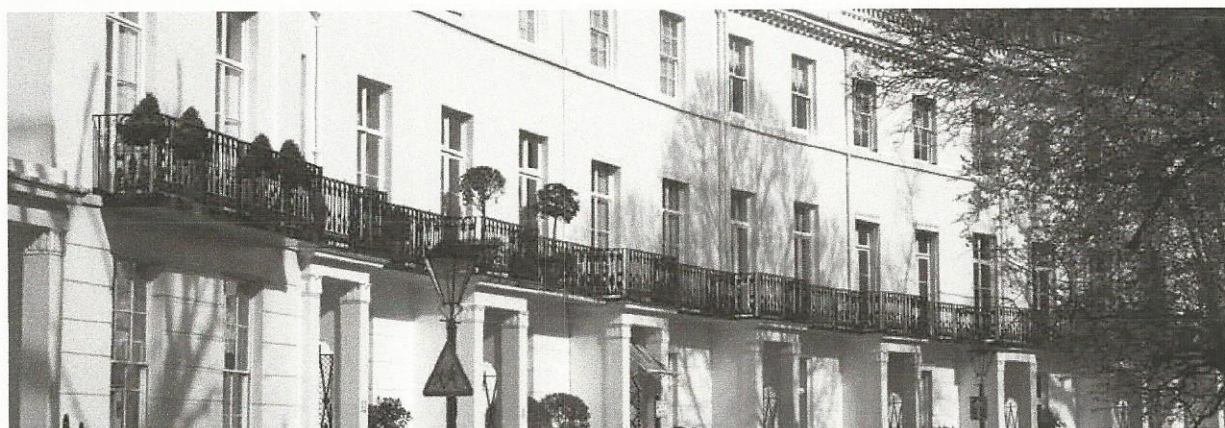


STEP-BY-STEP GUIDE TO BUYING A PROPERTY

Helping you navigate through a complex process

Buying or selling a property can be a complex process and this can take longer if you're part of a chain of buyers and sellers.



There are several steps you'll need to follow:

- Sellers must provide an Energy Performance Certificate for the property
- If a seller is using an estate agent, potential buyers must make any offers through the agent
- Once a buyer's offer has been accepted, the seller is responsible for drawing up a legal contract to transfer ownership
- Your lender should arrange a surveyor to value the property within a few days of agreeing the mortgage in principle
- An offer isn't legally binding until contracts are exchanged

Depending on the amount given for property, the buyer may have to pay Stamp Duty Land Tax

IF YOU'RE BUYING PROPERTY WITH SOMEONE ELSE

You can own a home with up to three other people.

ENERGY PERFORMANCE CERTIFICATES

Energy Performance Certificates (EPCs) are needed whenever a property is:

- Built
- Sold
- Rented

You must order an EPC for potential buyers and tenants before you market your property to sell or rent.

In Scotland, you must display the EPC somewhere in the property, for example, in the meter cupboard or next to the boiler.

An EPC contains:

- Information about a property's energy use and typical energy costs
- Recommendations about how to reduce energy use and save money

An EPC gives a property an energy efficiency rating from A (most efficient) to G (least efficient) and is valid for 10 years.

You can be fined if you don't get an EPC when you need one. The person selling the house, the landlord or the letting agent must show you the EPC if you're buying or renting.

ESTATE AGENTS

You must sign a legally binding contract with an estate agent if you use one to sell your home, and you must stick to the terms of the contract or you could be taken to court.

Estate agents must also treat buyers fairly. They must show any offers promptly and in writing to the person selling the house, and they are legally obliged to pass on any other offers for the property right up to when contracts are exchanged.

SURVEY

Your lender should arrange a surveyor to value the property within a few days of agreeing the mortgage in principle. Its valuation will be very simple and you should arrange your own survey to get an idea of what problems there may be with the property.

It can sometimes be worth asking the lender's surveyor to also put together a survey for you, but this is not always the case. Ask for a quote and compare it with quotes from other surveyors – again, ask around for recommendations.

The most expensive and comprehensive option is to ask the surveyor for a full structural survey of the building, and this is particularly worth doing if you are buying a property that is very old, has been extensively renovated or clearly needs work. It is also a good idea if you are planning to build an extension or structural changes to the building. However, a cheaper, less comprehensive homebuyer's report should highlight any major problems and is a good option in other circumstances.

The surveyor should talk to you before the survey to find out if you have any particular concerns and afterwards to highlight and explain any issues.

OFFERS

A buyer must make an offer through the estate agent if a home is sold through one, and can make their offer directly to the seller for a private sale.

Buyers can make offers verbally (over the phone or in person) or in writing. An offer isn't legally binding in England and Wales until contracts are exchanged.

If a buyer makes an offer 'subject to contract', this means the price can still be negotiated (for example, if a survey finds a problem with the property). The law is different if you're making an offer for property in Scotland.

TRANSFERRING OWNERSHIP (CONVEYANCING)

Once the offer is accepted

The seller is responsible for drawing up a legal contract to transfer ownership.

The contract contains details about:

- The sale price
- The property boundaries
- Which fixtures and fittings (like carpets and kitchen units) are included
- Any legal restrictions or rights, like public footpaths or rules about using the property
- Any planning restrictions
- Services to the property, like drainage and gas
- When the sale will complete

If the seller has hired a solicitor or conveyancer, they will:

- Draft the initial contract
- Answer questions from the buyer's solicitor or conveyancer (with the seller's help)
- Negotiate the details of the contract if necessary

EXCHANGING CONTRACTS

When the buyer and seller are happy with the contract, both sides sign final copies and send them to each other.

The agreement to sell and buy is legally binding once this happens. Usually neither party can pull out without paying compensation.

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FACTSHEET MORTGAGES

COMPLETION

Once you exchange contracts and deal with any remaining checks the buyer has asked for:

- The money is transferred from the buyer to the seller
- The legal documents needed to transfer ownership are handed over to the buyer
- The seller moves out and leaves the property in the state agreed in the contract
- The seller hands over the keys to the buyer
- The property now belongs to the buyer

TAX

You may need to pay:

- Stamp Duty Land Tax when you buy a home
- Capital Gains Tax when you sell a home

STAMP DUTY LAND TAX

- If you buy property for more than £125,000, you pay Stamp Duty Land Tax (SDLT).
- The rate you pay depends on the purchase price of the property.

Where contracts have been exchanged on or before 3 December 2014, and the transaction is completed on 4 December or later, you can choose whether you follow the new or the old rules.

RESIDENTIAL PROPERTIES

Purchase price of property	Rate of SDLT (percentage of portion of purchase price)
£0 - £125,000	0%
£125,001 - £250,000	2%
£250,001 - £925,000	5%
£925,001 - £1.5 million	10%
Over £1.5 million	12%

This factsheet relates to England and Wales. Information is based on our current understanding of taxation legislation and regulations. Any levels and bases of and reliefs from taxation are subject to change. Tax treatment is based on individual circumstances and may be subject to change in the future. Although endeavours have been made to provide accurate and timely information, we cannot guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No individual or company should act upon such information without receiving appropriate professional advice after a thorough review of their particular situation. We cannot accept responsibility for any loss as a result of acts or omissions.

YOUR HOME MAY BE AT RISK IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE OR ANY OTHER DEBT SECURED ON IT.

**PROFESSIONAL FINANCIAL ADVICE YOU CAN TRUST**

There is no need to spend hours searching mortgage comparison sites – we'll give you whole of market independent advice. Simply contact us now by phone or by email and one of our experienced advisers will be happy to help. We look forward to hearing from you.