
What to expect when buying a home



Real estate purchases represent major financial decisions and often come with as much worry as they do excitement. So to make the home-buying process a little easier, we've put together a step-by-step guide on what to expect.

- 1) Before deciding on your budget, make sure to ask your mortgage lender for a 'decision in principle'. This is a written statement estimating how much you'll be able to borrow.
- 2) Once you've found the home that's right for you, make an offer to the seller's estate agent.
 - If the seller accepts, you will need to give the estate agent details of your solicitor.
 - NOTE that your offer at this point is not legally binding and only becomes so when contracts are exchanged.
 - Once your offer has been accepted, you'll want to get a formal mortgage offer from your lender.
- 3) It is wise to ask a specialist surveyor to carry out a survey of the property. This will bring to light any problems, such as structural issues.
 - If there are issues and/or any building work is required, you may wish to renegotiate the price for the property.
- 4) Your solicitor will review contracts drawn up by the seller's solicitor.
 - The contract is made up of two identical parts, one to be signed by you and one for the buyer. It will include details such as the length of time between exchange of contracts and completion (usually 7-28 days after exchange of contracts); any fixtures and fittings that will be included in the house sale and how much will be paid for them.

In reviewing contracts drawn up by the seller's solicitors, your solicitor will perform searches on the property that you're buying.

- If there are any enquiries, these will be raised with the seller's solicitors.
- Property Searches Include:
 - A Land Registry Search: your solicitor will check with HM Land Registry to confirm that the seller is the legal owner of the property.
 - A Local Authority Search: this will include a Local Land Charges Search to reveal any matters affecting the property, such as local planning decisions.
 - Environmental Searches: these give details on whether the property is built on or near contaminated land or water, landfill sites and other environmental hazards. They also include a water and drainage search, which examines the water supply and sewer conditions of the property.

- 5) Once you're happy with the conditions and are ready to go ahead with the sale, you'll sign the contracts.
 - Your solicitor will then exchange your contracts with the seller's solicitor and transfer your deposit to them.
 - NOTE that after contracts are exchanged, the agreement becomes legally binding. This means that if you pull out of the purchase, you will lose your deposit and you will be subject to legal action. Alternatively, if the seller pulls out, they will be forced to sell or risk being sued by you.

- 6) The final stage in the home-buying process is completion. This represents the moment that you become the legal owner of the house.
 - Completion occurs on the date agreed on in the contract (usually 7-28 days after exchange of contracts).
 - For completion, your solicitor will transfer the purchase amount (minus the deposit already paid) to the seller's solicitor.
 - Your solicitor receives the title deeds for the property from the buyer's solicitor and will register transfer of ownership with the Land Registry.
 - You will be able to pick up the keys and move into your new home!

- 7) After completion, there should be no additional payments for you to worry about.
 - Your solicitor will usually arrange to pay any stamp duty land tax to HMRC within 14 days of completion.