

## **The Mortgage Q Guide to Buying a Property**

Buying a property can be very stressful – it's a very significant purchase, and it's good to have a plan. Our guide can help you avoid the pitfalls.

### **Before you view properties – organise your mortgage**

If you haven't already read it, check out our guide to applying for your mortgage.

Arranging your mortgage early on shows property sellers and agents that you're committed and helps your bargaining position. It also gives you time to think about the type of mortgage you want and the best deal for you. Your mortgage adviser is available to help explain all of the steps.

### **Choosing the right property**

Spend time thinking about the area that you'd like to live in and the type of property you'd like to buy, and then start doing your homework. Talk with friends, family and work colleagues to get a full assessment of the district – good and bad.

Once you've identified the part of town you want to move into, and the type of property you're looking for, start doing your homework on what you can get for your money. Good estate agents should be willing to spend some time with you to give you a feel for the properties that meet your requirements and what you can expect to pay.

Establish the types of property that you like, within your budget and do a drive past of your preferred properties. Checking out as many properties as you can – if only from the outside – helps you to see the range of properties that are on the market.

Once you've selected and viewed your shortlist of properties you'll be in a good position to put in a sensible offer on the one that you want to buy.

### **Valuation**

If you are applying for a mortgage your lender will require a valuation of the property by an approved surveyor.

The survey is provided for the lender though you will need to pay for this service. Do remember that the valuation survey will not cover any detailed inspection of the property or its structural condition.

You can pay more for a detailed homebuyer's report or even a full structural survey. With older properties, a structural survey is often worth the extra cost to give you peace of mind with what you are buying, and to avoid an expensive ruin if there are defects in the property.

## **The mortgage offer**

If your mortgage application is successful, your lender will provide you with a written mortgage offer that gives details of your home loan, including the interest rate and any special conditions.

Be sure to read your mortgage offer carefully – if in doubt about any aspect of it, talk with your mortgage adviser or your solicitor. Your mortgage offer is a very important document, so do check that you are happy with its contents.

Your mortgage lender will ask you to sign and return the mortgage offer, so that they can administer the payment of your mortgage to your solicitor, later.

## **Conveyancing**

Conveyancing is the series of legal checks and processes that your solicitor will undertake on your behalf to make sure that there are no issues affecting the value of your property.

Your solicitor will check the title documents and deeds, arrange for local searches and check whether developments are planned for the district in which you're buying.

## **Exchange of contracts**

The exchange of contracts is the point at which you as a buyer indicate your legal commitment to buy the property, and the seller shows their legal commitment to sell it.

When contracts are exchanged, the deposit for the purchase – usually 5% of the purchase price – is banked with the seller's solicitor. Following the exchange you can not pull out of the purchase without losing your deposit.

Your solicitor will remind you that any associated applications that you have made for protection and insurance policies should be placed 'on risk' with effect from the date contracts are exchanged.

## **Completion**

The completion date is the time when ownership of the property moves over to you. This date is agreed between your solicitor and the seller's legal representative.

Your mortgage lender will arrange for your home loan to be paid to your solicitor, who then arranges for it to be paid to the seller's solicitor.

The estate agent working for the seller will hold the keys to the property and will release them to you when the completion has been confirmed.

Congratulations – you're now the owner of your own property. Enjoy living in your new home !