

# BUYING

## A GUIDE TO BUYING YOUR FIRST PROPERTY



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urbanspaces

## Choosing a location

If you are thinking of moving to a new area, make sure you have researched that all the things you love the most are around you, ensuring it suits the lifestyle you wish to lead.

### Ask yourself the following questions:

#### *What kind of unique space am I looking for?*

- Single storey apartment or spread over more floors? Maybe a mezzanine?
- How many bedrooms?
- New development or renovated old building?
- Converted building with some history?
- Perfect condition or room for improvement?
- Do you require both living and working space?
- Do you require a car parking space?
- Would you like to have access to a balcony, terrace or communal area?
- What features are important to you? e.g. exposed brick work or high ceilings

#### *What about location?*

- How easy will it be for me to get to work?
- How close are the shops, bars, galleries, or any green space?
- How close are friends or family?
- What is the crime rate like?

## Working out your budget

Once you've decided on an area, it's best to work out your budget. You will need to have already saved a deposit, usually a minimum of 10% of the purchase price. When calculating your budget, it's important to be honest and realistic about your outgoings and what you can afford. You also need to factor in conveyancing fees, Stamp Duty Land Tax, insurance premiums, any mortgage arrangement fees and the cost of a survey or valuation.

Conveyancing is the legal process for transferring the property title from one person to another.

Stamp Duty Land Tax is a tax of between 1% and 12% on the value of the property paid by purchasers of properties over £125,000, rising to 15% for properties purchased through a company and worth in excess of £2 million.

It is always best to get a mortgage agreed in principle first, which proves to the seller that you are serious and can afford to pay what you have offered.



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## Viewing properties

We don't recommend that you create a huge list of 'must haves' to tick off before you even consider viewing a property as this approach could be quite limiting. By doing this you could reject a property straight away because it hasn't got something on your list, whereas there might be potential to move things around, or some of the other features might make up for the one feature it's missing.

A sensible approach is to create a much shorter list of 'must haves' and 'would like to haves'. On your 'must have' list there should only be three items, otherwise you will lose focus of what's most important to you.

Then, take some time to go and see as many properties in the area as possible which meet your three basic 'must haves'.

### Here's a typical list:

#### *Must have:*

- A price at, or below, your absolute maximum price you are prepared to pay
- It is located in your preferred area
- Office space

#### *Would like to have:*

- Outside space
- Mezzanine level
- Near station
- Excellent condition
- Great views

Putting any more than three items on your 'must have' list will make your life harder, not easier.

## Planning

You should start with one or possibly two areas where you want to live. When you have registered with every estate agent covering the area(s) and seen everything in your price range, widen it to another area if you wish.

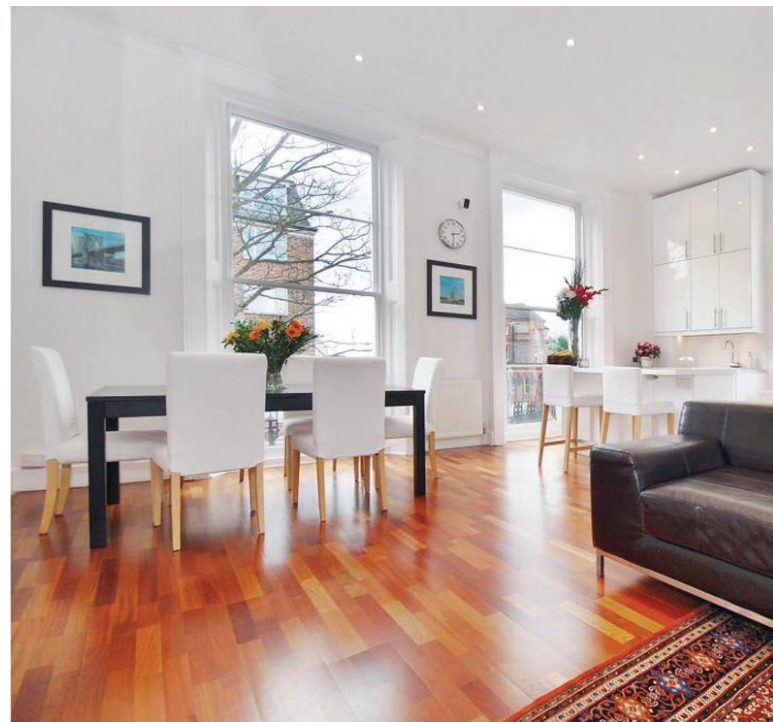
By focusing in this way you might not find your perfect home immediately but you will develop a better knowledge of the neighbourhood and local prices.

If you can't choose between three or four locations, leave yourself enough time to investigate them thoroughly.

Walking around an area is by far the best way to find out what it's like. You can talk to people and find out what they think of the area and what it's like to live in. Shopkeepers can be a useful source of local information and they will know a lot about the different types of people living in the area and whether there are any issues.

If possible, make contact with the local crime prevention officer to check out security issues and, when you find a property you like, it's a very good idea to talk to the neighbours. Reading the local newspaper and its website is a further source of valuable information. Once you've amassed all this information, compare it with the other areas you've been considering.

Arrange to view the properties you are interested in, including the sort of property you could afford within your budget, to get a feel for the market. Keep a checklist of each place you view, with digital camera images to supplement this information if possible. Keep all notes, and images, together in a file as this will help you to keep track of the information you have accumulated on each area and the properties you like. You can then arrange to view a shortlist of properties for a second time, ideally at a different time of day to get an all-round perspective.





## Doing your research

Here are some useful websites:

### [www.gov.uk/government/organisations/land-registry](http://www.gov.uk/government/organisations/land-registry)

This is an official Government website. You can apply for a copy of the official register that will show details of registered mortgages, covenants, easements or other financial burdens that may affect property. It can also tell you the price of the average property in your postcode.

### [www.homecheck.co.uk](http://www.homecheck.co.uk)

This site uses information from Ordnance Survey, geological surveys, the Environment Agency and other sources to provide a free guide to environmental risks by postcode.

### [www.proviser.com](http://www.proviser.com)

This site provides detailed information on property prices in England and Wales, including price checks by postcode and graphs of house price trends over the last six years.

## What to do next?

A good way to find a property you want is to set aside a full day for viewings.

Contact all the agents in the area by phone and ask to speak to their best negotiator – this puts the emphasis on them to be good. Ask them to send you information on all available properties in your price range and to make a series of appointments for you to view those that sound interesting. If possible, allocate a weekday for the viewings. Agents can usually spare more time than at weekends. Viewing four or five properties a day will probably be enough or the properties will start merging into one.

Be honest if you don't like somewhere and let your agent know as it will save you time in the long run. On the other hand, if you really do like somewhere, try not to show it. Expressing mild approval is okay, but enthusiasm will put you in a weaker position when it comes to negotiating.



## Make sure you're at the top of the agent's list

The following tips will help ensure that you're the first person the agent contacts if a suitable property becomes available:

1. Make friends with your estate agent. If you have a good rapport with them, they will want to help you even more.
2. Make the agent's job easier. Make sure you're easy to contact by leaving work, home and mobile numbers, plus email details in case they need to send property information over to you.
3. Ensure you respond quickly, if the agent contacts you about a possible viewing. They'll take you more seriously if you show a willingness to move quickly and take the opportunity to view at short notice.
4. Keep in regular contact. Phone them or call into the branch regularly to keep your needs at the forefront of the agent's mind. Be flexible and open, making sure you give the agent feedback after each viewing.
5. Ensure you have your finances organised before you step through the agent's door.

If you follow the above guidelines you will be considered a 'hot' prospect which should ensure that you receive the agent's full attention.

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## Ask questions

**Suggested questions to ask the seller include:**

### *How long have they lived there?*

If they have been there for less than a year, there could be a potential problem. Try to probe and find out why they're moving on so quickly.

### *Why are they selling?*

This should also give you some insight into whether there are any problems. If there is a valid reason, this can give you peace of mind.

### *What are the neighbours like?*

Watch out for signs from the seller that all is not right. They may not tell you if the neighbours are noisy but you may be able to get some clues from the way they answer. Whatever the response, mention that you plan to talk to the neighbours to give you a better feel for the area. This may prompt more information.

### *What kind of property are they moving to, and where?*

Are they moving to another area or to a larger property? Or are they moving to a similar sized property a short distance away? Their answer could be revealing.

## Useful questions to ask before putting in an offer

*Over what time period would the seller like to complete on the sale?*

*How negotiable is the price?*

*What are the exact boundaries and details of the property?*

Get a site plan from your solicitor, and check all the boundaries with your future neighbours. Also, get a lease plan and check that all the accommodation and storage rooms you have been made aware of are correct.

*What fixtures and fittings are included in the sale?*

Whatever you agree will form part of your contract with the vendor. You may have to negotiate an extra sum for the items you want, or they may throw them in to seal the deal. Either way, you should draw up and agree a detailed inventory that forms part of the contract.

## Making an offer

How much are you going to offer? If you are unsure you should ask your agent for advice. Ask them to provide some information on similar properties sold in the area to get an idea of house prices.

Be very careful about making really low offers. If you really want to buy, don't go in ridiculously low. The seller will lose confidence in you as a buyer and may not want to deal with you any more.



### A quick checklist before making your offer

- Have you spoken to local agents?
- Have you looked at the prices of similar properties in the area?
- Have you spoken to local businesses?
- Have you contacted the Land Registry?
- Have you analysed the seller's motives for moving?
- Have you understood the reasoning behind their asking price?
- Have you acquired as much information as you can from the agent?

### Some questions to ask yourself

- Would you pay a little more if you could have more of the property's contents?
- Would you pay more if you could move in sooner, or have a longer time to complete on the sale?

### Putting in an offer

You need to decide how much your absolute maximum budget is because if your original offer is rejected, it's very easy to get carried away. Stay grounded and be aware of your limits. If your maximum offer is still rejected, it will be very disappointing, especially if you had your heart set on the property, but take it on the chin, dust yourself off and start the process again as you may find another property 10 times better than the original one.



## Getting the most from your solicitor

- Conveyancing fees can vary greatly, so it's worth getting a few quotes first. Check to find out exactly what's included in the quote
- Check that the Law Society accredits them, and that they're on your mortgage lender's panel
- Ask if the solicitor makes full use of the Law Society's National Conveyancing Transaction Protocol. Over 80% of transactions involving the Law Society's 22,000 solicitors licensed for conveyancing use this Protocol in whole, or in part
- Be wary of a solicitor offering a suspiciously low quotation. It usually means they are likely to spend less time on your case and/or hand over the details to an unqualified assistant
- Be sure to develop a good personal relationship with your solicitor and stay in touch with them to ensure a prompt and smooth transaction

## Surveys and valuations

Once your offer has been accepted, a survey of the property will need to be organised. The following three different types of survey are carried out on behalf of mortgage lenders to help them establish the amount and terms of the loan:

### Valuation Report

Your mortgage lender will insist on having a valuation report before approving your loan. The report will take into account factors such as the condition and age of the house, the area, and what comparable properties are selling for locally. But that's all.

### Homebuyers Report

A Homebuyers Report and Valuation Report (HSVR) provides an overview of the condition of the property and identifies any defects. It will also tell you whether the purchase price is reasonable. The property is only inspected on a fairly superficial level but most buyers tend to opt for a Homebuyers Report as it goes into more depth than a valuation report.

### Full Structural Survey

Also known as a building survey, this more detailed report is a necessity for any house over 50 years old. The surveyor will report on the construction, the state of the walls, foundations, roofs, plumbing, wiring, heating and woodwork. A building survey is normally required when a property is of an unusual construction or has had extensive alterations. If the property is old, in need of serious structural repair, or if you're planning a major conversion or renovation, a building survey would be a sensible option.

## What to do if your offer is accepted

Once your offer has been accepted, if you haven't done so already, instruct your solicitor and give their details to your estate agent.

## Choosing a solicitor

You want to appoint a solicitor who is fast, efficient and likely to deal with everything with minimum fuss.

If you already have a family or business solicitor you are happy with, it's important to check that they're experienced when it comes to conveyancing before deciding to use them.

A personal recommendation from someone who has just bought a house is one of the best ways of finding a solicitor. Alternatively, your estate agent can tell you which local firms have the best reputations.

The following organisations can also offer help and advice when looking for a suitable solicitor:

### The Law Society

[www.lawsociety.org](http://www.lawsociety.org)  
t. 0870 606 6575

### The National Solicitors' Network

[www.tnsn.com](http://www.tnsn.com)  
t. 020 7370 0245

## Choosing a surveyor

Do some research to find the best surveyor you can:

- Ask any friends, family or colleagues who have bought a property recently if they can recommend anyone
- Make sure that the surveyor belongs to the Royal Institution of Chartered Surveyors (RICS). Alternatively, search the RICS website ([www.rics.org](http://www.rics.org)) to find a surveyor who works in the area
- Make sure you choose someone local whenever possible. They will have a better knowledge of specific problems in the area, as well as a thorough knowledge of local property values
- If possible, choose a surveyor who is on the panel of the building society providing your mortgage. If so, they will be able to do the mortgage valuation at the same time as the survey and save you money
- Ask them how long they estimate it will take to get the report to you

## Getting the best from your surveyor

- The first thing to do is to instruct the surveyor to do the work
- Make sure you provide your instructions in writing, pointing out any particular areas of concern
- Ask if you can go round the property with them. It will give you a much better idea of the situation
- Ask them to explain their report, and to explain any areas you don't understand

- The report will contain conclusions under headings such as Urgent Matters, Significant Matters and Observations. Get them to talk you through these
- If there is a legal problem that suddenly crops up in the survey, talk to your solicitor immediately
- Ask the surveyor to give you some idea of the cost of rectifying any problems they discover
- Don't be alarmed by the problems revealed by the survey, since in most cases they can be fixed

## Questions to ask your surveyor

- Will you be able to get a mortgage on the property?
- Will there be any major expenses expected in the next five years?
- Does the property represent good value for money?

We wish you the best of luck in finding your new home!



For more information about buying or selling your home, contact one of our dedicated Account Managers.

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