are a first-time buyer or have already sold your home
- ☐ **interest in the property –** has or is anyone else making an offer?

You should not put an offer in unless you are serious about buying the property. Pulling out of a purchase once a verbal offer is accepted will cause delays, extra costs and frustration both to you and the seller. A verbal offer can be renegotiated at any time up to exchange, but you should think carefully before renegotiating and only do so when a change is justified; for example if the home survey identifies significant issues. Attempts to renegotiate the offer when a sale nears completion may cause delays and could risk the sale falling through.

If your offer is accepted, congratulations! You should ask the estate agent to stop actively marketing the property and to remove the listing from any online portals, although it is the seller's choice whether to leave it on the market. You should advise the agent of your legal representative. You should receive a memorandum of sale from the estate agent which outlines your offer in writing and provides details of the legal representatives for each party. A few days after your offer is accepted, check with your legal representative that the seller has instructed their own legal representative and the purchase is progressing.

Referrals

The estate agent, developer, mortgage broker/lender and online property sites can be useful sources of recommendations for property professionals such as legal representatives or surveyors. They may refer you to a company because they recommend the service, and may also receive a payment (known as a **referral fee**) from the business they have referred you to.

This is an established way of working, but the estate agent is obliged to tell you about any referral fees up front, allowing you to make an informed decision about which firm to choose. Do not feel obliged to take up any

referral the estate agent, developer or mortgage broker/ lender makes – it is entirely your choice. You should shop around for the best deal for you, although be aware that for mortgages multiple lender inquiries may have an impact on your credit score. If you're in doubt, ask your mortgage provider for more detail about how they carry out credit checks.

Instructing a legal representative

Once your offer has been accepted, you need to select a legal representative. They play a key role in helping you purchase your home - they carry out the appropriate legal checks on the property, complete the legal work for your property purchase and, if you are getting a mortgage, ensure that it meets your lender's requirements. They will identify any **title** or planning issues; advise you on which searches to have carried out (see the next section), and do the legal work of transferring the ownership of the property from the seller to you. You should instruct a legal representative as soon as your offer has been accepted, but if you have any special requirements (for example if you only want a home which you can run a business from), you might want to instruct a legal representative to check this for you before you put your offer in.

There are various legal professionals who are qualified and regulated to carry out conveyancing work: solicitors, licensed conveyancers, chartered legal executives and CILEx practitioners. The Legal Choices webpages for each conveyancing professional (linked above) contain information on how to check that your legal professional is regulated by the appropriate body.

It's a good idea to get a number of different quotes before you select a legal professional. You should consider:

- ☐ the **price** – you should expect to be told the full price up-front, but you should check if there are any hidden extras and if they have paid a referral fee for your custom. Ask what fee you will be charged in the event your sale does not go through.
- ☐ the **quality** – do they have online reviews? If so, what do customers think of the service they provide? If your property is more complex than normal (leasehold, shared-ownership, listed building etc.) do they have the specialist skills to handle your purchase?
- ☐ the **service** – will you have a named contact? How will they communicate with you (phone, email etc.) and how often? Do you prefer online or in-person service? Do their opening hours suit you? Do they have experience conveying properties in your local area?
- ☐ Are they on the panel of approved legal representatives for your mortgage lender?

Once you have agreed that a legal professional will act for you, they should provide you with a **letter of engagement** which sets out the terms of your agreement with them including the instructions you have given them, the fee they will charge, the timescales for the agreement, and other relevant information.

Searches

Your legal professional will organise **local authority searches** on the defined property and/or land. These searches tell you about any restrictions relating to the land or property (e.g. tree preservation orders; whether the property is **listed** or in a **conservation area**) and about any relevant external factors (e.g. new roads [except those proposed by private bodies] or rail schemes) but do not tell you about development on the neighbour's land. If you have concerns about this then your legal representative can request a specialist search for you.

Your legal representative will also advise you about any additional searches you should undertake, such as flood risk or a mining report. It is sensible to ask your legal representative to order searches as soon as possible to prevent delays, but some professionals advise you to wait until your mortgage offer has been confirmed. You typically have to pay for the searches up front.

During the process your legal representative will raise enquiries. These are questions about the information which they have received e.g. the title, or the mortgage offer. Enquiries take place on a wide range of issues, and are therefore raised at different points through the process and will normally need to be answered by the seller. You should think about whether there is anything you would like your legal representative to ask on your behalf.

More information on property searches can be found in Land Data's guide.

It may be possible to take out **indemnity insurance** to protect against issues uncovered by the property searches. Your legal representative will be able to advise you on this option.

You should save the search information you receive in a safe place – it may come in handy for reference if you sell the property in the future, although searches are only valid for a certain number of months and therefore may need to be redone.

Your mortgage

Once your offer has been accepted, you need to complete a full mortgage application for the lender you wish to use (this can be either the lender who gave you your initial decision in principle, or another provider). If you have a mortgage broker they may complete the application for you. Make sure you select a lender who offers the best deal for you for the property you wish to buy.

When applying for the mortgage you will need to complete a form and show ID, proof of address and proof of income. Self-employed people may have to provide extra assurances of their income, so find out what the requirements will be before you apply. Most people applying for a mortgage will have to complete a mortgage interview. Contact the mortgage provider for more information about what this will involve.

The mortgage provider will carry out a **mortgage valuation,** where they check that they are happy to lend against the property. **This is not a survey** - valuation does not protect you if something goes wrong with the property and may not even include a physical inspection of the property (for this information you will need to have a **survey** carried out – see the following section).

Survey

A survey is a detailed inspection of a property's condition. There are various different types of home survey, some of which include advice about how to rectify any issues identified. More information on home surveys can be found from the Money Advice Service website.

Remember – a mortgage valuation is not the same thing as a **home survey.** A valuation does not protect you in the event that something goes wrong with the property.

Remember – an **Energy Performance Certificate (EPC)** is not the same thing as a home survey either. It is only a visual assessment of those elements which play a factor in determining the energy efficiency of the property (such as heating sources and cavity wall insulation). An EPC does not indicate whether these elements are in good or bad condition – it assumes all elements are working correctly.

You should strongly consider having a survey carried out. A survey is useful because it will advise you of minor maintenance and major works required on the property now and in the future.

The survey should be carried out by a trained professional; for example a member of the Residential Property Surveyors Association (RPSA), the Royal Institution of Chartered Surveyors (RICS) or the Independent Surveyors and Valuers Association (ISVA). Your estate agent, legal representative or lender may refer you to a particular surveyor, but it is your decision who you appoint. You should speak with a surveyor to get advice on what level of survey service is recommended for your property. You should also consider the nature of the property when selecting a surveyor. Properties built before 1919 are constructed differently, so you must ensure that your surveyor is qualified to assess such buildings.

Some buyers have a survey carried out as soon as their offer has been accepted, while others wait until their lender carries out their **mortgage valuation** and confirms the sum they are willing to lend. Bear in mind your surveyor may be busy, so don't leave it too late.

Make sure you read your survey report carefully and speak with your surveyor afterwards to ensure you understand what the problems are, how serious they are, and what the remedies might be. You may be advised to get a specialist to visit the property and carry out a further assessment; for example a boiler check or damp assessment.

If any significant issues are uncovered by the survey you can ask the seller to pay for them to be fixed before you purchase; you can renegotiate your offer to take into account the cost of the work; or even withdraw your offer altogether. You may wish to share the relevant part of your survey with the seller's legal team in order to negotiate any of the above.

Fraud

Buying a home involves the transfer of large sums of money and can attract the attention of criminals. Though the risk of fraud is low, you should be vigilant about common scams.

Misdirection fraud is when you receive an email or phone call which seems to come from your legal representative informing you of a change to their bank account details.



It is extremely rare for legal representatives to change their bank account. If you are in any doubt, do not transfer any money.

Call your legal representative on a known number (i.e. not the number listed on the potentially fraudulent email) to check.

Also consider your behaviour and be social media savvy. It is not uncommon for fraudsters to find the information they need to commit fraud from your social media profiles. For example:

- If you have shared a post that contains details about your move, such as the day your offer was accepted, the day you will be moving, the road/area the new property is in or even a picture of it.
- If there are open groups on a social media platform such as Facebook containing you and the other people in your property transaction chain. This can also obstruct your legal professional in their work.
- If there are any types of open discussions with others involved in the process on an open online forum.

This information can be used by criminals to quickly identify which property you are buying and other important details about you, which can then be used for fraudulent purposes.

Exchange and deposit

Exchange is when the buyer and seller exchange their signed agreements which legally bind them; committing them to the transaction. Your legal representative should advise you when you are ready to exchange. You can exchange when:

- ☐ you are happy with the searches, survey, and the details in the contract;
- ☐ your lender has confirmed your mortgage;
- ☐ you are able to pay the deposit (if you are using a Help to Buy or Lifetime ISA you need to instruct your legal representative to apply for the government bonus);
- ☐ you are able to pay all other associated costs including stamp duty, removal costs and so on, in cleared funds. Bear in mind that you may need to pay a bank charge for the transfer.

In order to exchange you need to organise buildings insurance, because upon signing the contract you are legally responsible for the property. At exchange you will also confirm a completion date; often around 2-4 weeks later (though they can occur simultaneously), which is when you will be able to move in or start any work on your new home.

Exchanging contracts is an official legal commitment. If you withdraw from the agreement after exchange you may lose your deposit and have to pay compensation to the seller for other losses. If the seller withdraws they may be liable for your costs and even compensation. As purchasing a property is a big commitment, it is worth considering whether you should take out life insurance cover before you exchange. This insurance is often required to secure a mortgage.

Moving your belongings

You need to consider how you are going to move your belongings into your new home. You may be able to move yourself or hire movers to help you. You can opt to pack yourself or have the removal firm do it for you. If you need a professional removals company make sure you **give them as much notice as possible.** Fridays and the first and last days of the month are often very busy, so you may get better rates and availability if you try to avoid these times.

When selecting a removals firm you should consider price, quality of service and availability. They will be responsible for all of your possessions.

You should get more than one quote before selecting your removals firm. Check:

- ☐ are they a member of a Trade Association such as the British Association of Removers?
- ☐ do they have insurance in place and are your belongings covered throughout the move?
- ☐ how are their online reviews? If there are issues, how are they resolved?
- ☐ check the small print for additional charges – a professional company will explain them to you

If access to your property is difficult or you have unusual items to move, ensure the removal company visit before giving you a quote.

Preparations for moving

Between exchange and **completion** you should:

- ☐ inform your removal company of your move date.
- ☐ contact your utilities, water and broadband providers to close or move your old accounts.
- ☐ you will already have arranged buildings insurance for your new property at exchange. You should also consider taking out contents insurance to cover your belongings.
- ☐ organise for your post to be forwarded to help protect you against identity fraud – the Royal Mail offers a post-forwarding service.
- ☐ ask the seller about another visit to measure rooms for furniture etc.
- ☐ ask the seller where the fuse box, energy meters and stopcock (water supply valve) are located.
- ☐ order any appliances and furniture you will need (consider when you want them to arrive - on moving day or shortly after).
- ☐ start packing and clearing out unwanted objects.

Completion and moving

Completion is when your legal representative transfers the remaining funds to the seller's legal representative, and you take ownership of the property. The keys are often handed over around lunchtime, at which point you can move in or start building work on your new home.

- Remember to take meter readings when you leave your current property and when you arrive at the new one. A date-stamped photograph is useful.
- It is also advisable to pack a box of essentials that you will need on the first night in your new home – this might include toilet paper, crockery and cutlery, a kettle, snacks, toiletries, bedding and towels, chargers, cleaning items, bin bags and lightbulbs.
- When you first arrive in your new home, it may be dirty from the builders or previous owners. Be prepared to give it a quick clean before you move your belongings in.
- If there are delays to your money being paid to the seller (which is more common in long chains) you may not get access to your new home when expected. These delays may incur additional charges from your removal company – check their policy in advance.
- You may wish to change the locks of your new home to ensure you are the only one with a set of keys.

After the move your legal representative will register the change of ownership with HM Land Registry and settle any other payments, including Stamp Duty Land Tax in England or Land Transaction Tax in Wales.

After moving

Once you have moved home, you should update the following with your new address:

- local authorities of both your new home and your previous one to get your Council Tax liability transferred to your new property to ensure you don't keep paying tax on your old one. Similarly you should move your electoral roll registration over to the local authority in your new area.
- utilities and water
- GP and other medical providers e.g. dentist
- DVLA (if applicable)
- bank or building society
- insurance company – cancel insurance for your old property. Having building insurance is normally a requirement of having a mortgage, but you should also consider contents insurance to protect your belongings
- any financial products you have (e.g. bank or building society accounts; pension schemes)
- mobile phone, TV and internet packages
- vet, especially to change your pet's micro-chip details (if applicable)

Making a complaint

If you're unhappy with the service provided by a company you've used during the buying process, the first step with any complaint is to raise it via that company's complaints procedure. They will have a set period of time to investigate your complaint.

If you are not happy with the final response from the company, you may be able to escalate the complaint to an **ombudsman.** Ombudsmen provide a free and independent advice service for consumers who want to complain about a company. Once the ombudsman has received your complaint, they will investigate the claim on your behalf.

- All **estate agents** are required to be signed up to a redress scheme – The Property Ombudsman or The Property Redress Scheme. Ask the estate agent or check online to see which scheme they belong to, and then follow the complaints procedure on the website.
- If you have an unresolved complaint against a **legal professional,** you should contact The Legal Ombudsman.
- if you wish to escalate a complaint about a **lender,** you should contact the Financial Services Ombudsman.

Other professionals may be members of trade associations who can investigate complaints (e.g. your surveyor may be a member of the Royal Institute of Chartered Surveyors). You may also be able to pursue complaints in court.

Buying and selling at the same time

If you are selling as well as buying, check our guide on How to Sell.

Other organisations who can help

Citizen's Advice – free, independent, confidential and impartial advice on a wide range of areas including on housing and consumer issues.

Money Advice Service – free and impartial money advice, including on mortgages

Which? – free and impartial consumer advice

Home Owners Alliance – provides free expert advice and services for homeowners and aspiring homeowners.

Age UK – free advice on retirement properties

PropertyChecklists.co.uk – free checklists on all aspects of buying and selling

Money Saving Expert – free advice on mortgages and homes

Historic England – free advice on the implications of living in a listed building or conservation area, and how to look after a listed home

Elderly Accommodation Counsel – helps older people make informed choices about meeting their housing and care needs

Leasehold Advisory Service – free information and advice about residential leasehold and park homes law

Move IQ – tips for buying, renting, selling and moving home

Conveyancing Association – more information on the legal aspects of the home buying and selling process

HM Land Registry – searchable property information (e.g. flood risk) and advice for joint property owners and for boundary questions

The Law Society – more information about conveyancing and helpful infographics

Glossary

- **completion** – when your legal representative transfers the remaining funds to the seller's legal representative and you take ownership of the property
- **conservation area** – an area with extra planning controls to protect its special historic and architectural elements such as original windows or doors. These controls are tailored to each area by the council. Find out if these controls apply to your area by contacting your local planning authority.
- **conveyancer** – legal executive, licensed conveyancer or conveyancing solicitor who does the legal work to do with transferring the ownership of land or buildings from one person to another. They will generally owe a duty to their client to take reasonable care when carrying out that legal work.
- **credit score** – a rating showing how likely a lender is to lend you money.
- **decision in principle** – a written statement from a lender to say that 'in principle' they would lend a certain amount to a particular prospective borrower.
- **deposit** – a payment passed on to your legal representative upon exchange of contracts, which represents a percentage of the purchase price.
- **Energy Performance Certificate (EPC)** – an Energy Label with a ranking of between A and G that also indicates running costs and suggests suitable improvements which can be made to a property to make it more energy efficient. An EPC must be provided to any potential buyer unless the property is exempt from EPC requirements.
- **exchange of contracts** – when contracts are exchanged between buyers and sellers. Legally binding and commits the parties to the property sale/purchase.
- **estate facility charge** – an annual fee for maintaining the wider estate on which a property is located, e.g. for upkeep of public areas
- **equity** – the difference between the property's value and the outstanding debts you owe on it.
- **event fee** – a fee payable under a term of, or relating to, a residential lease of a retirement property on certain events such as resale and sub-letting. An event fee is sometimes referred to as an exit or transfer fee.
- **fittings** – items in your property that are not fixed down e.g. carpets, curtain rails, free-standing ovens, fridges, freezers and washing machines.
- **fixtures** – items in your property that are fixed to the floor or wall, e.g. light fittings, built-in wardrobes, boiler, radiators, plug sockets.
- **freehold** –where you own the land and the buildings on it outright.
- **ground rent** – A payment generally made annually by the leaseholder to the freeholder under the terms of a lease. Historically many ground rents are set at a minimal 'peppercorn' rate; but it is also common for the lease to provide that the ground rent increases at intervals. For example, initial ground rent of £100 per annum going up after 33 years to £150 p.a. and after 66 years increasing finally to £200 p.a. However, there can be substantially higher increases and more regular changes, so the amount and any consequential changes should be understood at an early stage.
- **home survey** – a report to advise clients on the condition and matters relating to a property.
- **HM Land Registry** the organisation which registers the ownership of land and property in England and Wales.
- **indemnity insurance** – insurance that can be used during conveyancing transactions to cover a legal defect with the property that can't be quickly resolved, or at all.
- **lease** – a document which sets out the rights and duties of landlord, leaseholder and any other party, such as a management company, who has rights and obligations in the lease.
- **leasehold** – where you own the right to occupy a property for a fixed number of years, typically 99 years or more.
- **letter of engagement** – sets out the terms of agreement between the client and their legal representative including client instruction, fees, timescales and other relevant information.

- **listed building** – listing marks a building's special architectural and historic interest and brings it under the protection of the planning system. Depending on the category of listed building and the scope of alterations a householder may wish to make, listed building consent will need to be secured to make any changes that might affect the building's special interest. More details are available on their website.
- **local authority searches** – a set of information about a property and/or land and the local area provided by the relevant authority.
- **LPE1 form** – contains information about a property held by landlords, managing agents and management companies - for example, information on ground rent and service charges.
- **mortgage valuation** – an assessment made by your mortgage provider as to whether they are willing to lend you money against a property. This is not the same thing as a survey.
- **ombudsman** – an official organisation appointed to investigate individual's complaints against a company or organisation.
- **property chain** – linked property transactions, where a seller of one property is a buyer of another.
- **property searches** – a legal professional will conduct legal searches when you are buying a property to ensure there are no other factors you should be aware of. Some searches will be recommended by your legal representative for all purchases and others will be required by the mortgage lender to protect them from any liabilities that the property may have.
- **redress scheme** – all estate agents are legally required to be members of a redress scheme. Schemes may be able to resolve disputes between estate agents and consumers once internal complaint processes have been exhausted. More information is available from from the Government's website.
- **referral fee** – a payment made from one business to another in exchange for referring customers to them.
- **reservation fee** – a payment made to a developer to secure a property.
- **service charge** – A contribution payable by a leaseholder typically to a freeholder or managing agent, for a share of the cost of insuring, maintaining, repairing, and cleaning the building.
- **snagging** – defects or unfinished pieces of work in a new build home.
- **sold subject to contract (SSTC)** – an offer has been made on the property and the seller has accepted it, but they have yet to exchange, so it is not legally binding.
- **stamp duty/Land Transaction Tax** – a tax paid upon purchase of any homes costing more than £125,000 in England (or £180,000 in Wales), unless you are a first time buyer.
- **(home) survey** – an agreed level of service to advise clients on the condition and matters relating to a property. The homebuyer's survey should not be confused with a mortgage valuation.
- **(home) surveyor** – it is advisable to employ the services of a qualified surveyor to conduct a homebuyer's survey before purchasing a property.
- **title** – a legal document signifying ownership of a property.
- **under offer** – the same as 'sold subject to contract' - an offer has been made on the property and the seller has accepted it, but they have yet to exchange contracts, so it is not legally binding.

Annex - Key milestones

Length varies depending on how many options you consider and how specific your requirements are

Searching to buying subject to contract

Understand your finances

- Think about what you can afford
- Consider mortgage options

Think about your requirements

- Size, location, price - be as flexible as possible to maximise your options.
- Tenure - freehold or leasehold?
- Special requirements e.g. retirement housing?

Look for a property

- Do as much research as you can
- View properties

Make an offer

- Negotiate with potential seller(s)

Buy the house (subject to contract)

- Choose a legal representative

Buying subject to contract to moving in

Arrange mortgage

- Research options and make application

  c. 18-40 days

Property searches & survey

- Your legal representative arranges property searches and raises enquiries
- Arrange a property survey
- Additional enquiries
- Research & choose a removal company

  c. 28 - 45 days

Exchange contracts

- Agree moving date

Plan to move

Completion and moving in

- Payments transferred by legal representative
- Estate agent gives you the key to your new property
- Post-move - notify local authority, utilities providers & other relevant organisations of your address change

Approx. 12 weeks (although precise timing varies)

A guide to additional key milestones in purchasing a leasehold property is available from the Leasehold Advisory Service.

Prepared with input from



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