GUIDE TO MOVING HOME

JOHN CHARCOL™
INDEPENDENT
MORTGAGE EXPERTISE

LOOKING TO MOVE HOME?

Even if you've been a homeowner for some time, the process of buying and selling your home can be a daunting prospect.

You may have been through the process a number of years ago and you may have forgotten your responsibilities and certain aspects which may have completely changed.

Whether you're a seasoned pro or this is the first time you're selling your home, this guide will help you through the process, including the financial and practical aspects, of what you need to know when you have a mortgage and are moving home.

MOVING HOME WITHOUT CHANGING YOUR MORTGAGE (KNOWN AS PORTING)

Many mortgages are 'portable' which means you may be able to transfer your current mortgage product to a new property. You'll need to check with your lender or broker if your mortgage is portable, but even then your existing lender may still not allow you to port your mortgage to the new property. They can do this for a variety of reasons including:

YOU HAVE TO REAPPLY AND THEREFORE MAY NO LONGER QUALIFY

When you ask your lender to 'port' your mortgage, you effectively have to re-apply for the borrowing, so (depending on how long you've had the mortgage) you may not qualify as it is much tougher to get a mortgage now than it used to be. For example, your circumstances may have changed, you might now be self-employed, or you could earn less money or you have more debt and/or outgoings.

Equally it could be that you've had no changes in your financial situation but might find that your lender's criteria has. So even though you got your first mortgage without hassle, it doesn't mean the same will be the same the second time around.

YOU MAY NOT BE ABLE TO BORROW MORE

If you move to a more expensive property, as many people do if they're looking for a bigger home, you may need to borrow additional cash. If it is willing to lend, the lender may insist that the additional borrowing goes on another mortgage product, which is likely to involve an arrangement fee and potentially a higher rate.

YOU COULD END UP BORROWING AT A POOR RATE OF INTEREST

If you can port and are able to borrow more, remember that you're tied to one lender so you'll have little choice other than to choose from the rate that lender offers you. These may not be particularly competitive and could be far from the cheapest best-buys available, leaving you stuck paying a higher rate of interest on the extra borrowing.

MOVING HOME AND GETTING A NEW MORTGAGE

Should you need to get a new mortgage when you move house, there are a number of options available to you and many things to consider.

IS MY MORTGAGE PORTABLE?
As we explained earlier in this guide, some mortgages can be 'transferred' to another property. Always check to see if there are any fees associated with porting your mortgage though.

WILL MY INTEREST RATE BE DIFFERENT AND WILL IT BE FIXED OR VARIABLE?
When you're porting your current mortgage your exiting rate will, of course, come with you. However, any 'new' borrowing will be based on your choice of product for that new borrowing. You will be able to choose from any available products that your lender has to offer for new borrowing. These could be fixed, variable or tracker as well but they may be different to the one you have had for the past few years. You may be happy to be on a fixed rate if the economy is going through a period of uncertainty or you may wish to switch to a tracker as these can be lower than fixed rates.
Your mortgage broker will be able to take your personal situation and the external factors into consideration and advise you on the best course of action.

SHOULD I SWITCH TO A DIFFERENT TYPE OF MORTGAGE?

If your financial situation has changed and you've got savings or you've inherited some money that's just sitting in a bank account, an offset mortgage may be a worthwhile option to consider. This is a slightly more complex set up though so it's best to ask your broker to make sure this is the right option for you.

TYPES OF MORTGAGE REPAYMENTS

FIXED RATE
A fixed rate means that the interest rate charged won't change for a certain period of time (typically 2-5 years).

TRACKERS
The base rate is set by the Bank of England. Most tracker mortgages directly follow that base interest rate plus a margin set by the lender.

DIFFERENT REPAYMENT TYPES

CAPITAL AND INTEREST
This is the most common repayment set up. Each month you pay something towards the cash you borrowed plus the interest on your mortgage loan.

INTEREST ONLY
In this case, you only pay the interest on the mortgage loan. When the mortgage term (lending period) ends, your lender will want all of the cash you borrowed back too. That means you either need to sell your home (and use any equity you've amassed to downsize) or have an alternative repayment method to cover the money you borrowed when you took out the mortgage.

OFFSET
An offset mortgage matches any savings you have in the bank to your mortgage. With an offset mortgage you only pay interest on the slice of debt above your savings balance. This reduces the amount of interest you are charged, allowing you to pay off your mortgage sooner or reduce your monthly payment. If you have savings it's worth considering an offset mortgage as it could potentially save you thousands in mortgage interest. But, it's best to speak with your broker to make sure you understand the complexities of offsetting before taking the plunge.

COMPARE 1000s OF MORTGAGE DEALS WITH OUR INTERACTIVE COMPARISION TOOL:

charcol.co.uk/BestBuys

SEARCHING FOR A NEW HOME TIPS

The more specific you can be with your estate agent, the better. Don't be afraid to tell them exactly what you want and don't settle for anything less than perfect! It's their job to be experts on the housing market in a particular area plus, they'll help liaise with sellers when it gets to the crunch.

Finding the perfect home can be all about asking the right questions. So, beyond the number of bedrooms and price range, here are a few other things to ask your estate agent to look out for:

THE AREA

- Are the public transport links good? (Including links to shops, schools and the social scene)
- Are there likely to be new property developments in the area in the near future?
- Are the local schools good?

INSIDE THE HOUSE

- What's the average cost of utility bills?
- Does the house have full central heating and how old is the system?
- Is the property insulated (in the loft and/or cavity wall insulation)
- Are there signs of water damage to the floor?
- Is there any sign of mould or rising damp?
-

OUTSIDE THE HOUSE

- Does the house have a burglar alarm fitted?
- Do the doors and windows have sturdy locks?
- Does the roof sag and are there any cracks in the walls? (these can be signs of subsidence)
- Can you see damp above the soil level?
- Is the house double glazed?

SECOND VIEWINGS

First impressions are very important. You're likely to have made 80% of your decision to buy on the first visit. But don't be too hasty. Even minor factors such as the weather affect the way a property can come across on a particular day.

If you've had an offer accepted on a home and you've received a surveyors report, a second viewing is also a great opportunity to assess the extent of any problems.

On the next page is a list of questions to ask yourself and the estate agent when you look around a property you're planning to buy for the second time.

FOR THE VIEWING:

- ☐ Have you viewed the property and area at different times of the day?
- ☐ Have you spent enough time looking around the property and at least half an hour walking around the area you're buying in?
- ☐ Have you checked what the area is like at rush hour, when the pubs close, and how you'll get around?
- ☐ Have you checked your commute to work or school during rush hour?
- ☐ Have you seen the property's energy performance certificate (this will help you understand how efficient the property)?

WHEN CHECKING THE EXTERIOR BRICKWORK:

- ☐ Can you see any cracks or signs of wear?
- ☐ Is there any render or specific finish – how well has this been maintained, how easy is this to maintain?
- ☐ How old is the property?

THE ROOF:

- ☐ Can you see any tiles missing or any broken tiles in the floor?
- ☐ Do the chimneys look straight?
- ☐ Is the flashing (lead that makes external joins waterproof) secure?
- ☐ Are the drains and guttering in good condition/new?
- ☐ If it's raining can you see any signs of leaking?
- ☐ Are the fascias (the wooden section under the roof) in good condition?

THINGS TO TEST:

- ☐ Do the taps work in the bathroom/kitchen/toilet?
- ☐ How long does it take for the hot water to come through?
- ☐ Do all the light switches work?
- ☐ Do all the windows open and close easily?
- ☐ How secure are the windows – are they double glazed?
- ☐ How secure is the front and back door (it's a good idea to try opening and closing yourself)?

INSIDE FOR EACH ROOM:

- ☐ Are there any signs of damp that you can see or smell?
- ☐ Is there any condensation on the wondows?
- ☐ Are there any visible exposed wires?
- ☐ Are there any cracks big enough to put the edge of a 10p in?
- ☐ Would you want to redecorate any of the rooms?
- ☐ Do any of the rooms need new flooring?
- ☐ Are there enough power sockets?
- ☐ Are the phone points in a convenient location?
- ☐ Is there enough storage?
- ☐ Can the neighbours see in to any of the rooms?

IN THE BATHROOM:

- ☐ Does it have an electric shower?
- ☐ Does it have power and is it earth bonded?
- ☐ Is there a shaver socket?
- ☐ Is there any mould?

ADDITIONAL QUESTIONS TO ASK:

- ☐ Where is the boiler located?
- ☐ How old is the boiler and when was it last serviced?
- ☐ Is there loft access? If yes, ask if you can see it.
- ☐ Do any chimneys work?
- ☐ When was the consumer unit/ fuse box last checked?
- ☐ Are there smoke or carbon monoxide alarms?
- ☐ Has any work been done recently on the property?
- ☐ If yes, what guarantees are there on that work?

QUESTIONS FOR IF IT'S A FLAT:

- ☐ Is it leasehold or freehold?
- ☐ If it's leasehold, how many years are left on the lease?
- ☐ What access is there to the garden?
- ☐ What services are shared, eg drainage?
- ☐ If there are flats above, what are the noise levels like?

SELLING YOUR CURRENT HOME

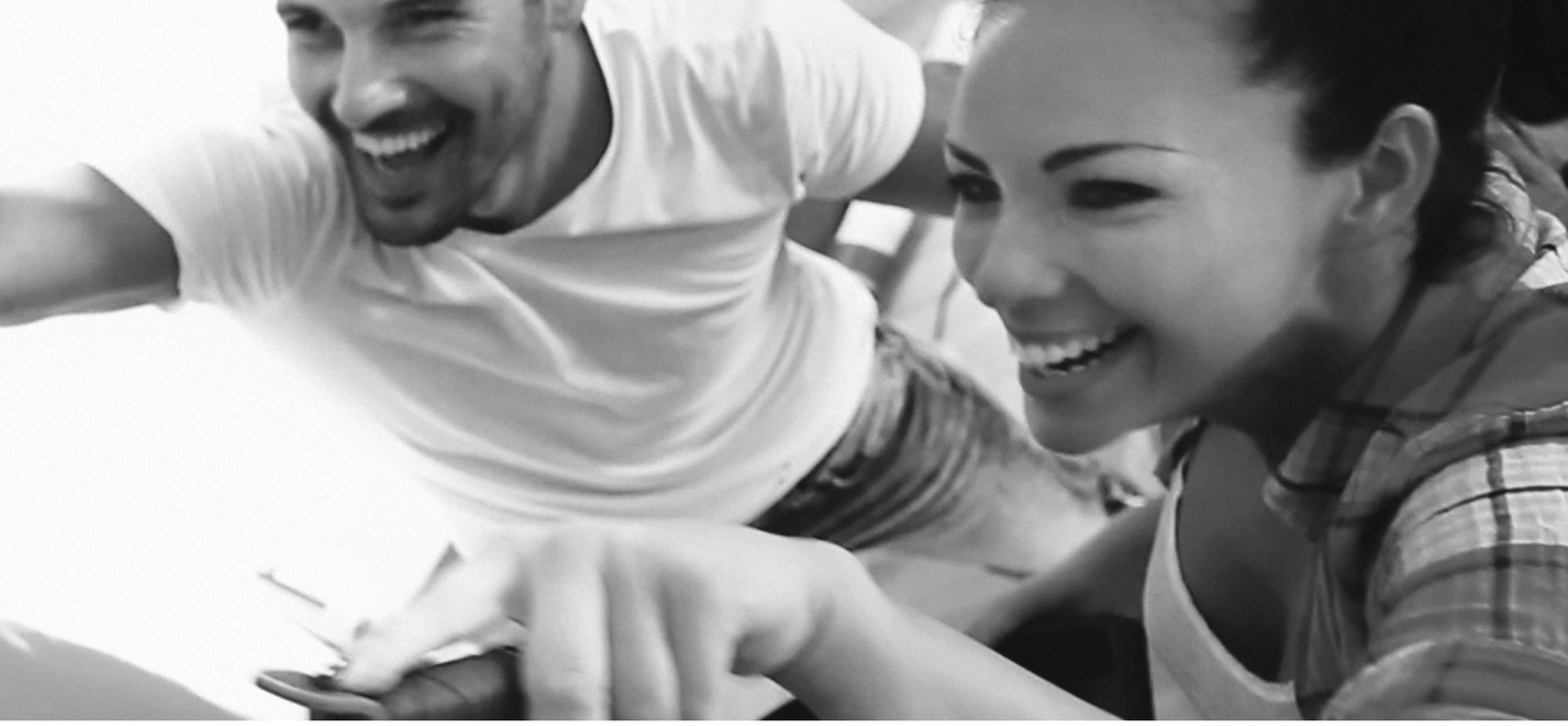
Finding a new property is normally the fun bit. However, selling your existing property is just as important. After all, you want to get a good price for it to cover as much of the cost of your new home as possible. Here are a few important elements of selling your home:

YOUR HOME'S BEST FEATURES
Take a look at the buyer's list earlier in this guide. If your property has some really good answers to those questions, make sure you tell your estate agent so that they can make those advantages really clear to prospective buyers of your home.

VALUATIONS
Once again, you want to get a good price for your property but you also don't want to price people out and make it harder to sell. Be sure to ask your estate agent about the local market and if there's anything easy you can do to increase the value of your property. Take another look at the buyer's check list earlier in this guide and have a think about how/ if your home answers all those questions. For an even more accurate valuation, you could ask for more than one opinion then go for the average or median figure.

ADVERTISING YOUR HOME
This is another task for your estate agent. There's no legal requirement to use their advertising services but it's a good idea if they've got a good reputation. Just be aware that estate agents will charge you for this and it's normally priced as a percentage of your final sale price (around 1.5%).

Online property advertisers are becoming more popular however, if you go down this route, you may find that you need to arrange the viewings yourself and pay fees upfront regardless of if you end up selling via that website or not.



SHOW YOUR HOME IT ITS BEST LIGHT
You'll stand more chance of selling your home quickly and for a good price if it's looking its best when people come around to view it. Here are our top tips:

- De-clutter to make each room feel as spacious as possible.
- Go beyond spring cleaning and check for things like spent bulbs, untidy cupboards/ shelves or curtains hanging off rails.
- In the garden, mow the lawn, weed the flowerbeds and trim edges to make it as idyllic as possible. This is especially important in a front garden as this will form part of a potential buyer's first impressions when they view your home.
- Complete those DIY jobs you've been putting off! Fixing a broken tile, filling in some chipped plaster or touching up some paint work can make all the difference.
- Don't forget the finishing touches – flowers in the window, matching towels in the bathroom and arranged cushions on sofas all give buyers a sugar coated view of your property.
- The big stuff – You could give your home a complete re-paint. If you paint the whole home in magnolia, it gives buyers a blank canvas to work with which can be attractive. Naturally, if you have the cash available, think about investing in things like replacing rotten windows, re-grouting tiles or treating wooden floors.

MANAGING THE CHAIN

The property chain refers to the number of properties involved in a sale. As you're selling your property to move into a new one, the people you're buying from will be moving into a new place too. Already, you've got your buyers, their buyers, yourselves, the people selling you their property and the people they're buying from – that's a lot of contracts that need to change hands! To make matters even more complicated, all these transactions need to complete on the same day!

THERE'S GOOD NEWS AND BAD NEWS

The bad news is that stress and nail biting is inevitable. The good news is the majority of the head spinning contract stuff will be taken care of by your solicitor. Here's how you can stay on top of things and help yourselves through the process:

- Don't be afraid to chase people up – if you haven't heard anything from your conveyancer for a while, give them a call to find out what's going on.
- There's not too much you can do about it but it helps to know everyone's diary. If you know that someone's conveyancer is on holiday for example, it can at least help manage your expectations.
- Put clauses in your selling contracts. This puts the pressure on others in the chain and lets them know that they need to stay on top of things. No one wants to be the weakest link!
- Fix the big problems as soon as you can. Hopefully, your survey will give your property a good review but if there are big things to be fixed, it could cause someone to pull out and destroy the chain.
- Have a backup plan – only take your property off the market once your buyer has a mortgage in principle as this makes it less likely they'll pull out. Similarly, look at other properties you could move on quickly should your purchase fall through.

WHY CHOOSE JOHN CHARCOL

We've been helping people buy property for over 40 years. Over this time, we've helped thousands of people just like you who're in search of their new home. Here's how we've helped all those people and how we can help you too.

WE'RE INDEPENDENT
That means we're not tied down to a number of mortgage providers on a panel. Instead, we search a huge number of providers across the whole UK market to find a mortgage that's just right for you.

We're also not driven by commission. We're only driven by the desire to get you great deal on your mortgage.

WE'RE EXPERTS
When you're moving home, you'll probably experience the full spectrum of emotions. We aim to do our bit to take the stress out of buying your next home.

That means:

- You'll speak directly to your own personal adviser and case handler. They'll stick with you until the job is done.
- Your adviser will speak to you in plain English, get to know you and your requirements and be totally transparent with regards to any fees and charges.
- We'll provide advice on more than just your mortgage. Where ever we can, we'll help you through the buying and moving process and ensure everything keeps moving and runs smoothly.

96%
OF OUR CLIENTS RECOMMEND US ON*

REVIEWS

*Correct as of Dec 2018

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INDEPENDENT MORTGAGE EXPERTISE

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YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE