

The Mortgage Store Guide to Buying a Property

Buying a property is a very significant purchase. It's good to have a plan when buying your new home as this can help to avoid any sudden surprises. Hopefully our guide will assist you in avoiding the pitfalls.

Before you view properties – organise your mortgage

If you haven't already, have a look at our guide to applying for your mortgage. Arranging your mortgage early on demonstrates to your seller and the Estate Agent that you're committed to buying the property and helps your bargaining position. It also allows you time to consider the type of mortgage you really want and the best deal for you. Your mortgage adviser will help you to understand all of the steps.

Finding the right property

Think hard about the area that you'd like to live in and the type of property you'd like to buy. Talk to friends, family and work colleagues to get a full assessment of the district – good and bad. You may wish to consider local schools, amenities, access to work, and all the things that are important to your quality of life.

Once you've identified the area you want to move to and the type of property you're looking for, start doing your homework on what you can get within your budget. Good estate agents should be willing to spend time with you to give you a feel for the properties that meet your requirements and what you can expect to pay. Don't over commit yourself financially, there's more to life than paying a mortgage.

Look at as many properties as you can. Drive passed them at night to get a feel for the neighbourhood during the quieter hours. Once you've been through your short-listed properties you'll be in a strong position to put in a sensible offer on the one that you want.

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 the lender for this service. The valuation will not involve a detailed inspection of the property or it's structural condition, it will simply confirm to the lender that the property is suitable security.

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 help avoid future expenses if there are defects in the property.

The homebuyer's report and the full structural survey will include a detailed report for you to digest and establish early on any concerns you may have.

The Mortgage Offer

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

Make sure you 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 binding contract, so make sure that you are happy with its contents and understand it fully.

Your mortgage lender will require you to sign and return the mortgage offer, so that they can administer the payment of your mortgage to your solicitor on the day of completion.

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 possible value of your new property.

Your solicitor will check the title documents and deeds, arrange for local searches and check whether any developments are planned for the district in which you're buying. This is naturally important to know for your own future peace of mind.

Exchange of Contracts

Exchange of contracts is the point at which you indicate your legal commitment to buy the property, and the seller shows a legal commitment to sell it to you.

When contracts are exchanged, the deposit for the purchase, or some of it, is banked with the seller's solicitor. Following the exchange of contracts you cannot pull out of the purchase without losing your deposit.

Your solicitor should ensure that the appropriate life cover and buildings insurance is started from exchange of contracts. This will protect you, as you are now legally committed to buying the property.

Completion

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

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

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

Congratulations – you're now the owner of your new property. We hope it's been painless.