



CURCHODS
MORTGAGE SERVICES

Moving House Guide



This guide is for those who currently own a home or property and are eager to embark on the exciting journey of moving or purchasing a new property.

We aim to revisit the house-buying process and mortgage process for you. We want to make sure you're not just searching for any property, but one that fits seamlessly into your budget, accompanied by the right mortgage tailored to your unique circumstances.

Our professional mortgage adviser is here to walk you through each step of the house-buying journey, increasing your odds of landing the home you've been dreaming of. They'll position

you as an ideal candidate for the vendor (seller), starting with obtaining an agreement in principle to confirm that you have the necessary funds.

Please ask for our guide that explains the role of the professional mortgage adviser in more detail.

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

Buying when you're already a homeowner

Buying a new home when you're already a homeowner isn't too far off from the excitement of your first property purchase. There are a few extra considerations to keep in mind, but don't worry – we've got your back through it all.

You can keep it straightforward by selling where you currently live and buying your next place. Alternatively, you might be up for the adventure of keeping your existing home and turning it into a rental – a move commonly known as 'let to buy.' Whether it's a one-time investment or the beginning of your property portfolio journey, we've got the expertise to offer you easy-to-understand, stress-free advice tailored to your plans.

Decide early

Timing is key, so the sooner you decide on your course of action, the better. If selling is on your mind, getting your home on the market pronto is our top recommendation. Opting to rent out your current space? Let's gather rental estimates and navigate the process of converting your mortgage to a 'buy to let.'

Our professional mortgage adviser is here to guide you through the maze of mortgage options, keeping everything crystal clear. Whether you want to 'port' your existing deal to the new mortgage or explore a fresh one, we'll lay out the pros and cons, ensuring you have the complete picture.

Choosing a lender

When choosing a lender, we've got the inside scoop on who's the best fit for your unique situation. Whether you're selling or renting out your current home, we'll factor in your priorities – from landing a competitive deal to the need for a swift move. With our professional mortgage adviser by your side, you'll find a lender that strikes just the right balance for you.

The House-Buying Process

The process of buying a house can get a tad more intricate when you're also selling your current home because the timing has to sync up just right. It's not just about your schedule, but it also involves the people moving from your current place to their next home and so on. This ongoing network of sellers (vendors) and buyers is what we call the "chain." Sometimes, the chain is a breeze—maybe the people buying your place are first-time buyers with nothing to sell, and the house you're moving to is vacant, like a shiny new build. But, on the flip side, the chain can stretch much longer, and it takes a coordinated effort among estate agents, solicitors, and mortgage advisers to make sure everyone is on the same page and ready to roll at the perfect moment.

The initial step on your journey is to chat with an Estate Agent and get your current property valued and listed for sale. While you can kick off the quest for your dream home, diving into the financial side might have to wait until you've sealed the deal on your own sale. Likewise, you might hesitate to jump at an offer for your current place if the potential buyers are waiting on their own property to sell.

Our professional mortgage adviser is here to guide you through the process and highlight key considerations. Connect with them early on so they will help you figure out how much you can borrow for your next property which will help you with your property search.

Your property solicitor or licensed conveyancer will handle all the legal paperwork for you throughout the sale and purchase process, taking care of tasks like managing the exchange of contracts, handling deposit payments, and overseeing various money transfers. If you need assistance, our professional mortgage adviser is here to guide you in finding the right property solicitor or conveyancer.

Once your dream home offer gets the green light and your mortgage application is in motion, the lender will swing into action, conducting a thorough property survey to ensure it is suitable for the mortgage security. Meanwhile, the potential buyers eyeing your current home might also be gearing up for their own property survey if they're securing a mortgage. Get ready to navigate the ins and outs of this house-buying rollercoaster from both the seller and buyer perspectives! Our professional mortgage adviser can talk you through the survey options available including recommending independent surveyors you can trust.

When everyone in your chain is ready, the exciting moment of exchanging contracts arrives. Deposits will need to be paid, typically 10% and at this point, everyone in the chain is all in. Backing out at this stage means waving goodbye to the deposit and maybe dealing with some additional costs. As soon as you exchange contracts, it is your responsibility to insure the new property. Our professional mortgage adviser can help you arrange buildings insurance cover.

At last, the most exciting part is on the horizon – completion day! The timeline for completion can vary, taking anywhere from a few days to a couple of weeks after the exchange. As each property in the chain seals the deal, the remaining funds find their way from your property sale and new purchase, and your lender gracefully transfers the funds to your solicitor. With all the legalities neatly sorted, keys exchanged, and presto, your new home officially belongs to you, and you bid farewell to the property you once owned.

Things to consider concerning your new mortgage

A mortgage is a legal agreement by which a financial institution, usually a bank or building society, lends money at interest in exchange for taking the title of the debtor's property whilst there is an outstanding debt.

Deposit/Loan to value

You might not know exactly how much deposit you will have towards the new home until your current property has an agreed sale. However, in discussion with our professional mortgage adviser, you will be able to work out how much money you should have after the current mortgage is repaid. This sum will reduce further to pay any selling and legal fees and anything else that you need to pay for. This will give an idea of the amount of deposit available for the new home.

When the new property is found, this figure can be exact as then you will know if there are any renovations required and you can set aside funds from the proceeds of your sale. Our professional mortgage adviser will consider what percentage of the required mortgage will be in relation to the purchase price of your property. For example, if the new property price is £200,000 and you have £50,000 as a deposit and enough to pay all other fees, you would require a mortgage of £150,000 and this makes the loan to value 75%. The lower the loan to value usually means that the products available attract better terms. Our professional mortgage adviser will help you work out what is available for your circumstances.

Term

Just because your initial mortgage was taken out over a certain term, your new mortgage may not need to continue with the remaining term. The term of the mortgage can vary depending on your needs, age, and budget. The mortgage term can range from 5 to 40 years. The longer the term the more interest you will pay back but the monthly payments will be lower and the shorter the term the less interest you will pay back, and you will be mortgage-free quicker. Our professional mortgage adviser will work out the most suitable term for you – sometimes this is not the longest possible!

Repayment Option

There are two ways to repay your mortgage. The most common is to repay both the capital and the interest over the term that is recommended. This will mean that if repayments are kept up in full, the outstanding debt will reduce year on year.

The other method is to only repay the interest to the lender. This means that the outstanding debt does not reduce but will be repaid by some other means that you may have

Our professional mortgage adviser will recommend the most appropriate for you once they understand your circumstances.

Product Types

There are various products available, and our professional mortgage adviser will recommend a product that suits your needs. The main two types of available product types are fixed and variable. Fixed will mean that your payments will be set for a specific period and variable will mean that your payments can go up or down depending on various factors linked to the product.

Product Fees

Some products come with fees set by the lender and usually, the products that attract a fee also attract a lower interest rate or other incentives like a free valuation or a cashback on completion. Sometimes it is possible to add the product fee to your loan however this will incur interest and will be paid back over the term of the mortgage. Our professional mortgage adviser will compare the available products for you and discuss your options.

Credit Score

Lenders typically conduct a credit check to evaluate your current and past financial standing, resulting in a credit score. This score plays a crucial role in the lender's decision regarding your mortgage application. It might be beneficial to perform your own credit check, and our professional mortgage adviser will guide you through the process.

Your income and affordability

The amount that you can borrow will depend on your affordability. This means that our professional mortgage adviser will need to understand all your financial income and expenditure. Whether your income is received via employment, self-employment, contract work, dividends or a partnership, our professional mortgage adviser will be able to advise on the documentation required to support your application.

Stamp Duty

In the UK, Stamp Duty is a land tax paid on property purchase. First-time buyers may qualify for an exemption from this duty. Stay informed about the ever-changing stamp duty rules; our professional mortgage adviser is well-equipped to discuss the current regulations with you, as they are set by the government.

Legal Fees

Additional fees will be explained by your solicitor or conveyancer. Let them walk you through the details of these charges.

Useful information

What exactly is a new build?

Well, a new build typically refers to a property that hasn't been constructed yet or one that's completed but has never been sold or occupied—this includes those stylish show homes. Mortgage lenders often categorise new builds as:

- Any conversion, like turning a townhouse into flats.
- A property that has undergone significant renovation or extension.
- Homes constructed in the last couple of years.

New builds are quite the buzz, especially for first-time buyers. Housing associations even throw in the option of shared ownership. And guess what? Our expert

mortgage adviser is here to help you figure out if a new build is your perfect match. The cool part? You can often customise the specs to your liking and move in pronto—no need for renovations or worrying about previous owners.

There are some extra points to consider though and our New Build guide gives you more information.

The house-buying and mortgage process can be a bit of a maze. It's crucial not only to grasp the commitment you're making but also to ensure you've got the right mortgage setup—borrowing, term, repayment method, product, and lender tailored to your unique circumstances. Luckily, our professional mortgage adviser is your guide through this complex journey. Cheers to stress-free home hunting!

You will see from all this information that the house-buying and mortgage process can be complicated, and it is important to not only understand the commitment that you are undertaking but to ensure that you have the right mortgage borrowing, term, repayment method, product, and lender to suit your circumstances.

Our professional mortgage adviser will guide you through this process.



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