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Estate Agents • Letting Agents  
Chartered Surveyors

# Guide to Buying

## Guide to Buying

Deciding to Buy a Property is a big decision and there is a lot to think about! To ease you through this process, read our useful step-by-step Guide to Buying:

### STEP 1: What can you afford?

Buying a property is a big step involving a considerable long-term financial commitment, so you need to think hard about what you can afford? You should be realistic in your calculations, considering what assets you have available, such as saving, as well as other money coming in and out.

### Arranging a mortgage

A mortgage is a large outgoing cost, which is effectively a loan secured against a property. You can't sell the property without paying off the mortgage first and if you don't keep up the repayments the lender can repossess the property.

For advice on arranging a mortgage you will need to make an appointment with a mortgage lender. If you would like assistance with this, Barbers work closely with Mortgage Advice Bureau, who are independent advisors based across our 5 branches. We would happy to arrange an appointment on your behalf via any of our Branches. Visit our Branch page for contact information.

### STEP 2: Finding your ideal home

You will need to consider what features of a property are important to you. For example:

- > the number of bedrooms / bathrooms
- > parking
- > separate kitchen and dining room
- > private garden
- > conservatory
- > how much time/money you want to spend on renovations
- > the area (consider local schools, transport links, amenities available etc?)

Consult with your Estate Agent and give them a clear brief on what it is you are looking for and which elements you could possibly consider compromising on. They will then be able to ensure they find the most appropriate properties for you.

Once you have found something that you like, book a viewing to find out more!



## STEP 3: Negotiating and making an offer

Once you have found your ideal home, the next step is to make an offer. It is important to consider a variety of factors when choosing your price level in order to achieve the right deal for you. Discuss your options with your Estate Agents who will be happy to provide some guidance on this.

Some considerations:

- > Knowing your budget ceiling is crucial so decide your maximum limit from the start and stand firm. If the seller refuses to budge, you need to think very carefully if the property really is worth the extra money and can you afford it?
- > If you are a first time buyers, a buyers with no chain or a buyer with a pre-arranged mortgage you potentially have a head start on some of your competition. Make sure the Estate Agent and Seller are aware of this, as this can put you in a very advantageous negotiating position, especially if the seller is in a chain.
- > If a Seller is in a hurry to sell they might be willing to accept a lower offer to make the sale, whereas if a seller is not in a hurry to move they are more likely to hold out for a higher price.

### Watch out for... Gazumping & Gazundering

**Gazumping** is the term used to signify a situation where the seller has accepted an offer but later accepts a higher offer from another purchaser. This is legal and ensuring the property is taken off the market is one way of reducing this risk.

**Gazundering** on the other hand is the term for when a buyer reduces their offer just before the contracts are exchanged in the hope of forcing the seller to accept less for the property. Again this is considered legal.

## STEP 4: Offer accepted. What next?

Once you have made your offer at this stage the property can be advertised as "**Under Offer**" or "**Sold Subject to Contract**".

- > **Under Offer** means that the vendor has been made an offer for the property but has not yet decided whether to accept.
- > **Sold Subject to Contract** means that the vendor has accepted an offer but the sale has not been finalised. Properties, which are Sold Subject to Contract, are usually pending surveys or completion of paperwork.



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So, if your offer is accepted and the property is **"Sold Subject to Contract"** you next need to pass on details of the property to your surveyor, solicitor and mortgage provider. Barbers work in partnership with RIC's approved Surveyors and local solicitors, so we are hand to assist with this and can obtain quotations on your behalf.

If the survey highlights issues or problems that you think should be reflected in a reduced price, now is the time to re-negotiate.

Your solicitor will then begin the conveyancing. In brief this includes organising searches at the local authority and dealing with the results; receiving mortgage offers; checking that the seller really is the owner of the property and preparing a Report on Title; paying stamp duty tax on the property and preparing the final contract.

## STEP 5: Exchange of Contracts and Completion

### Exchange of Contracts

In England and Wales, Exchange of Contracts is the last stage of the legal process after which you cannot pull out (without losing your deposit and any legal costs you may have incurred). This refers to when copies of signed contracts are exchanged between the buyer's conveyancer and the seller's conveyancer.

Once everything is ready, you'll then be asked to pay a deposit before contracts can be finally exchanged. This is a percentage of the property value. Note, at this stage if the buyer pulls out, they will lose their deposit and may face legal action from the seller.

(It is essential to have Buildings Insurance cover in place at this stage and buyers should also consider other protection such as Life Insurance.)

A date for completion is then confirmed after contracts are exchanged.

### Completion

This is the finalising of the sale when all the monies are passed over and the buyer has legal right to the property.

Your conveyancer will call you to tell you when your money has arrived - so you can get the keys and move in. The conveyancer will also send you a completion statement, which should check carefully.

*Congratulations, you are now a Home Owner!*



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