

Home Buyers Guide

Buying a home can be a stressful and confusing time. We are here to guide you through this process right through to completion. This step-by-step guide is designed to support and inform you throughout your mortgage application.

10 STEPS - MORTGAGE APPLICATION



- 1 Consultation with advisor** - We will assess your requirements and find the best mortgage for you.
- 2 Protection** - Ensure you are covered in the event of death, critical illness, or loss of income, an essential not an extra.
- 3 Decision in principle** - Basic personal details will be submitted to the lender to see if you meet their terms. A Key Facts illustration will be provided detailing everything you need to know.
- 4 Credit Searches / Application** - The mortgage application can be submitted and searches can be completed.
- 5 Valuation** - The lender will check the value of the property. You should also consider appointing your own surveyor for a more in-depth survey of the property.
- 6 Offer** - Once the valuation has been approved the lender will produce an offer.
- 7 Legal Work** - The solicitor will then complete the pre-exchange of contracts including deciding on a completion date.
- 8 Exchange of contracts** - You are now legally committed to purchase the property.
- 9 Payment** - Deposit is paid and the solicitor will finalise all mortgage arrangements. This is preceded by the payment of land registry fees and stamp duty.
- 10 Completion** - Funds are transferred and the purchase is completed. Pick up your keys!

Home buyers costs

Stamp duty - Stamp duty is charged on land and property transactions in the UK. The tax is charged at different rates and has different thresholds for different types of property and different values of transactions.

Legal Fees - For any purchase you will need a solicitor to complete all the legal work. The price of this service can vary from company to company, on average these fees should cost between £500-750 VAT+.

Survey/Valuation fee - All lenders will insist that a valuation is carried out on a property. This will only confirm the property value; it will not assess any potential problems with the property or need for future repair and maintenance. Valuation fees typical cost between £150 and £1,500 depending on the value of the property and level of survey you choose.

There are three reports you can choose from:

Home condition survey - this is the most basic and cheapest survey. It's best for new-build and conventional homes. **Typical cost: £250.**

Homebuyer's report - this is a thorough survey of both the inside and outside of the property, which also includes a valuation. **Typical cost: £400+**

Building or structural survey - this is the most comprehensive survey and should always be done on older or non-standard properties. **Typical Costs £600+**

We will advise you as to which we feel the most appropriate option given your situation is.

Arrangement Fees - Most lenders will charge either an arrangement or a booking fee when you apply for a mortgage. However, some lenders will allow you to add the cost of the fee to the overall loan meaning you do not need to pay this upfront. (Although you will pay interest on this fee during the term of the mortgage.)

Current stamp duty tax rates:

Purchase price of property	Stamp duty tax rates	Additional home / buy to let rate
On the first £125,000	0%	3%
On the next £125,000	2%	5%
On the next £675,000	5%	8%
On the next £575,000	10%	13%
On the rest (above £1.5 million)	12%	15%

Your home may be repossessed if you do not keep up repayments on your mortgage. There will be a fee for this advice. The exact amount will depend on your circumstances but we estimate it will be £250.