

GUIDE TO BUYING YOUR HOME – SCOTLAND

1. FIND OUT HOW MUCH YOU CAN BORROW/SOURCE OF DEPOSIT

Prior to placing offers on a property, it is essential that you have a full understanding of the mortgages that are available to you and that the level of borrowing you need is in line with your budget. One of Rapport's Advisers will guide you through your options and fully explain this step by step guide.

The source of your deposit needs to be verified. Whether from your own personal savings, equity in your current property or receipt of a gift from someone not party to the purchase. We will discuss with you the information required to confirm your deposit which if it is a gift will require us to contact the 'Giftor'.

2. UNDERSTANDING COSTS

It is important that you consider the additional costs of purchase which are in addition to your deposit. These will be in the form of solicitors' costs, stamp duty (if applicable), cost of valuation, removal costs (if applicable).

3. FIND A HOME

With a clear budget in mind, you are now able to start your search. You should utilise websites such as Right Move and Zoopla and register with Estate Agents situated in the area where you are looking to buy and ask to be placed on their mailing list.

Once you have found the property you want to buy, you make your offer through a solicitor. They will liaise between you and the person selling the property's solicitor. Should you require any assistance prior to making your offer then contact your Adviser who will be able to help you with this important stage of the process.

4. APPOINT A SOLICITOR

Rapport can assist you in sourcing a Solicitor and can provide you with 2-3 options so that you can make a choice. You can of course source your own Solicitor and if you wish to do this Rapport would recommend that you obtain a minimum of 2 quotations for the work that they will undertake on your behalf for the purchase of your property. You need to ensure that you understand what the fees are and when they are payable. Please note you will often be asked to pay an upfront fee to cover the cost of searches and to open your account with the Solicitor.

Your solicitor is who you will use to legally transact the purchase of your property, from submitting your offer through to completion of the purchase.

5. COMMISSION A HOMEBUYERS REPORT OR BUILDING SURVEY

Upon finding a home you wish to purchase, it is advised that you take out an extensive survey on the property before you submit an offer. This will help you have a clearer picture of the condition of the property, and may also play a part in the offer you would be going to submit on the property. Surveys come in different levels, so we advise to speak to your adviser about the extensiveness of each survey and which one that would be recommended for yourself. As part of your offer on the property, you can define which aspects of the property you want fixed before the contract is drawn up.

6. MAKE OFFER ON THE PROPERTY THROUGH A SOLICITOR

When you make a written or unconditional offer for a property in Scotland, you are legally bound to complete the transaction once the offer is accepted. For this reason, you should always channel your bids through a solicitor, which are directed ultimately to the seller's solicitor by a predetermined closing date.

7. APPLY FOR A MORTGAGE

You will need to contact your Adviser to confirm that your offer has been accepted. We can then schedule a second meeting to formalise your mortgage arrangements so that we can have everything in place to enable us to submit the mortgage application to the lender. To support your application, we will require documentation from you (**Appendix 1**). The time it takes for an application to be processed and the mortgage offer to be received can vary dependent on the individual circumstances and there can sometimes be unavoidable delays. We will provide regular updates during the application process so that you know what is happening at each stage.

8. MORTGAGE OFFER

Once your mortgage has been agreed by the lender and providing that the valuation is satisfactory you will be issued with your formal mortgage offer. This is confirmation that the lender is happy to lend the amount requested on the specific property. Both you and your Solicitor will receive a copy of the mortgage offer and once this has been received you can then liaise with your solicitor to discuss a potential completion date.

9. ARRANGE HOME INSURANCE

We will arrange for someone to contact you from Uinsure who will be able to provide you with a quote for your home insurance. Your Solicitor will need to see a copy of your home insurance and it needs to be in place from exchange of contracts.

10. DISCUSS PERSONAL PROTECTION

Your Adviser will be in touch to discuss what personal protection you should consider in line with your new mortgage. You are taking on a significant commitment and it is essential that you take the time to review any current plans that you have in place e.g. salary insurance, life insurance, etc. If you do not have cover in place your Adviser will be able to make recommendations on what things you need to consider in order to protect yourself and your dependents (if applicable).

11. CONFIRM MOVING DATE/MORTGAGE FUNDS REQUESTED

All parties will look to agree a date for exchange of contracts and completion. Your Solicitor will contact your lender to request the mortgage funds ready for completion.

12. COMPLETION

Your solicitor will pay the balance of the purchase price to the vendor's Solicitor on the moving in date. Once this has been confirmed as received, the Estate Agent will be informed that the keys to the property can be released and you can collect them.

APPENDIX 1 - DOCUMENTATION REQUIRED FOR MORTGAGE APPLICATION

As part of the mortgage application process your Adviser will have to confirm your identity and your income and will therefore require the following documents.

1. PROOF OF IDENTITY

The Adviser will need to see your Passport or Driving Licence. They need to see the original, however for the meeting it would be helpful if you could also have a copy available, preferably in black and white. If you have recently changed your name due to getting married, etc. and your identification is still in your other name we will need a copy of your marriage certificate or change of name certificate.

2. PROOF OF ADDRESS

The Adviser will need to see either a utility bill, bank statement or credit card statement that shows your current address and must be dated within the last 3 months.

3. PROOF OF INCOME

The type of evidence required will depend on how you are employed.

EMPLOYED - Your Adviser will need copies of your latest 3 months' payslips together with your P60 for the last tax year.

SELF-EMPLOYED – Your Adviser will need to see your last 3 years' Tax Calculations and Tax Year Overviews. If you have an Accountant, they will be able to provide these for you. If you do your own Tax Return your Adviser will be able to help you obtain these documents from HMRC. You may also be asked for a set of accounts if you have your own company and ideally your Adviser would require the last 2 years' accounts which can be provided by your Accountant.

CONTRACTOR – If you are a contractor, we will need to see your current contract and your previous contract, ideally covering a 2-year period.

4. BANK STATEMENTS

Your Adviser will need copies of your last 3 months' bank statements showing your income being received. If you are self-employed and have a business account, we will need statements for your business as well. Ideally these will be the full statements which are either posted to you or downloaded from your online banking. Lenders will accept transactions lists instead of statements, but these must contain your name, sort code and account number and cannot be in the form of a spreadsheet. If you are having trouble downloading statements your Adviser will be able to help you with this.

APPENDIX 2 – TYPES OF SURVEY/VALUATION

There are 3 different types of survey available when you are purchasing a property the details of which are below. Obviously the more detailed the report the more expensive the survey will be, and the cost is linked to the purchase price of the property. It is important that you choose a survey based on the condition of the property itself, not the cost of the survey.

Money spent on a decent survey can save you a fortune in the future and help you avoid expensive surprises after you have moved in.

Level of Report	What it covers	What type of home is it suitable for?
Basic	The sole aim of the basic valuation is to satisfy the lender that your desired property is worth the price you are paying – or at least the amount it's lending, before they approve your mortgage. A valuation is just that – it won't point out repairs or structural problems that you will have to pay to fix. If the property is valued below your offer price, you can either: Go back to the seller or the estate agent, and offer a lower price based on the lender's valuation Dispute the valuation by providing evidence, if possible, of similar properties in the area selling for the same price or higher.	It's most suitable for new-build and conventional homes in good condition. A Basic Report is a very basic 'traffic light' survey. The cost is based on the value and size of the property and is typically £150 to £1,500. Sometimes lenders offer mortgages with free valuation surveys.
Homebuyer	This will help you find out if there are any structural problems, such as subsidence or damp, as well as any other unwelcome hidden issues inside and outside. The HomeBuyer Report doesn't look beyond the floorboards or behind the walls. Some home-buyers' reports include a property valuation, so you might be able to revise your offer if the survey reveals a lower price than the mortgage lender's valuation. If there's no valuation included, you could use the report's suggestions for repairs to renegotiate the price. For example, if it's going to cost you £5,000 to carry out work on the property's damp walls, it's reasonable to offer £5,000 less than the asking price.	A HomeBuyer Report is a survey suitable for conventional properties in reasonable condition. Costs start at £400 on average.
Building Survey	This is the most comprehensive survey and is suitable for all residential properties. It is particularly good for older homes or homes that might need repairs. and provides detailed advice on repairs. It's very extensive and in some circumstances worth the extra money but it does not usually include a valuation. Although this survey can't look under floorboards or behind walls it should include the surveyor's opinion on the potential for hidden defects in this area. The surveyor should also provide information on potential repair options. Again, you could try to save money by comparing the details of the repairs required against the lender's valuation.	For larger or older (50+ years) properties, unusual homes, renovation projects and properties in poor condition. This type of survey typically costs upwards of £600.

IF THERE ARE ISSUES WITH THE PROPERTY THE LENDER MAY ASK FOR FURTHER REPORTS SUCH AS DAMP & TIMBER, ROOF, TREE, DRAINAGE, STRUCTURAL ENGINEERS REPORT, ETC.