

# Our guide to moving home



**CARA**  
Mortgage Services

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# Thinking of moving house?

So, you're thinking of moving house? - how exciting!

Whether you're relocating to be closer to a new job opportunity, need more space for your growing family, or perhaps it's the opposite and you're downsizing now that your kids have flown the nest. Whatever your reasons for moving, one thing is for sure, without the right help and guidance, managing your own move and following the process of buying a new house can be quite tricky.

But that's where we can help.

In this guide, we'll help advise you on the steps to follow when it comes to moving house, such as reviewing your mortgage, tips on selling your house, managing the property chain and how to get a new mortgage offer.



# Review your current mortgage

First things first, you'll need to review the mortgage deal that you're currently on at the moment.

Depending on the type of mortgage you have (fixed rate, variable rate etc.) will determine the terms of your mortgage. For instance, if you're looking to move house before your fixed rate comes to an end, then be aware that moving to a new mortgage before this one ends could mean you have to pay an early repayment charge.

There are other options available, such as porting your mortgage. This allows you to move your mortgage over to a different property, but keep on the same deal.

Reviewing your mortgage with a professional mortgage adviser will help you understand what your options are, as they'll spend time talking through the different options available to you.

You may have to pay an early repayment charge to your existing lender if you remortgage.



# How much can you borrow?

It's important to always be realistic about how much money you can afford to borrow. This way you can determine what your budget is and have a clear idea of how to manage your finances accordingly.

Chances are, you'll probably already have a mortgage, so first things first, you need to revisit your financial position.

An affordability calculator is a quick and easy way to see how much you could potentially borrow. Simply type in your annual gross income and how much you have for a deposit, and you can calculate roughly how much money you'll be able to borrow.

Once you know how much money you can borrow, you'll know what price bracket of houses to look at, but your mortgage adviser will be able to assess your financial situation in more depth. They'll consider the demands of your lifestyle to make sure you don't over-stretch yourself and struggle to pay back your mortgage repayments. This is the last thing we want to happen!

## **Decision in Principle (DIP)**

Before you apply for your new mortgage, or make an offer on a house, we advise you get a Decision in Principle (DIP) to show how much money a lender is willing to lend you. The amount is based upon a number of checks, such as looking at your income against your outgoings and running a soft credit check, but this won't affect your credit rating. If the lender does need to run a hard credit check they'll ask for your permission first.

Having a DIP shows both the estate agent and the seller that you're ready to act quickly when it comes to buying, as you've already established how much you can borrow, subject to your full mortgage application.

## **Mortgage porting**

Mortgage porting is when you transfer your current mortgage over to your new house. All the terms and conditions stay the same, such as the early repayment charge, but you'll need to reapply for your mortgage again, as your circumstances may well have changed since you took out the initial mortgage.

# Help to Buy



Backed by  
HM Government

Contrary to popular belief, Help to Buy schemes aren't just for first time buyers. They can also help current homeowners get to where they want to be on the property ladder.

## Help to Buy Equity Loan

This scheme is applicable for new build homes only, so if new builds appeal to you, then it might be worth reading up on the terms and conditions of the [equity loan](#) to see how it could benefit you.

There are different Equity Loan schemes for England, Greater London, Wales and Scotland. We've drilled down on the basics for the England and Greater London scheme, so you can easily see what's on offer.

- The government will lend you up to 20% of the cost of your new build home
- You find the minimum 5% cash deposit upfront
- You therefore have an overall 25% deposit against the purchase price of the house/flat
- You won't be charged loan fees on the 20% loan for the first five years
- In the sixth year, you will be charged a fee of 1.75% of the loan's value. After this, the fee will increase every year in line with inflation. The annual increase in the fees is worked out by using the Retail Price Index (RPI), plus 1%. For instance,
  - Years 1-5: no fees
  - Year 6: 1.75% of the loan
  - Year 7 onwards: 1.75% + RPI + 1%
  - These fees do not go towards paying off the government loan.

The larger the deposit you put down, the more mortgage products you'll have access to, and generally speaking, the bigger the deposit, the better the mortgage deal.

Our advisers will handle your whole Help to Buy application and cut through the jargon for you. Not all lenders accept Help to Buy applications, so we can help find the right lender for your circumstances.

**There will be a new Help to Buy Equity Loan scheme in April 2021 with different rules to the current scheme.**

If you're buying a house in Scotland, you might want to read up on the [Scottish housing scheme](#).

# Applying for a mortgage

When you're ready to apply for your mortgage, you can easily get in touch with us to arrange an appointment with one of our mortgage advisers.

Whether face-to-face or over the phone, we offer the same expert advice and will be there to talk you through the whole mortgage process, from beginning to end. So, if you come across any challenges along the way, such as your buyer pulling out, or problems with surveys, we can be here to make sure things keep moving forward and nothing gets in the way of you moving house.

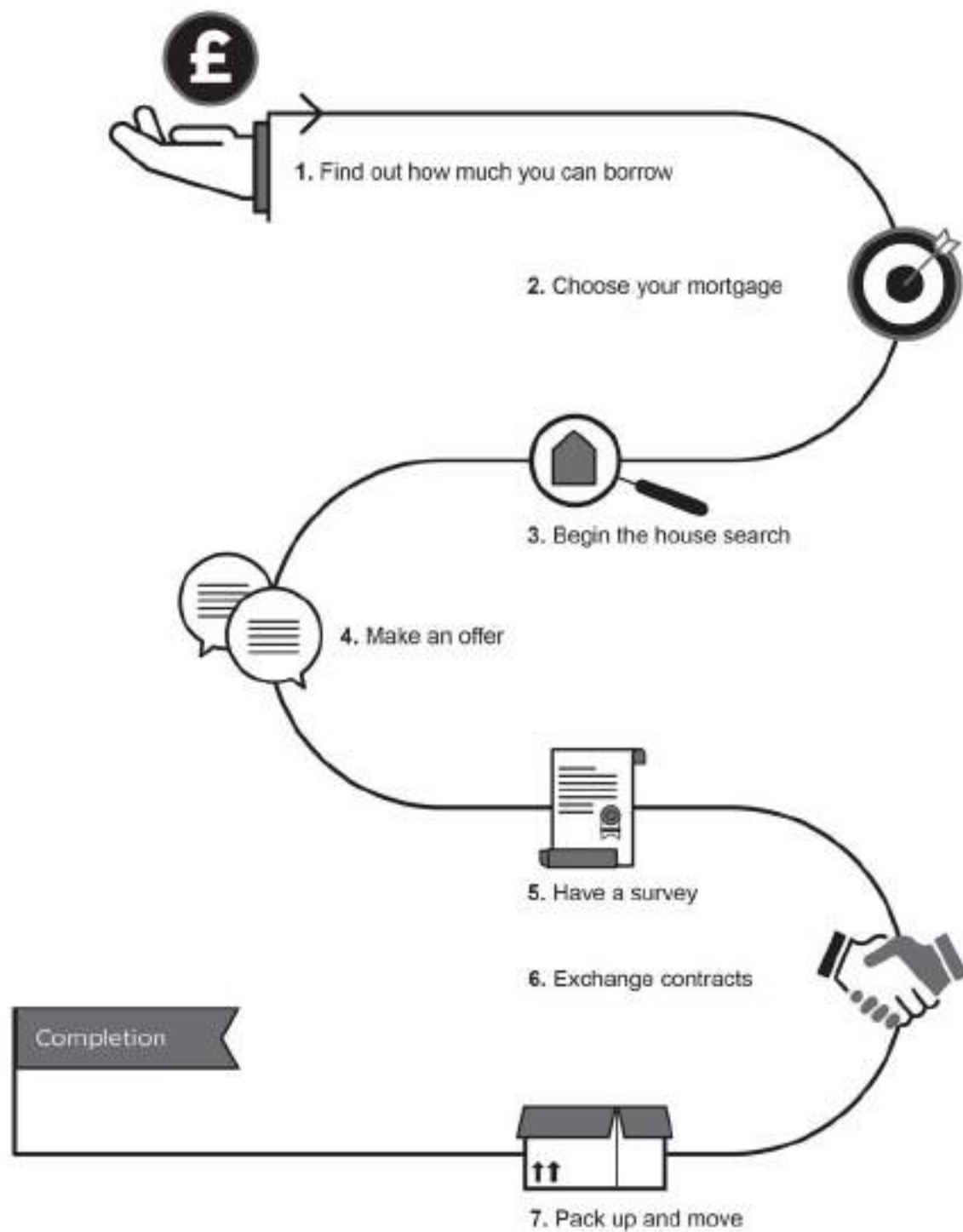
## How we can help

Our advisers can access mortgages that you wouldn't necessarily find when searching the market yourself. We have regular contact with a wide range of lenders, some of whom you may not even know exist. Having access to over 90 lenders will ultimately save you time, as you won't have to search or contact each individual lender to compare their mortgage terms and rates; we'll do all that for you.

**Your home may be repossessed if you do not keep up repayments on your mortgage. There may be a fee for mortgage advice. The actual amount you pay will depend upon your circumstances. The fee is up to 1% but a typical fee is 0.3% of the amount borrowed.**



# The home buying process





# Mortgage protection

According to the Association of British Insurers, every year over one million people are unable to work due to a serious illness or injury.

Whilst it's easy to think, "it won't happen to me", with the current Statutory Sick Pay at £94.25 per week, it's really important to ask yourself whether you could afford your monthly bills and committed expenditure if you weren't able to work due to ill health.

Here are some of the different types of protection we offer:

## **Payment Protection Insurance**

These policies are more specific and generally cover a regular payment that you'd need to make, for example your mortgage. They can usually be claimed upon if you lose your job, for instance if you're made redundant, or if you're not able to work due to accident or illness.

## **Income Protection**

Sometimes known as permanent health insurance, income protection is a policy that can provide you with a regular income, should you become ill or injured and can't work. Income protection insurance policies will generally pay you a predetermined amount either until you recover and go back to work, or until you retire.

## **Life Insurance**

Generally speaking, if you have children, a partner or other relatives who depend on your income to cover mortgage payments, household bills, or any other living expenses, then you should consider life insurance as it could help provide for your family in the unfortunate event of your death.

## **Critical Illness Cover (CIC)**

This is a slightly different type of product, designed to pay a tax-free lump sum in the event that you're diagnosed with a serious illness covered under your policy. You could use the lump sum to either pay your monthly mortgage payments, or pay it off completely, depending on the amount you receive in the event of a claim.

## **Building and Contents Insurance**

Your mortgage lender will likely request that you have buildings and contents insurance. The building insurance will protect you against any necessary repairs, should your home suffer any damage. The contents insurance will protect your personal belongings e.g. furniture, carpets, TV etc. Different policies provide different levels of cover but usually you'll be covered against theft, fire and flood.

**For insurance business we offer products from a choice of insurers.**

# The home buying process in Scotland

## Blind bidding system

Most homes in Scotland are sold on what's called a 'blind bidding' system. This means rather than a house being sold at a fixed price, you can make offers over or around a minimum price. Therefore, the price you end up paying depends on how many other people make an offer too.

Here's an outline of the legal process for buying a house or flat in Scotland.

## Read the Home Report

Once you've found the house for you, ask for a Home Report. This is a document that tells you everything you need to know about the house you're interested in buying. For instance, a survey and valuation, a property questionnaire and an energy report.

## Request a 'Note of Interest'

If you're happy with the Home Report, let your solicitor know and they'll note your interest with the seller. If several other people also note their interest in the house, the seller might set a closing date which means nobody else can make an offer after this date.

If there's no closing date, this could indicate that there isn't anyone else interested, which puts you in a strong position to negotiate a price that suits you.

## Making an offer

If you'd like to make an offer, your solicitor will write a letter on your behalf, to the seller. The letter will include:

- Description of the house you want to buy
- Date you want to collect the keys
- Price you want to pay
- Items you want to buy from the seller
- Any other conditions

If your offer is successful, the seller's solicitor will write to you with a 'qualified acceptance' letter. Following this, any letters to negotiate conditions will happen between your solicitor and the seller's solicitor. These are known as 'missives'.

## The settlement

This is the final stage where you pay the whole purchase price in exchange for the keys to the house.

# Starting the property search

Before you start viewing properties, it's a good idea to write a list of all the requirements you want from your house, aka, your wish list! Think back to the reasons why you're moving in the first place, perhaps you want to be closer to a certain school, a bigger garden, have your own driveway etc.

Other criteria could include:

- Kitchen-diner
- Downstairs W.C
- Extra bedrooms
- En-suite bathroom

Having this list can help you decide whether a house could be right for you, before you book a viewing.

## What to look out for

How does the local area look?

- Is it peaceful or is it quite a busy, built up area?
- How long will it take you to commute to work?
- Are the transport links good?
- Are you nearby local shops?
- How close are you to local schools and nurseries?
- What is the parking like? Not only during the day, but in the evening when everyone has returned home from work



# Starting the property search

How does the property look?

Outside:

- Is there off-road parking?
- Is the house south-facing for the sun?
- Is there a garden?
- How secure does the house look? Alarm, gates, floodlights, double glazing windows etc.
- Can you see any cracks in the walls?
- Can you see any mould or damp?
- Does the guttering look in good condition?
- Does the neighbour's house look well-kept?

Inside:

- What energy rating is the property?
- What heating system is in place?
- How much will the Council Tax be?
- Can you see any mould or damp?
- Are the rooms big enough for your needs i.e. storage space?

Overall, you want to see how far the property meets your wish list, and what it can offer you that your current house doesn't. Consider how long you plan to live there - will it meet your needs in the future?

Once you've found a house that meets your needs, and you have your Decision in Principle (DIP), you're ready to go ahead and make an offer.

# Making an offer

It can be easy to get carried away with haggling on a price, and before you know it, you've gone over your original budget, which isn't a good place to be.

Before you start negotiating on price, think about what really matters to you in order to get a result you're happy with. How much money can you realistically afford to spend on this house, taking into account any extra you might need for decorating, renovation work or repairs. Remember, any faults and repairs can be used as a bargaining tool to lower the offer, but bear in mind that major repairs may affect the valuation of the property. It's also worth finding out how much the house is worth roughly by looking at what similar houses in the area have sold for (**you can find this out on [Zoopla](#)**). Lender valuations can come back different to what you offered, which could put you in a tricky position, but that's where we can step in to talk through your options and help keep things on track.

Whether your offer is accepted or not can largely depend on how the market lies at that moment in time. For instance, if the market's quiet and there are fewer buyers going for the same house, then the vendor could be more open to negotiations. Don't forget to make yourself as an attractive buyer as possible by making sure you're mortgage ready and have a DIP.

Once your offer has been accepted, it's still subject to change as your survey results could reveal something that puts you back into the negotiation stage.



# Selling your home

Now that you've made the decision to move house, generally speaking, you have two options:

## Option one: Sell your house first

If you've already sold your current house, then you're in a much stronger position when it comes to making offers.

However, having sold your house means that you're probably now in a property chain. It's a good idea to do everything you can to help keep the chain moving.

### Things in your control

- Have your finances in place early on
- Have a Decision in Principle
- Have all relevant documentation ready i.e. pay slips, bank statements etc.
- Sign and return all documents required as soon as possible

### Things out of your control

Although there may be things that are unfortunately out of your control i.e. other people signing and returning their paperwork, you can still help move things along by keeping in touch with your solicitor and estate agent.

Don't be reluctant to ask where your application is in the process. Making regular contact will keep you at the forefront of their minds.

## Option two: Buy your new house first

If you want to go ahead and find your new house first, before selling your current house, then be aware you'll need to be able to afford both properties, and the expense of running two homes at once (tax, utility bills etc.).

You also won't be able to use your existing mortgage to cover the new house, so you might need to take out another mortgage for the interim.

# Top tips for selling your house

Generally speaking, your home is your biggest asset and you'll no doubt want to make a profit when you sell it.

To do this, you'll want to make your house as attractive as possible so that it stands out against the rest of the competition. Here's how we recommend you spruce up your home and get it ready to sell to potential buyers.

## Time of year

Consider the time of year when you put your house on the market. It can often be difficult trying to make a house and garden look attractive during the winter months. The majority of people prefer to wait until spring, when the days are brighter and the gardens are coming into bloom.

## Increase kerb appeal

Drive past any house and if it doesn't grab you from the outset, you'll be put off taking a look inside, right? Make sure your front lawn is well-kept, all leaves are swept up and the drive has been weeded and jet washed. Clean the windows and paint any fences that might be looking a bit worse for wear - the little things can make a big difference.

## Neutral colours

Even if red is your favourite colour, it's not necessarily everyone else's too. It's advisable to repaint any rooms a neutral colour, such as white or magnolia. You can still inject colour into soft furnishings such as curtains, cushions, rugs etc. but keeping wall and floor colours neutral will help buyers visualise how they can put their own stamp on things. Neutral colours can also make rooms look bigger, which could work to your advantage too.

## Declutter

Go for the minimalistic look. Get rid of any collections of ornaments or general clutter that has built up over time - even if this means hiding it in cupboards for the meantime. Again, clearing some space will help prospective buyers see past your belongings and picture how they could live in the space themselves.

## Clean

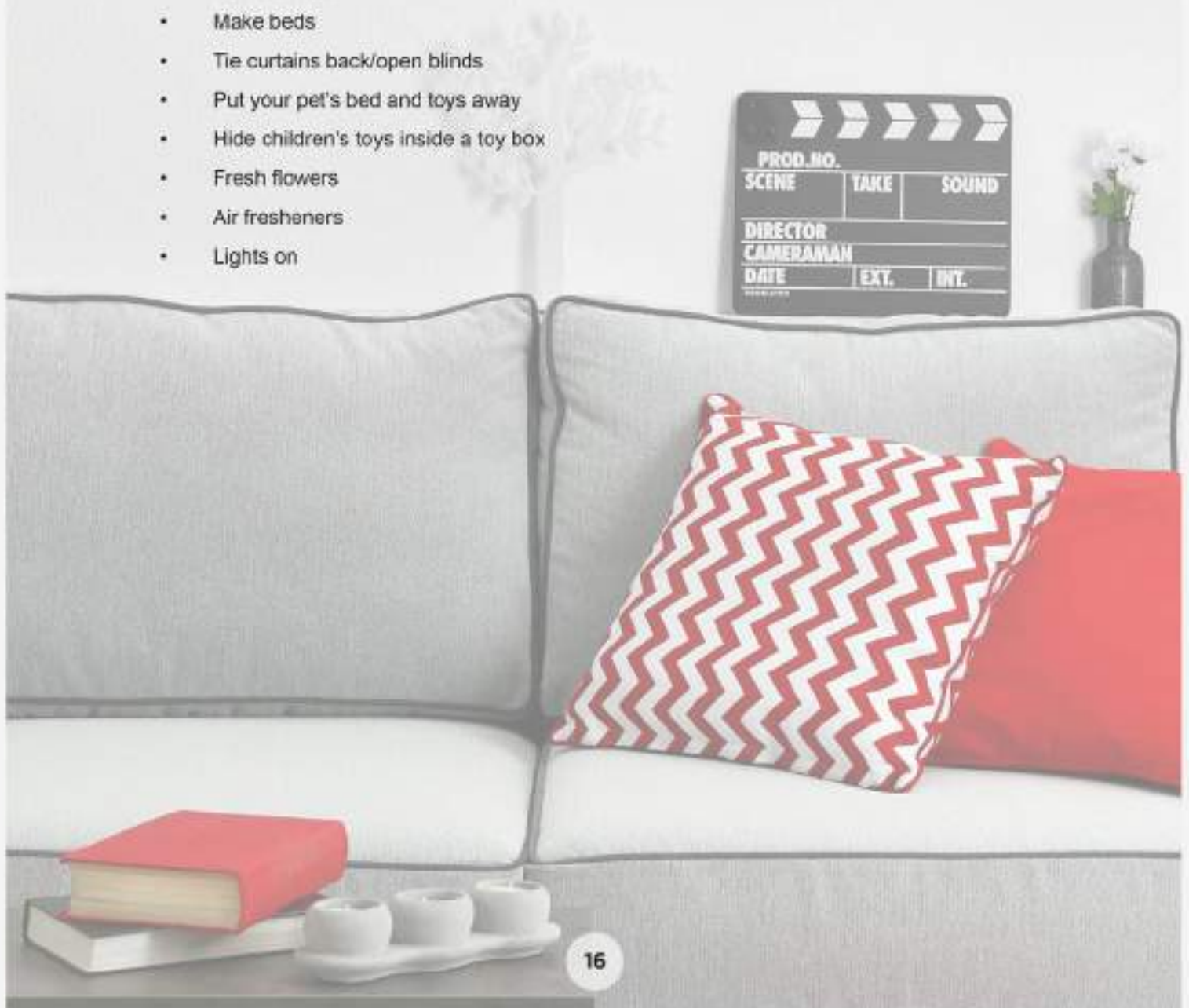
Last but certainly not least, give your home a good spring clean (or perhaps it's a summer, autumn or winter clean!) Clearing away the cobwebs and deep cleaning your home from top to bottom will make your house look well-cared for and it'll be ready to show off.



### Presentation

Before the estate agent comes around to take photos, or potential buyers come to view the house, always remember:

- Fluff cushions
- Make beds
- Tie curtains back/open blinds
- Put your pet's bed and toys away
- Hide children's toys inside a toy box
- Fresh flowers
- Air fresheners
- Lights on





# Accepting an offer

When prospective buyers start making offers on your house, it's important to choose your buyer wisely.

People often assume that the buyer offering the most money is the one to go with, however this isn't necessarily true.

It's important to ask what position the buyer is in. For example, are they a first time buyer? do they already have a Decision in Principle (DIP)? A first time buyer with a DIP could be a far more attractive buyer, even if they're offering less money than someone who is caught in the middle of a chain and needs to sell their house.

Ask yourself what is important to you. Do you want a quick sale, or would you rather hold out for the right price and buyer?



# Choosing surveys and solicitors

For most people, a mortgage is likely to be their biggest financial commitment, so it makes sense to understand exactly what condition the house is in before you sign on the dotted line.

Often, major structural issues aren't easy to spot unless you're a trained professional, so having a house survey can be invaluable and help you avoid any significant repair bills further down the line. If a survey highlights any issues, you have the opportunity to flag them with your vendor and either request that they rectify them before you exchange, or using your survey as evidence, negotiate a discount on your offer price to cover the repair work needed.

How much does a house survey cost?

As a general rule of thumb, the more detailed the house survey, the more it costs, however prices do vary depending on:

- 1) Which firm you use
- 2) The value of the house
- 3) The type of house



# Choosing surveys and solicitors

## What types of house surveys are available?

### Condition Report

This is the most basic form of survey that highlights any major risks, as well as any potential legal issues, however you won't receive any advice on how to deal with them. This type of report is suitable for most types of houses and you can expect to pay from around £300 upwards.

### HomeBuyer Report

This survey will help to identify any significant structural problems, for example subsidence or damp, but it won't go into a lot of detail. For example, it doesn't include an inspection behind the walls or under the floorboards. However, it's the most popular type of survey and you can expect to pay approximately £350 upwards.

### New build snagging survey

This survey provides an independent inspection of a new build house. It may highlight issues which the builder or developer needs to rectify before you complete your purchase. If you want things to run as smoothly as possible, this survey is worth considering as things can be rectified before you move in. You can expect to pay around £350 upwards.

### Building or full structural survey

This is a good choice if you're buying an older house – particularly if it's Listed – or a home that you already know requires a significant amount of work. The survey will list any defects and give advice on the repairs needed. It will also include the surveyor's opinion on any potentially 'hidden' defects. Due to the level of detail included, this is the most expensive survey. However, if you're spending a considerable amount of money on a house, it may be something to consider. Prices generally start at around £500 but can be significantly higher, depending on the size of the house and its value.

### Solicitors

Once your offer has been accepted, you'll also need to find a solicitor to take care of the legalities.

You may already have a solicitor you've used in the past, but if not, you'll often find that the estate agency is happy to recommend one; likewise so may your friends and family.

When it comes to choosing a solicitor, you don't necessarily have to stick with someone local to your area. A solicitor's work can be carried out anywhere, as long as they can communicate with you via email and telephone.

# Choosing surveys and solicitors

## A solicitor's work

### 1. Contact the seller's solicitor

Your solicitor will contact the seller's solicitor who will give them a draft contract and other items requested, which usually includes fixtures and fittings.

### 2. Searches

More often than not, your solicitor will carry out the conveyancing process too. This includes environmental searches, as well as any other searches and enquiries with the local authority. This can reveal any planning issues affecting the property. Your solicitor/conveyancer will carry out duties such as flooding, mining and contaminated land searches, if necessary.

### 3. Sign the contract

Your solicitor will report back to you on all of the investigations they've made and, if you're happy to proceed with the purchase, they'll finalise the terms of the contract and explain these to you.

### 4. Exchange contracts

You'll pay your deposit to your solicitor in order to exchange contracts on the purchase. Exchanging contracts with the seller's solicitor means you've entered a legally binding contract to buy the house.

### 5. Completion

Completion is the final stage in the conveyancing process when your solicitor...

- Receives funds from the lender
- Repays any existing mortgage or loan that may be a condition of your mortgage offer
- Pays the stamp duty and any other fees due
- Transfers the purchase funds to the seller's solicitor
- Ensures the keys to the house are made available once completion takes place

# Exchanging contracts and completion date

Both the buyer and the seller will have to sign identical contracts, however these contracts are not legally binding until they're formally exchanged by the solicitors.

Following the exchange of contracts, it shouldn't be too long before you complete. Now is the right time to take out buildings insurance for your new home, but make sure you're still covered for your current house, as you're still responsible for looking after it until you complete. You'll need to notify your current buildings insurance provider if/when the time comes that you move out, but perhaps the new owners haven't moved in yet.

When you complete, the lender will release the funds to your solicitor, who will then transfer the money over to the seller's solicitor. Once this is all done, you can finally collect the keys to your new home!

So now that you've exchanged contracts, it's time to start planning for the move...



# Preparing to move

Once your offer has been accepted and the solicitors have begun their checks, it's time to start sorting through your belongings to get organised, ready for the move.

## **Get organised**

Organisation is key when it comes to moving house. Whether spreadsheets, colour-coded labels or lists is your thing, find something that works for you. This should help keep you on track and avoid any confusion when it comes to moving.

It's also worth decluttering your house before you start packing, so that you aren't packing things that you'll never actually need. This could also help save you money if you're paying for a removals service.

## **Phone line/broadband**

For most of us, moving into a house with no internet is not ideal (especially if you have kids!), so it's worth putting this on your to-do list sooner rather than later.

If the house you're moving to already has a phone line and broadband connected, then you're not in such a bad position as you can get in touch with your provider about a week before the move to inform them. This way, they can make sure everything is ready for you ahead of moving day.

If your new house doesn't already have a landline and broadband, then unfortunately you're going to have to book an appointment and arrange for an engineer to come out and install one for you.

## **Change address**

It's important to start changing your address a few weeks before you move.

The Post Office has a mail redirection service so you won't have to worry about any of your mail getting stuck at your old address. However, it's still worth getting in touch with any major companies yourself, such as your bank or building society and your utility provider to inform them of your change of address.

## **Meter readings**

This can easily get overlooked but it's an important one that you'll definitely need to do. Make sure you make a note, or take a photo on your phone, of the meter readings when you leave your current house. Do the same when you move into your new home too, as the utility provider will need this information for you to pay your final bill and set up your new account.

# Preparing to move

## Hire professionals or DIY?

Regardless of how many people are moving, or how many belongings you have, moving house is never easy. It's a case of all hands on deck, so call on as many friends and family as you can to help with the move, and even better if they have a van or a large car they can bring along.

If you don't have friends and family nearby, or perhaps you'd rather get everything moved quickly and efficiently, then you might want to consider hiring a professional removals company. If you're moving during the summer months, bear in mind this is a busy time for removals companies, so it's worth getting someone booked in advance.

## Packing tips

Here's how you can try and pack as efficiently as possible:

- **Materials** - you'll need a variety of packing materials, including bubble wrap, strong boxes, sticky tape, brown tape and paper (try to avoid newspaper as this can leave ink prints on your belongings).
- **Distribute weight evenly** - include a mixture of heavy items at the bottom of the box and lighter items at the top. This way, you won't cause yourself, or the removals team, a back injury by trying to lift heavy items.
- **Coloured labels** - colour code the house by room, e.g. living room is blue, kitchen is red, bedroom one is yellow etc. and put the relevant sticker on the box with the relevant contents in it.
- **Label up fragiles** - if you've packed all your finest glassware/crockery together, make sure you label the box as either 'fragile' or 'glass' so that everyone knows to handle these with care.



# Moving checklist

## Six weeks before

- Confirm the date of your move
- Get quotes from removals companies
- Book extra storage space, if needed
- Clear out any belongings you don't need
- Start packing items that you don't use frequently
- Notify utility companies that you're moving
- Organise insurance for your new home

## Four weeks before

- Fill out official change of address form at the Post Office
- Inform doctors, dentists, banks etc. of your move
- Book your pets into the kennels/cattery if it'll make things easier and less stressful for them
- If you have children, consider arranging a babysitter to look after them on moving day
- Check in with estate agents to confirm your moving date hasn't changed

## Two weeks before

- Continue packing non-essential items
- Inform milkman, newspaper deliverers, window cleaners etc. of your move
- Finalise arrangements with removals company, if using one
- Arrange a time to collect the keys to your new home
- Start using up items in freezer

## One week before

- Give gas and electric companies final notice of your move
- Change TV license over to avoid being fined
- Empty kitchen cupboards
- Deep clean the house



#### Night before

- Finish all packing
- Put together a moving day survival kit
- Clear out fridge and freezer
- Charge phone

#### Moving day

- Make sure you have your survival kit to hand and it's not been packed with everything else
- Final checks to make sure you've not forgotten anything
- Say your final goodbyes to your home!
- Take the keys to the estate agents





