ISSUE 1 - WINTER 2021

THE MORTGAGE & PROPERTY MAGAZINE

BUY-TO-LET

Investing in a rental property

REMORTGAGING

Could you significantly lower your monthly mortgage repayments?

CELEBRITY HOMES

Which rolling hills are the playground of the rich and famous in Britain?

PLANNING TO BUY FOR THE FIRST TIME IN 2021?

How to boost your chances of mortgage success

PREPARING YOUR HOME FOR SALE

Make sure you bring out the best in your property

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AGENTIS FINANCIAL & MORTGAGE SOLUTIONS LTD

Winter 2021

Mortgage finance

Selling property

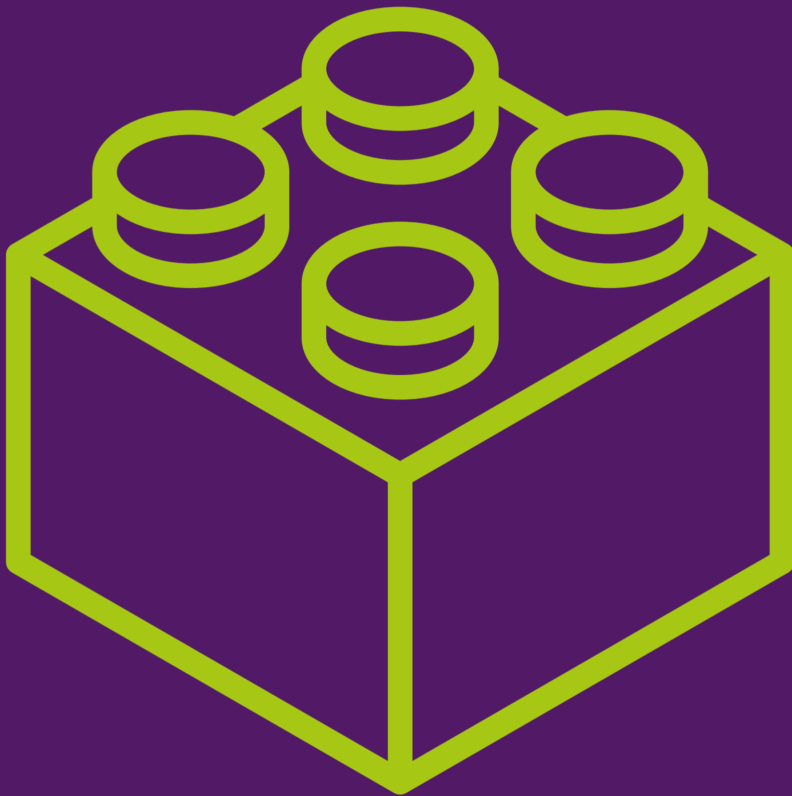
ON THE COVER

Celebrity homes. Which rolling hills are the playground of the rich and famous in Britain?

Property matters

Property investment

Commercial property



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

Welcome

I AM DELIGHTED to welcome you to the winter 2021 quarterly issue of The [Mortgage & Property] Magazine from Agentis Financial & Mortgage Solutions Ltd

There is a wealth of information to take in when buying your first home, and in the current market lenders are far stricter with lending criteria for first-time buyers. Most people dream of owning their own home, and usually, getting a mortgage is the only way to do it. Getting onto the property ladder should be one of the most exciting things you'll do. On page 12 we consider what you need to think about, including finding the right mortgage.

Currently, it is estimated there are over 3 million buy-to-let landlords in the UK and there are many different ways to become a landlord. Perhaps you have inherited a property that you want to keep but not to live in or maybe you have your eye on a property that you wish to acquire with a view to rent out. On page 74, if you are considering becoming a buy-to-let landlord we provide an insight into the main things you need to know.

From scenic valleys to rolling hills, beautiful honey-stone villages and breathtaking landscapes, the Cotswolds has long been a favourite rural retreat for the rich and famous. Turn to page 50 to see which celebrities you're likely to spot on your travels around this quintessentially English area of outstanding natural beauty.

Timing can be a significant factor in property selling prices, and so it's natural to worry about getting it right. Within the property market, there is much written about when the best time to buy and sell is. On page 42 we consider why ultimately the decision to move should be a personal one.

Selling your home? Not having much success? To make the process as stress free as possible when you're preparing to sell your property, it's essential you present it in its best light. On page 46 we explain how a few minor touch-ups can go a long way towards making a favourable impression on prospective buyers and perhaps cinching a sale.

A complete list of the articles featured inside this issue appears on page 03. We truly hope you enjoy reading this issue. ◆

David Mortell Ce(MAP) Ce(RER), Director

THE MORTGAGE & PROPERTY MAGAZINE

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THINK CAREFULLY BEFORE SECURING OTHER DEBTS AGAINST YOUR HOME. YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE. AS WITH ALL INSURANCE POLICIES CONDITIONS AND EXCLUSIONS MAY APPLY. ALL COMMERCIAL BUSINESS IS BY REFERRAL ONLY, AGENTIS FINANCIAL WOULD NOT BE GIVING ADVICE IN THIS AREA. ALL BRIDGING IS BY REFERRAL ONLY, AGENTIS FINANCIAL WOULD NOT BE GIVING ADVICE IN THIS AREA. YOUR BUY-TO-LET PROPERTY MAY BE REPOSSESSED OR A RECEIVER OF RENT APPOINTED IF YOU DO NOT KEEP UP PAYMENTS ON YOUR MORTGAGE. MOST BUY-TO-LET MORTGAGES ARE NOT REGULATED BY THE FINANCIAL CONDUCT AUTHORITY (FCA).

TIME TO SWITCH TO A NEW, CHEAPER MORTGAGE DEAL?

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

MORTGAGE OPTIONS

Selecting a mortgage is a difficult decision that you'll need to think about carefully

APPLYING FOR A MORTGAGE can be intimidating, and it sometimes feels like the lender has all the power. Every lender has its own method to decide whether it wants to lend to you. If you fit a lender's criteria, you'll most probably be accepted quickly. If you're far from ideal, you'll most likely be rejected by it.

Choosing the right mortgage is a complex problem, but it's vital for your financial health that you make a sensible decision and don't get overwhelmed by the options, especially if you're a first-time buyer. To help you feel as confident as possible, we've put together the main different types of mortgages, so you know exactly what you're looking for.

REPAYMENT OR INTEREST-ONLY MORTGAGES

All mortgages are either *repayment mortgages* or *interest-only*.

Repayment mortgages, sometimes called *capital mortgages,* allow you to borrow enough to buy a property (minus your deposit) and then repay that total amount, with interest, over time.

Interest-only mortgages allow you to borrow enough to buy a property (minus your deposit) and then pay only interest on that amount until the end of the mortgage period. You will then repay the original amount, often by selling the property.

Buyers who plan to live in their property almost always choose a *repayment mortgage*. Not all lenders offer *interest-only* and those that do will have strict criteria such as a decent deposit and an approved repayment vehicle in place to pay off the capital at the end of the term.

Many landlords pay their mortgages on an interest-only basis and lenders generally accept this.

FIXED RATE OR VARIABLE MORTGAGES

Most *repayment mortgages* are either *fixed rate* or *variable*.

Fixed rate mortgages have set monthly payments that won't change for an agreed period – usually between two and five years, but sometimes longer. While the interest rate is usually higher than for variable mortgages, you have the security of knowing it won't rise.

This can save you money over the long term. For example, if the Bank of England interest rates rise during your fixed mortgage period, you'll be glad your mortgage payments aren't affected. If Bank of England interest rates fall, you'd probably rather that your mortgage payments fell too – but that's the price of security.

Variable mortgages have monthly payments that go up and down. They might follow the Bank of England interest rates, or they might not. This depends on which type of *variable mortgag*e you choose, out of the following options.

TRACKER, STANDARD VARIABLE RATE AND DISCOUNTED VARIABLE RATE MORTGAGES

Variable mortgages can be any of these types, and the difference between them is how the interest rate (and therefore the cost of your monthly repayments) is calculated.

Tracker mortgages have monthly repayments at an interest rate that's set a little higher than the Bank of England base rate. When that base rate goes up or down, so will the monthly repayments.

Standard variable rate (or *SVR*) *mortgages* have monthly repayments at an interest rate set by the lender. Your payments can go up and down as they decide.

Discounted variable rate mortgages have monthly repayments that are lower than

"Applying for a mortgage can be intimidating, and it sometimes feels like the lender has all the power."

the SVR. This discount usually lasts for an agreed amount of time, and when your time's up, you'll switch to the *standard variable rate*.

CAPPED MORTGAGES

Any of the types of *variable mortgages* can be *capped*, meaning that your monthly payments will never rise over a certain amount. That gives you some protection – although the cap is often quite high anyway, so think carefully before signing up.

OTHER MORTGAGES

While the above categories are the main different types of mortgage, you might want to consider some of the other special features that are available.

These can include:

Cashback mortgages, where you'll receive a lump sum when you take out the mortgage (but usually pay a higher interest rate on repayments).

Offset mortgages, where your cash savings can reduce the interest you pay on your repayments.

Current account mortgages, where your current account and your mortgage are linked, which can also reduce the interest you pay. ◆

>> HOW CAN WE HELP? <<

Getting a mortgage is more than filling out an application form. Before you complete a mortgage affordability check or book a mortgage interview, you will need to make sure your finances are as healthy as possible. For further information or to discuss your situation, we're here to help you. Contact **Agentis Financial & Mortgage Solutions Ltd** – telephone **01733 367800** – email **Info@agentisfinancial.co.uk**.

Planning to buy for the first time in 2021?

How to boost your chances of mortgage success

THERE IS A WEALTH of information to take in when buying your first home, and in the current market lenders are far stricter with lending criteria for first-time buyers. Most people dream of owning their own home, and usually, getting a mortgage is the only way to do it.

Getting onto the property ladder should be one of the most exciting things you'll do but there is so much to think about, including finding the right mortgage.

HELP TO BUY SCHEME IN ENGLAND

The Government's current Help to Buy scheme in England will end in March 2021 and a new one, just for first-time buyers, will start on 1 April 2021.

Still with just a 5% deposit and a 75% mortgage, first-time buyers may be able to borrow up to 20% of the cost of a new home from the Government, or 40% in London. The amount you can spend on your home will depend on where in England you're looking to buy.

TIPS TO BOOST YOUR BORROWING POWER

If you're planning to buy for the first time in 2021, it's important that you've got your finances in order. It's not just your income and deposit being scrutinised when taking out a mortgage.

MANAGE YOUR DEBTS WELL

Lenders want to see that you're a good borrower, so for as long as you can before applying, make sure you're paying debts and bills on time. Stay out of your overdraft and avoid emergency loans. And try not to apply for credit either – like a new credit card, or a mobile phone or car loan.

START SPENDING SENSIBLY

It also helps to prove that you can live on a budget and you know what your outgoings are. Start to track what you're spending monthly on essentials, bills, loan repayments and any other financial commitments. Then you'll be able to prove you know your finances inside out when you get to your mortgage interview.

STAY IN YOUR JOB

Lenders are often put off if you've been in your job for a very short period (six months or less). So, if you're planning to buy a house, don't think about switching careers at the same time. You can do that after you've secured the mortgage and moved in.

TOP UP YOUR DEPOSIT

Most lenders typically require you to have a deposit of at least 5% of the value of the property you intend to buy, but 10% is even better. Lenders offer better rates the bigger your deposit is, and they usually improve at certain levels (so, if you have a 9% deposit saved, it's definitely worth trying to break that 10% barrier).

CHECK YOUR CREDIT REPORT

You can get your report from a credit reference agency, like Experian, for £2, or free from ClearScore. Occasionally they have errors, or you'll see that your credit is still linked to an ex-partner or ex-housemate, which is affecting your score. You want all these problems corrected before you start a mortgage application.

GET ON THE ELECTORAL ROLL

You might not know it, but if you're not registered to vote, or you're still registered at an old address, it can affect your chances of getting a mortgage. Banks and lenders use the electoral roll for basic identity checks, so make sure your details are up to date.

If you've followed all of these recommendations, all that's left to do is to get your paperwork together and put in your application. You could soon be on your way to the home of your dreams. ◆

>> HELPING YOU TO SECURE YOUR HOME AND MORTGAGE <<

Buying your first home is an exciting time and likely to involve some of the most important financial decisions you'll ever make. We're here to help and the process doesn't have to be difficult. Contact **Agentis Financial & Mortgage Solutions Ltd** – telephone **01733 367800** – email **Info@agentisfinancial.co.uk**.

"With an ageing population, the UK will see a rising demand for mortgages from older borrowers."

IS AGE JUST A NUMBER?

Older borrowers face significant challenges in accessing the mortgage market

PEOPLE ARE LIVING LONGER than ever before, and often buying property later in life than previous generations. There are any number of reasons why someone could be seeking a mortgage over the age of 50.

With an ageing population, the UK will see a rising demand for mortgages from older borrowers. The Office for National Statistics (ONS) predicts that by 2050, one in four people in the UK will be aged 65 and over.

Older borrowers are often in a stronger financial position than the younger age group. They are further into their career and often earn more than younger borrowers. Their children may have left home, and they may have already come into a family inheritance. But over the last few years, older borrowers have faced significant challenges in accessing the mortgage market.

In 2014, legislation known as the Mortgage Market Review (MMR) led to many banks and building societies refusing to lend to existing mortgage holders where the term would take the borrower over the age of 65.

More emphasis was placed on affordability, which meant lenders must now look closely at the income and outgoings of mortgage applicants. This leaves older borrowers in their fifties and above with a reduced choice of mortgage products in the UK.

This, plus changes to state pension and retirement laws, including the abolishment of the compulsory retirement age, means the choices for borrowing later in life are limited. Here's why, and what you can do in this situation.

IS IT HARDER TO GET A MORTGAGE AS AN OLDER BORROWER?

Unfortunately, yes, it is. All mortgage providers have a maximum age for their products. This can be your age at the time of application or your age at the end of the mortgage term.

If a mortgage provider has a maximum age of 70 at the end of the mortgage term, as many do, you will find that they have fewer mortgages available to you after you turn 45, since you'll no longer be eligible for 25-year mortgages (the most common length term).

The number of mortgages available to you will decrease as you get older.

IS THIS A COMMON PROBLEM?

Increasingly so. These days, many people move home in later life. You might be relocating to enjoy your retirement, downsizing after your children have flown the nest, or moving to be closer to family. No matter what the reason, you will be looking for a mortgage from a smaller pool of options.

Even if you have no plans to move, you could be affected if you need to remortgage your current home, for example, at the end of your fixed rate mortgage period.

How difficult it is for you to get a mortgage will depend on your age at the time of application, how much you want to borrow, and the period you want to repay over.

WHY IS IT HARDER TO GET A MORTGAGE AS AN OLDER BORROWER?

When lending you money, mortgage providers want to be sure that they'll get that money back. And, they have a

"Once you're approaching retirement age, you'll have more work to do to convince a mortgage provider that you'll have sufficient income to cover your mortgage and living expenses throughout the full term of the mortgage."

responsibility as lenders to ensure that you won't be left with debt you can't pay.

According to the Mortgage Market Review (MMR) in 2014, they are required to anticipate foreseeable changes in your circumstances over the term of the mortgage, particularly regarding retirement and your expected retirement income.

Once you're approaching retirement age, you'll have more work to do to convince a mortgage provider that you'll have sufficient income to cover your mortgage and living expenses throughout the full term of the mortgage.

HOW CAN YOU FIND A MORTGAGE AS AN OLDER BORROWER?

This is partly a matter of persistence, as there are mortgages available for older borrowers if you look hard enough.

Here are a few tips:

1. Shop around. Different mortgage providers have different maximum ages, so others might still accept you even if your first choice won't.

2. Speak to a broker. They will sometimes have access to more mortgages than you can find yourself, and can do the time-consuming work of checking maximum ages for you.

3. Look for shorter-term mortgages, for example, a 10-year mortgage if you're over 55. That way you can plan to repay it before you retire (though your repayments will be higher than with longer mortgages).

4. Inform your mortgage provider if you have plans to delay retirement beyond the full term of the mortgage. They will need to assess the feasibility of your plans.

5. Provide evidence of your retirement income. In some cases, you might have plenty of pension savings or guaranteed pension income, which will be sufficient to convince your mortgage provider that you can afford the repayments.

WHAT ARE YOUR OTHER OPTIONS AS AN OLDER BORROWER?

If you're still unable to find a suitable mortgage, you can look into other options, such as:

- Retirement interest-only mortgages, for which you only pay the interest on your loan, and it is repaid in full after you die, move into residential care or sell the property.
- Equity release, which can provide a cash lump sum while you continue to live in your current home, which again is repaid after you die, move into residential care or sell the property.

These options are only available after the age of 55. ◆

CAN I OBTAIN A MORTGAGE IF I’M SELF-EMPLOYED?

How to give your mortgage application the best chance of success

HIGH STREET LENDERS tend not to offer mortgages to the self-employed, contractors and freelancers without considerable paperwork and delay, so finding the right mortgage lender for your circumstances can be daunting.

There are around 4.8 million self-employed people in the UK, many of whom mistakenly think their irregular income or lack of three years' worth of accounts means they automatically don't meet the requirements for a mortgage. But this is not the case. If you've been put off from applying, it might be time to reconsider.

"If your finances are in good order and you can prove you have a regular income, self-employment is unlikely to cause your application to be rejected."

MORTGAGES FOR SELF-EMPLOYED BUYERS

Self-employed buyers (including sole traders, contractors, partners and directors of limited companies) have access to the same range of mortgages that any other buyer has.

If your finances are in good order and you can prove you have a regular income, self-employment is unlikely to cause your application to be rejected. You'll simply need to provide different documentation, and perhaps more evidence of your income, than a buyer who's in regular employment.

PROVING YOUR INCOME AS A SELF-EMPLOYED BUYER

Mortgage providers will ask you for evidence of your income for the last two to three years, as they would ask any other applicant. How you do this depends on how you are currently self-employed.

- **Sole traders** (self-employed individuals) will be assessed based on their income tax self-assessments.
- **Partners** (people who are in business with others) will be assessed based on their share of the profits of the business.
- **Directors** (people who have formed limited companies) will be assessed based on their salary and dividends paid out by the company.

DOCUMENTATION FOR YOUR MORTGAGE APPLICATION

You'll need to supply the same documentation as anyone else as part of your application (e.g. proof of identity and address), as well as some additional documents. Exactly what you'll need to

>> LOOKING FOR A SELF-EMPLOYED MORTGAGE? <<
With different lending criteria, rates and charges imposed on the self-employed by the various mortgage lenders, we'll help you negotiate the right deal for your situation.
To discuss your requirements contact **Agentis Financial & Mortgage Solutions Ltd** – telephone **01733 367800** – email **Info@agentisfinancial.co.uk**.

supply depends on your mortgage provider and your self-employment status, but you might be asked for any of the following:

- **SA302 forms:** these are provided by HM Revenue & Customs and show your earnings in previous years based on your income tax self-assessment.
- **Payslips and P60s:** if you pay yourself a salary through your limited company, or are employed through an umbrella company, you'll be asked for these as evidence.
- **Limited company accounts:** directors will usually be asked to show their limited company accounts for the last two years.
- **Contracts:** you might be asked to show documents proving your ongoing working relationship with clients and the agreed rates of pay.
- **Bank statements:** if you have a separate business bank account, be prepared to show historic statements for this, as well as your personal account.

IMPROVING YOUR CHANCES OF MORTGAGE APPROVAL

While there's no reason to be pessimistic about your chances of mortgage approval, you should also know that mortgage refusals can temporarily affect your credit score and therefore make your next application slightly more difficult.

You'll give yourself the best chance possible of first-time approval if you do the following things:

REGISTER TO VOTE

Make sure that you're on the electoral roll, as mortgage providers will use this to check your identity. You're likely to be rejected if you're not registered.

CHECK YOUR CREDIT HISTORY

Being self-employed makes it even more important to show that you're good at managing your money, so you need to be aware of anything in your history that indicates otherwise.

PAY YOUR BILLS

Make sure all your accounts are up to date, with no overdue bills or repayments. Your credit card doesn't need to be fully paid off but check that you're not close to your credit limit.

AVOID PAYDAY LOANS

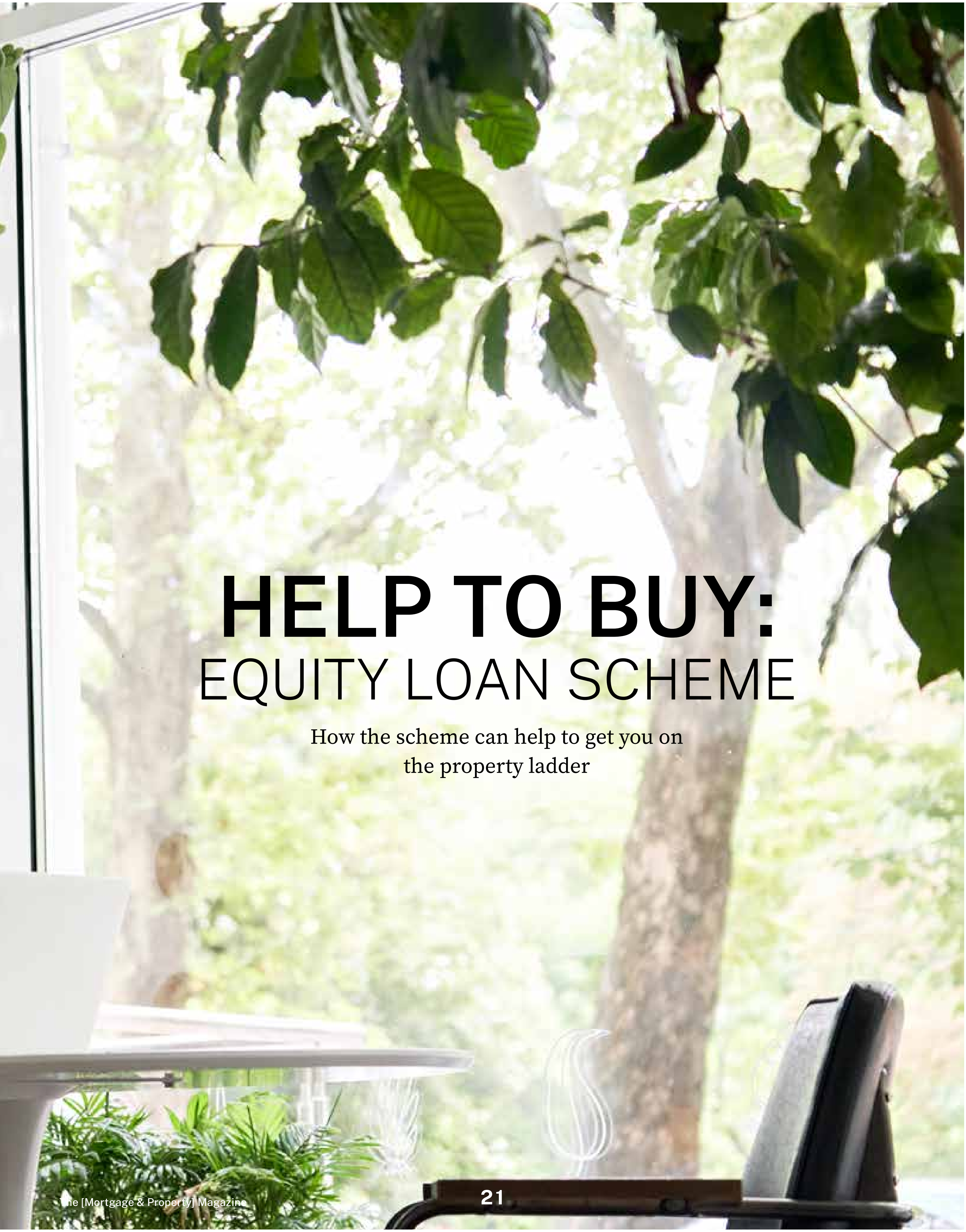
There are certain types of credit, including payday loans, that look bad to mortgage providers. If a recent payday loan will show up in your credit check, you might choose to wait for a while before making your mortgage application.

PREPARE YOUR DEPOSIT

Generally speaking, mortgage providers prefer borrowers with larger deposits. Waiting until you have substantial savings will help your application. If family members are contributing to your deposit, make sure the money is ready to go before you apply.

EXPERT SELF-EMPLOYED BORROWING ADVICE

Obtaining a mortgage if you are self-employed, a contractor or a freelancer is often less straightforward than for those people in full-time employment. So it pays to seek advice from a mortgage broker with expertise in self-employed borrowing. ◆



HELP TO BUY:
EQUITY LOAN SCHEME

How the scheme can help to get you on the property ladder

"You'll need to save enough money to cover 5% of the value of the property you'd like to buy."

IF YOU WANT TO BUY a home of your own, but don't have a very large deposit, the government's Help to Buy: Equity Loan scheme is there to lend a hand.

It could help you pay a lower deposit and pay less per month for the first five years. Over half a million properties have been bought since 2013 using a government Help to Buy scheme.

WHAT IS HELP TO BUY?

Help to Buy is a government equity loan scheme to help you buy a property. The scheme provides an equity loan for you to use towards a deposit. That loan is interest-free and fee-free for the first five years.

By allowing you to put down a larger deposit than you could afford on your own, the scheme helps you to get a better rate on your mortgage, and lower monthly repayments.

Depending on where you live, the government will lend you between 15% and 40% of the property price. You will need to put down a deposit of at least 5% and get a mortgage to cover the rest of the property's value.

The amount you can borrow is as follows: Up to 20% in England and Wales, up to 40% in London, up to 15% in Scotland. Help to Buy equity loans aren't currently available in Northern Ireland.

This article focuses on Help to Buy in England.

HOW DOES IT WORK?

You'll need to save enough money to cover 5% of the value of the property you'd like to buy. The government will then provide a loan to help you put down a larger deposit on that property.

The amount you can borrow through the scheme depends on where you're buying:

- In London, the Help to Buy scheme lends up to 40% of the value of the property
- Outside of London, the Help to Buy scheme lends up to 20% of the value of the property

To cover the remaining cost of the property, you'll need to apply for a repayment mortgage from a lender who participates in the scheme. These include Barclays, NatWest and Halifax.

HOW MUCH COULD YOU BORROW?

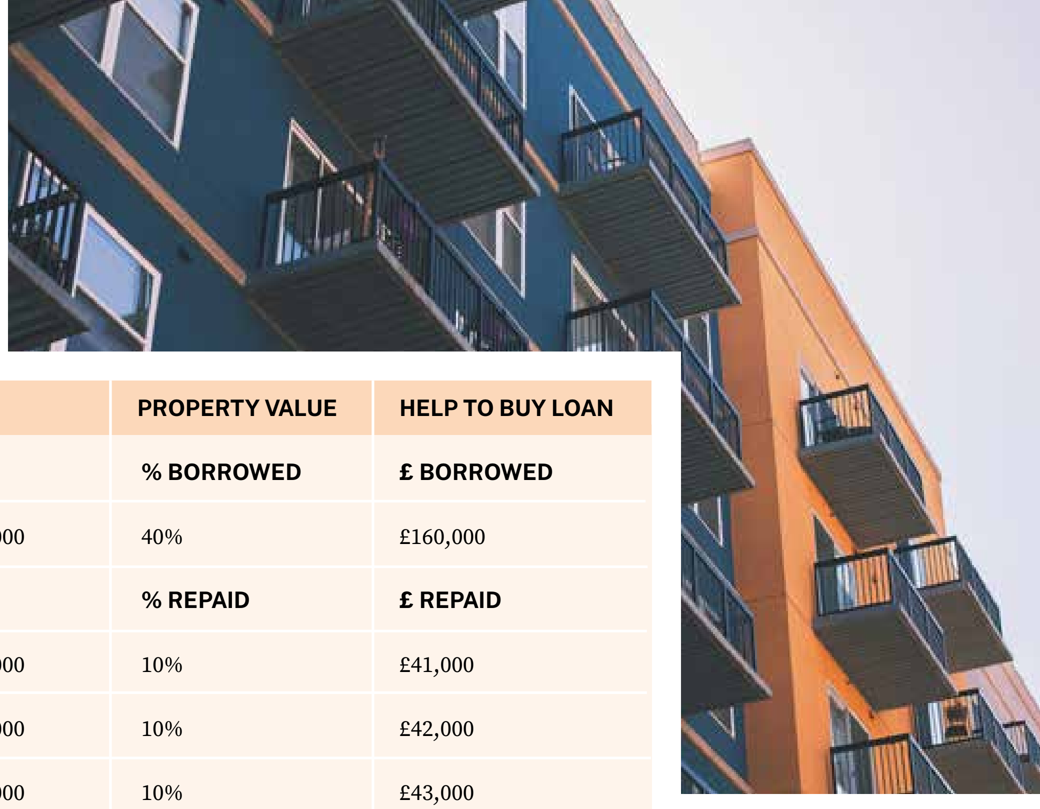
Here are a couple of examples (below) of how much you could borrow through the scheme.

For a property in London costing £400,000

YOUR DEPOSIT	HELP TO BUY LOAN	MORTGAGE	TOTAL
5%	40%	55%	100%
£20,000	£160,000	£220,000	£400,000

For a property outside London costing £200,000

YOUR DEPOSIT	HELP TO BUY LOAN	MORTGAGE	TOTAL
5%	20%	75%	100%
£10,000	£40,000	£150,000	£200,000



		PROPERTY VALUE	HELP TO BUY LOAN
		% BORROWED	**£ BORROWED**
AT TIME OF PURCHASE	£400,000	40%	£160,000
		% REPAID	**£ REPAID**
AT TIME OF REPAYMENT 1	£410,000	10%	£41,000
AT TIME OF REPAYMENT 2	£420,000	10%	£42,000
AT TIME OF REPAYMENT 3	£430,000	10%	£43,000
AT TIME OF REPAYMENT 4	£440,000	10%	£44,000

WHO IS ELIGIBLE FOR HELP TO BUY?

The main criteria you must meet to get a Help to Buy loan are:

- You must be buying a property you plan to live in, not rent out
- You must not currently own a property
- From April 2021, you will have to be a first-time buyer

WHAT PROPERTIES CAN YOU BUY WITH THE SCHEME?

Currently, you can apply for a Help to Buy loan only if you are buying a newly built property from a registered Help to Buy builder, up to the value of £600,000 (£300,000 in Wales). Regional price caps may apply from April 2021.

HOW DO YOU REPAY THE LOAN?

Unlike your mortgage, you don't have to repay the loan monthly. Instead, you can pay off the loan in full when you sell your home, or after 25 years (whichever comes first).

The amount you pay back is based on how much your home is worth at the time of repayment, not at the time you borrowed.

So, if you borrowed 40% of the value of your home, and your home is worth £450,000 at the time of repayment, you'll pay back £180,000.

CAN YOU MAKE EARLY REPAYMENTS?

Yes, you can make early repayments on the loan, as long as you're paying back at least 10% of the value of your home each time. This is a little more complicated, as your home is likely to change in value over time. Here's a simplified example (above).

HOW MUCH WILL THE FEES COST?

The loan is fee-free for the first five years. In year six, the loan fee is 1.75% of the loan amount. Each year after this, the fee will increase according to the Retail Prices Index plus 1%.

RESTRICTED TO FIRST-TIME BUYERS FROM 2021

The Help to Buy: Equity Loan scheme is continuing in its current form, despite the coronavirus outbreak. Do bear in mind though that the property market is moving more slowly than normal. The Equity Loan scheme in England will be restricted to first-time buyers from April 2021, and will end completely in 2023. ◆

>> LOOKING TO BUY A NEW HOME? <<

With Help to Buy, you can buy a new home with just 5% deposit – whether you're a first-time buyer or you're moving on from your existing home. We're here to help you. Contact **Agentis Financial & Mortgage Solutions Ltd** – telephone **01733 367800** – email **Info@agentisfinancial.co.uk**.

Choosing the right mortgage

Should you choose a fixed, tracker or variable rate mortgage?

WHETHER IT'S YOUR first home or the next rung on the property ladder, one of the most important things you'll need to consider is the type of mortgage that's right for you.

Choosing the right mortgage can make a big difference to the repayments you make for years to come, so it's important to understand the advantages and disadvantages of the various options.

"Whether you are buying a new property or just remortgaging, it's worth looking at the different types of mortgages available to you."

When shopping for a mortgage, many of us may assume the best thing to do is call a list of lenders, ask them for their interest rates, compare the results and go with the cheapest option – but there are far more factors to consider.

Whether you are buying a new property or just remortgaging, it's worth looking at the different types of mortgages available to you and learning how they work.

FIXED RATE MORTGAGES

Fixed rate mortgages have set monthly repayments. You'll have an agreement with your lender to pay that exact amount each month for a number of years (usually between two and five years). At the end of this period, your mortgage will switch to the standard variable rate – something we'll cover later.

Advantages:

- You know exactly how much you're expected to repay, with no surprises.
- If the Bank of England interest rate rises, you're protected from increases.

Disadvantages:

- The interest rate your lender offers for a fixed rate mortgage is likely to be higher than the starting rate they offer for a variable rate mortgage.
- If the Bank of England interest rate falls, you won't benefit from a decrease.
- There can be expensive penalties if you want to get out of your mortgage before the end of the agreed period.

TRACKER MORTGAGES

Tracker mortgages have monthly repayments that rise and fall according to the fluctuations of the Bank of England base rate. Sometimes this continues for the full term of the mortgage, but more frequently, it's for an introductory period, such as the first two years. After this, the mortgage will switch to the standard variable rate.

Advantages:

- In times of low interest rates, tracker mortgages have lower repayments than fixed rate mortgages.
- While your repayments will change, they will only rise if the Bank of England base rate rises (or, in the case of some rarer mortgages, a different rate called the Libor rate). You don't need to worry about rises for any other reason.

Disadvantages:

- It's impossible to know at the start of your mortgage how much your repayments might rise or fall by in future. You can get stuck with high repayments.
- If you need to get out of the mortgage early, you might have to pay an expensive penalty.

VARIABLE RATE MORTGAGES

Standard variable rate (SVR) mortgages are repaid at a rate set by the lender, which goes up and down as they decide. It tends to move in relation to the Bank of England base rate but – unlike a tracker mortgage – the two aren't directly linked.

Advantages:

- When the standard variable rate goes down, so will your repayments.

- You can usually get out of an SVR mortgage at any time by fully repaying your debt. So, if the rate goes up and you can't afford the repayments, you can look at remortgaging.

Disadvantages:

- Even if Bank of England interest rates fall, there's no guarantee that your mortgage repayments will go down.
- Frequent, unpredictable changes to your mortgage repayments can make it difficult for you to plan your household spending and live within your means.

CHOOSING A FIXED, TRACKER OR VARIABLE RATE MORTGAGE

The best type of mortgage for you will depend on your personal and financial situation.

Fixed rate mortgages are most suitable for people who would struggle to make repayments if these were suddenly to rise. They're less suitable for people who plan to move in the near future.

Tracker mortgages are suitable for people who can afford to take a risk that their mortgage repayments will rise, for the chance that they'll fall. They're less suitable for people who plan to sell before the end of the tracker period.

SVR mortgages may appear to offer a better rate than other mortgage types but can be more expensive over the full term. If you originally chose a fixed rate or tracker mortgage which has now switched to the SVR, you might want to consider remortgaging. However, think carefully about how long you plan to stay in your property before committing to a new fixed term. ◆

>> IT'S TIME TO GET STARTED <<

If you would like help in choosing the right mortgage, or would like to find out more about mortgages, for further information or to discuss your requirements contact **Agentis Financial & Mortgage Solutions Ltd** – telephone **01733 367800** – email **Info@agentisfinancial.co.uk**.

"Choosing the right mortgage can make a big difference to the repayments you make for years to come, so it's important to understand the advantages and disadvantages of the various options."

Does size matter?

Obtaining a mortgage Decision in Principle
will give you the answer

BEFORE APPLYING for a mortgage, and often before making an offer on a property, you may need a mortgage in principle called a Decision in Principle (DIP), an Agreement in Principle (AIP) or a Lending Certificate.

With a Decision in Principle you can take the first step to buying or remortgaging your home. Even though a Decision in Principle isn't required, some estate agents may insist that you have one.

HOW IS THIS DIFFERENT FROM A MORTGAGE APPLICATION?

For the Decision in Principle, a mortgage provider will base their answer on the basic information you supply and a credit check.

If you then decide you want to apply for a mortgage with them, you will need to give much more detailed answers to questions about your income and outgoings, and provide evidence, usually in the form of bank statements, bills, payslips, etc.

"With a Decision in Principle you can take the first step to buying or remortgaging your home."

WHAT IS A DECISION IN PRINCIPLE?

A Decision in Principle is a certificate from your mortgage provider stating how much they have agreed, in principle, to lend you to buy a property. It will typically last between 60 and 90 days.

It is not a guarantee that the mortgage provider will lend you this money but rather an indication of the amount the provider would agree to if you were to pass all of their future assessments and checks.

WHY DO YOU NEED A DECISION IN PRINCIPLE?

You don't necessarily need a Decision in Principle to buy a property, but it can help with the sales process. Estate agents will use it to see if the properties they are showing to you are within your price range, and sellers will use it to judge whether you are a serious buyer.

This is particularly useful for first-time buyers, who have no previous history of being accepted for a mortgage.

HOW DO YOU GET A DECISION IN PRINCIPLE?

To get a Decision in Principle you can apply through most mortgage providers' websites, stating:

- The amount you wish to borrow
- The value of the property you wish to buy
- Your income
- Your regular outgoings

Many mortgage providers will give you an instant response.

CAN A DECISION IN PRINCIPLE AFFECT YOUR CREDIT SCORE?

Most mortgage providers require a soft credit check, meaning that it shouldn't harm your credit score if you fail. Others require a hard credit check, which may have an impact on your credit score if you fail.

If you're concerned about failing the credit check, find out which type of check your mortgage provider requires, or speak to a broker to find a mortgage provider that only requires a soft credit check. Don't apply for multiple Decisions in Principle, as several hard credit check failures in a short space of time can be particularly damaging to your credit score. ◆

>> ITS GOOD TO TALK <<

Before you start your property search or plans to remortgage, it may help to have a clear idea of how big a mortgage you'll be able to obtain. Getting a Decision in Principle should give you a good indication of how much you might be able to borrow before you submit a full mortgage application and receive a formal mortgage offer. To talk to us about your requirements, please contact **Agentis Financial & Mortgage Solutions Ltd** – telephone **01733 367800** – email **Info@agentisfinancial.co.uk**.

MAKE BIG SAVINGS WITH AN OFFSET MORTGAGE

A smart and tax-efficient way to cut borrowing costs

CHOOSING THE RIGHT type of mortgage can save you thousands of pounds in the long term. If appropriate to your particulate situation, one of the less common types worth considering is an offset mortgage.

Offset mortgages (and their predecessors, current account mortgages) have permanently changed the way that many Britons think about their mortgage. They can either help you reduce your monthly payments, or shorten the term and help you get mortgage-free sooner.

Typically you may want to consider offsetting if you have savings that you require access to but are unhappy with the punitive interest rates offered by easy access accounts.

Higher-rate tax payers may also want to consider offset mortgages as their savings will attract no interest and they will not have to declare this as taxable income. In other words, because you are effectively putting interest earned from savings or from a lump sum of money earned towards your mortgage, it is tax-free.

“An offset mortgage is a homebuying loan that’s linked to your savings account.”

Applicants who are self-employed can use money set aside to pay their tax bill to offset and landlords can have their rental income paid into a savings account linked to their own residential offset, which can help reduce their own mortgage interest so is also very useful.

WHAT IS AN OFFSET MORTGAGE?

An offset mortgage is a homebuying loan that’s linked to your savings account to let you reduce how much interest you are charged. Any cash savings you have in that account are offset against the amount you owe. Lenders deduct this amount from your mortgage balance and only charge you interest on the remaining amount.

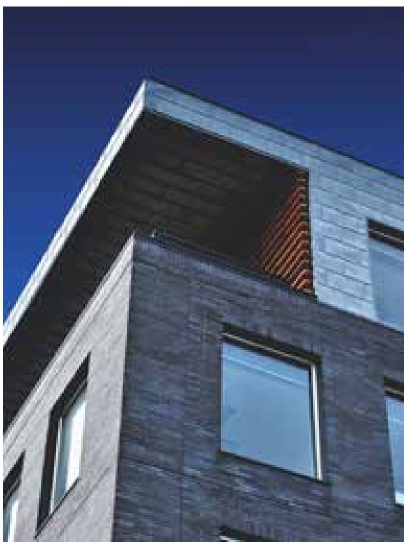
For example, if you have a £200,000 mortgage but you have £20,000 in savings, you will only pay interest on £180,000 of the mortgage.

The more savings you have, the less interest you’ll have to pay on your mortgage.

WHY IS IT IMPORTANT TO REDUCE YOUR MORTGAGE INTEREST?

Interest can add up a lot over the full term of your mortgage. For example, if you were to repay a £200,000 mortgage over 25 years, at an interest rate of 3%, you’d pay over £80,000 in interest.

“Using your savings to increase your deposit has the same effect as choosing an offset mortgage – it reduces the amount that you’re paying interest on.”



Anything that reduces the amount of interest you must pay – like an offset mortgage – can help you save a significant amount of money over the long-term.

DO YOU STILL HAVE ACCESS TO YOUR SAVINGS WITH AN OFFSET MORTGAGE?

Yes. One of the main advantages of an offset mortgage is that you can still use your savings if you need to. The money is still yours and you aren’t obligated to use it to pay off your mortgage at any point.

You just need to remember that, if you withdraw a significant amount of your savings, your monthly mortgage repayments will go up.

CAN YOU STILL ADD TO YOUR SAVINGS WITH AN OFFSET MORTGAGE?

Yes, you can still add to your savings, and this is often a sensible decision. The effect is the same as if you were to overpay on your mortgage, in that it will reduce the balance that you’re paying interest on.

However, the added benefit is that you can change your mind later and withdraw that money again if you need it. It isn’t usually possible to do this if you have overpaid your mortgage.

DO YOU STILL EARN INTEREST ON YOUR SAVINGS WITH AN OFFSET MORTGAGE?

No, you won’t earn interest on your savings. It’s important to bear this in mind, as over a long period (like a 25-year mortgage) inflation will reduce the buying power of your savings.

But the interest you save on your mortgage should add up more than the interest you would earn on your savings. You just need to compare the interest rates available to you for both mortgages and savings accounts to see if you’ll benefit.

WHY NOT USE YOUR SAVINGS AS A BIGGER DEPOSIT?

Using your savings to increase your deposit has the same effect as choosing an offset mortgage – it reduces the amount that you’re paying interest on.

The advantage of choosing an offset mortgage is that you can still access your savings later if you need to, whereas if you use them as a deposit, they are no longer accessible.

There are two advantages of using your savings as a bigger deposit. Firstly, you’ll have access to a wider range of mortgages, as offset mortgages are less common than other types. Secondly, you’ll be borrowing at a lower loan-to-

value ratio (LTV). Because of these two factors, you might be able to find a mortgage with a lower interest rate than the offset mortgages available.

The best option for you depends on your circumstances, and you might want to check with a mortgage broker to help you compare your options.

WHAT ARE THE ADVANTAGES OF OFFSET MORTGAGES?

- You can pay lower monthly repayments
- Or, you can overpay and be mortgage-free sooner
- You will still have access to your savings if you need them
- You won't pay any tax on your savings as they are not earning interest
- You'll usually save more in mortgage interest than you lose in savings interest

WHAT ARE THE DISADVANTAGES OF OFFSET MORTGAGES?

- You won't earn any interest on your savings
- Offset mortgages typically have a higher interest rate than other mortgage types
- There is a limited range of offset mortgages to choose from
- You can sometimes be better off using your savings to increase your mortgage deposit. ◆

REMORTGAGING

Could you significantly lower your monthly mortgage repayments?

WHILE MOST HOMEOWNERS have a mortgage, many don't realise that they could save money by remortgaging. While there are good reasons to find a new mortgage deal, it really depends on your situation and circumstances. Not sure whether to remortgage?

Remortgaging involves taking out a new mortgage and repaying your existing one. With a remortgage, you do not usually move property. You simply transfer the debt on your existing mortgage to a new lender, with your home continuing to act as security. This could be with either your existing lender or a new mortgage provider.

WHY DO PEOPLE REMORTGAGE?

Remortgaging can allow you to switch to a mortgage product that is more attractive. This could be because it is at a lower rate of interest or better suited to your needs. The main reason to remortgage is because doing so can result in significantly lower monthly repayments. Some people save hundreds of pounds.

Or, you might not necessarily be looking for lower repayments, but you'd like them to be more predictable. If you have a variable rate mortgage and you're worried about rate increases, remortgaging with a fixed rate mortgage could give you more peace of mind.

As another alternative, you might be looking for more flexibility. Not all mortgages allow you to overpay, or to take a payment holiday when you need to. Remortgaging can allow you to find a mortgage that better suits your needs.

"Remortgaging involves taking out a new mortgage and repaying your existing one. With a remortgage, you do not usually move property."

WHEN SHOULD YOU REMORTGAGE?

You can look into remortgaging at any time, but at certain times it becomes even more important.

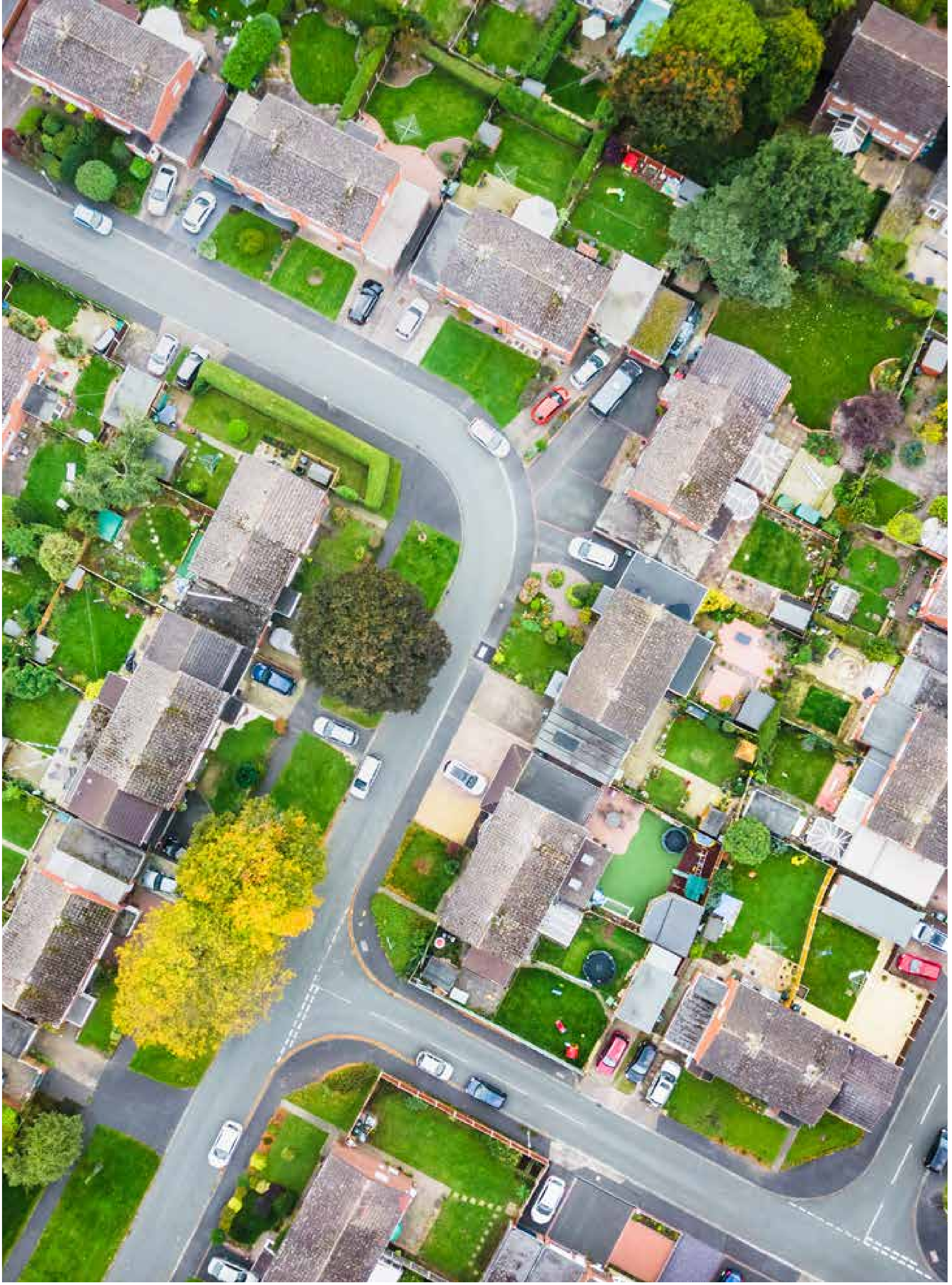
1. At the end of your current deal

When you bought your home, it's likely that you chose a mortgage with an introductory incentive. For example, you might have selected a fixed rate mortgage for three years, or a tracker mortgage for two years. Whatever the case, at the end of that incentive period your mortgage will switch to your lender's standard variable rate (SVR). The SVR can go up and down as your lender decides, which can result in a sudden increase in your monthly repayments.

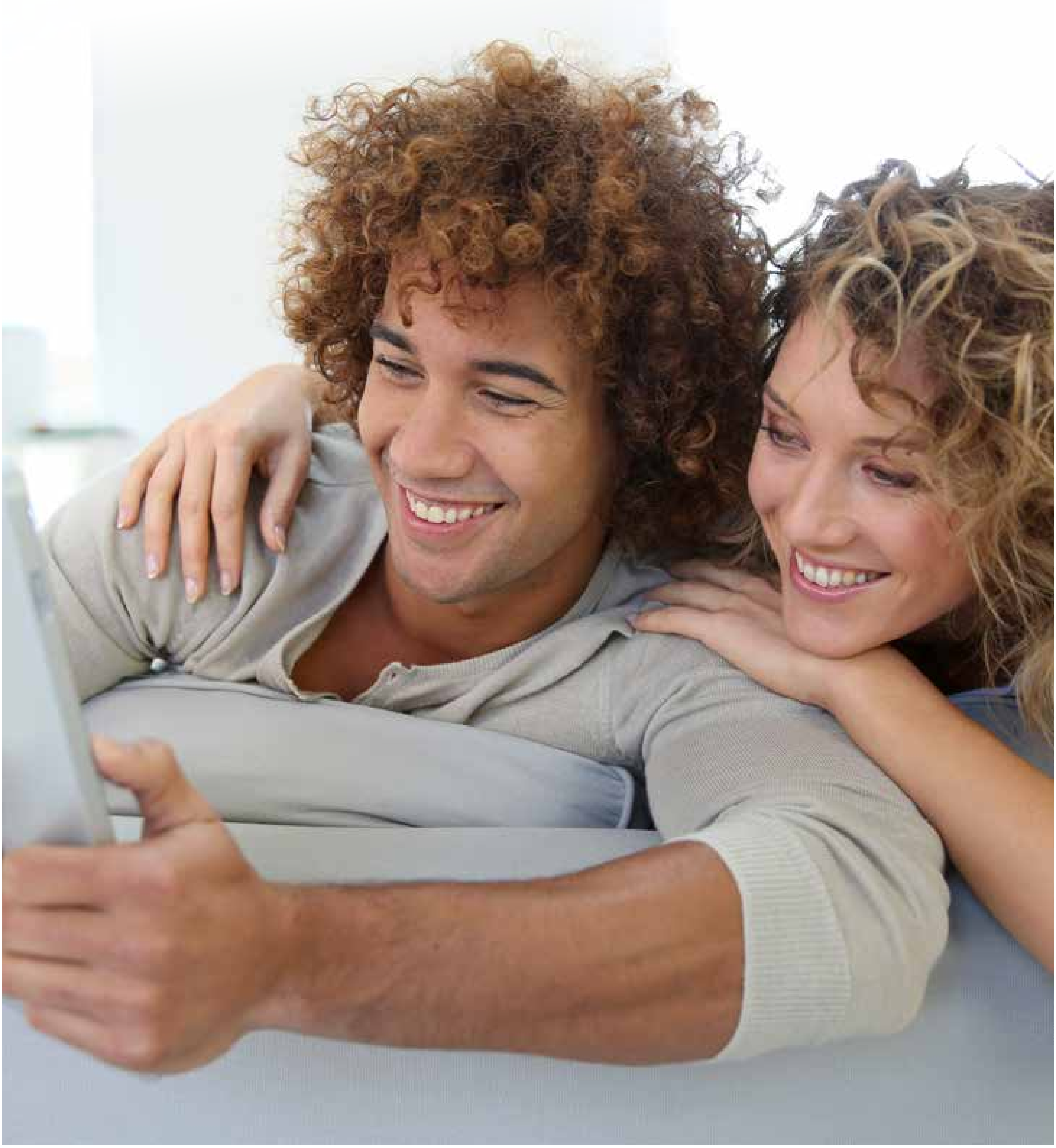
Luckily, it's usually easier to get out of your mortgage early once you've reached the end of the incentive period. So, you can start to shop around for other deals.

2. If your home has increased in value

If your house has substantially increased in value – whether that's because you've carried out renovations, or new transport



“If your current mortgage provider won’t allow you to increase your mortgage, remortgaging would give you the opportunity to switch to one that will.”



links have driven up prices locally – your loan-to-value ratio will have changed. For example, a £180,0000 mortgage on a £200,000 property has a LTV of 90%. If the property value quickly increases to £225,000, the LTV is now 80%.

This gives you access to different mortgage deals, so remortgaging can result in lower monthly repayments.

3. When you want to borrow more

Depending on your financial situation, it can sometimes make sense to increase your mortgage so that you can pay off other debt, such as expensive credit card debt. You might also want to borrow more for another reason, such as to carry out home improvements.

If your current mortgage provider won't allow you to increase your mortgage, remortgaging would give you the opportunity to switch to one that will.

4. When you want to overpay

The full term of a mortgage can be several decades, so that it's likely that your financial circumstances will change several times in that period. When you're better off (e.g. when you receive a pay increase), you might want to overpay your mortgage.

Overpaying your mortgage can help you to reduce your debt more quickly and potentially save you a lot of money over the years in interest. But not all mortgage providers allow it. If yours doesn't, you might want to remortgage with a different lender.

BEFORE YOU REMORTGAGE

Most mortgages have an early repayment charge (ERC) and this can be quite large, especially in the first few years. Make sure you fully understand how much it will cost you to remortgage before you commit, to be sure that it's worth it. ◆

>> BIG SAVINGS OR TOO MUCH HASSLE? <<

Remortgaging is common practice and could help you reduce your monthly payments, finance home improvements or other purchases, or enable you to pay off your mortgage faster by increasing the monthly payments and shortening the term. With so much to consider, it makes sense to obtain professional advice to weigh up your options. Contact **Agentis Financial & Mortgage Solutions Ltd** – telephone **01733 367800** – email **Info@agentisfinancial.co.uk**.

SHOULD I OVERPAY MY MORTGAGE?

Advantages and disadvantages of making overpayments

OVERPAYING ON your mortgage can cut down the time it takes for you to repay the loan, and therefore the amount of interest you pay in total. If you're beyond an introductory deal and are paying your lender's standard variable rate (SVR), you can usually overpay by as much as you want.

Most lenders allow you to pay 10% of your mortgage balance as an overpayment per year if you're still in your introductory fixed, tracker or discount period. However, the 10% rule is not universal.

But there are also downsides to be aware of. Some lenders may penalise those who try to overpay. Fees for paying too much can typically range between 1% and 5% of the amount overpaid, depending on your mortgage.

But the fee you pay usually decreases the closer you are to the end of the fixed or discount period. The amount you pay as a penalty will vary between mortgage deals.

WHY SHOULD YOU OVERPAY YOUR MORTGAGE?

There are several great reasons to make overpayments:

TO REPAY THE LOAN SOONER

The faster you can repay the amount you borrowed, the sooner you'll be debt-free. Many people dream of being mortgage-free and living without the burden of this monthly repayment schedule.

TO PAY LESS INTEREST

Because interest accumulates over time, the total you pay in interest increases the longer you have the loan. So, repaying more quickly also reduces the total amount you repay, in most situations.

TO MAKE THE BEST USE OF YOUR MONEY

Interest rates are currently very low, meaning that most savings accounts may offer very little growth.

If you have spare money, or have just received a windfall, you may be looking for a smarter way to use that money. Some of your options are: shopping around for a better interest rate, making a lump sum contribution to your pension, or making an overpayment on your mortgage.

WHEN SHOULD YOU NOT OVERPAY YOUR MORTGAGE?

There are a number of reasons to think twice before making overpayments:

> **"Many people dream of being mortgage-free and living without the burden of this monthly repayment schedule."**

WHILE YOU'RE IN AN INTRODUCTORY PERIOD

Often, mortgage providers will charge you a penalty for making overpayments while you're in the introductory period of your mortgage (for example, a two-year fixed rate). So, it's less certain that you'll benefit financially from making an overpayment, and you'll need to make some calculations first.

IF YOU'VE ALREADY MADE OVERPAYMENTS THIS YEAR

Usually, mortgage providers will have a cap on how much you

"Sometimes your mortgage interest is calculated daily, in which case you'll want to make the overpayment as soon as possible."

can overpay in a year. Making overpayments above this amount can result in financial penalties, potentially costing you thousands of pounds.

WHEN YOU HAVE HIGHER-PRIORITY DEBTS

Your mortgage repayments are likely to be among your highest monthly outgoings, but you may have other, higher-interest loan repayments. When you're considering which to pay off first, this is a more important factor. So, if you have high-interest credit card debt, for example, look at reducing that before making mortgage overpayments.

IF YOU DON'T HAVE ENOUGH SAVINGS

While your cash savings may not be growing much right now, it is still important to have some cash set aside for emergencies, especially as we're living in unpredictable times. So, if your total savings would cover less than three to six months' worth of living costs, it might be more sensible to hold onto them rather than overpay.

HOW DO YOU MAKE OVERPAYMENTS?

Check first with your mortgage provider to see how much you can overpay without additional fees. Most providers have an annual limit of 10% of the remaining balance, but yours could be more or less than that.

You'll also want to check how your interest is calculated, so you can make your overpayment at the right time. Sometimes your mortgage interest is calculated daily, in which case you'll want to make the overpayment as soon as possible. In other cases, the interest is calculated annually. Then you'll need to time your overpayment so that it's counted in the annual calculation.

Usually, you can choose whether to make a lump-sum overpayment (best if you've had a windfall) or to pay a little more some months (best if you have extra money from overtime or commission). Speak to your mortgage provider about your options. ◆

>> WORKING TOWARDS MORTGAGE FREEDOM <<

Are you in a position to consider making mortgage overpayments? Have you been able to reduce your monthly household outgoings or received an inheritance recently and want to make some of that money work for you? To see how making an overpayment could reduce your mortgage term and interest paid, contact **Agentis Financial & Mortgage Solutions Ltd** – telephone **01733 367800** – email **Info@agentisfinancial.co.uk**.

Can I get a mortgage with no deposit?

Different ways to buy your home with no deposit or a small deposit

A FEW YEARS AGO you would have been correct in thinking it is impossible to get a 100% mortgage. However, some lenders are beginning to find new ways to help first-time buyers.

If you're hoping to get on the property ladder without years and years of saving for a deposit, here are some options for buying your home without a deposit, or with only a very small deposit.

GUARANTOR MORTGAGES

The main way to get a 100% mortgage with no deposit of your own is to get a guarantor mortgage.

This means that you'll need a family member who owns their own home to act as your guarantor. They'll be named on your mortgage and will be responsible for any repayments you fail to make.

The mortgage can be secured against the guarantor's home, meaning that their property may be repossessed if you fall behind on your repayments, or against a cash lump sum which is held by your mortgage provider until you've made sufficient repayments.

Not all mortgage providers offer this type of mortgage, so you'll probably have fewer options to choose from than a conventional mortgage.

GIFTED DEPOSITS

If you don't personally have enough savings for a deposit, but you have a family member or loved one who is willing to give you the money, many mortgage providers will accept this. Like other deposits, you'll usually need at least 5% of the property value, but a larger amount will give you access to better mortgage deals.

The person giving you the money will need to sign a document confirming that the money is a gift and that you have no responsibility to repay them.

Sometimes, for newly built properties, the property developer will be willing to provide the gifted deposit to facilitate the sale. This will usually take the form of a 10% discount on the home, with this 10% becoming your deposit.

SHARED OWNERSHIP

Under the Shared Ownership scheme, you can buy a share of certain properties (usually 25%, 50% or 75%) while the rest is owned by a local authority or a housing developer. You'll pay rent to them on the portion that they own.

Therefore, you'll only need to save a deposit for the portion of the property that you are buying.

So, let's say that you're hoping to buy a £200,000 home. To get a mortgage alone, you might need a deposit of £20,000 (10%). But if you only buy a 25% share of the home (£50,000), a 10% deposit is just £5,000.

HELP TO BUY: EQUITY LOAN

If you have enough savings for a 5% deposit on a home, but you want access to mortgage deals only usually available to buyers with

"The main way to get a 100% mortgage with no deposit of your own is to get a guarantor mortgage."

bigger deposits, you could benefit from a Help to Buy: Equity Loan.

Through this government scheme, you could borrow 20% of the property value (in England or Wales), or 40% of the property value (in London only), as a loan that's interest-free for the first five years.

This loan is only available for certain newly built properties, and with mortgages from participating providers.

THINGS TO CONSIDER

While it is possible to buy a home without a deposit, or with a very small deposit, there are a few things you should think about first:

- Owning a home isn't the best choice for everybody – especially if you have very little savings. Think seriously about whether you can afford the repayments and the risks involved if you miss them
- If you get a mortgage for 95-100% of the value of your home, and house prices fall, the property will be worth less than the amount you owe to your mortgage provider. This will make it very difficult for you to sell the home if you want to move
- Mortgages are usually more expensive with smaller deposits, and you might pay higher fees and higher interest rates. Postponing buying a property until you have a larger deposit can save you money over the long term. ◆

>> LOOKING TO GET ON THE PROPERTY LADDER? <<

If you don't have a deposit for a mortgage, you may still be able to get on the property ladder with the help of a guarantor. To find out more and discuss your particular situation, contact **Agentis Financial & Mortgage Solutions Ltd** – telephone **01733 367800** – email **Info@agentisfinancial.co.uk**.

WHAT IS THE BEST TIME OF YEAR TO SELL A HOME?

Factors to consider when listing your home for sale

TIMING CAN BE a significant factor in property selling prices, and so it's natural to worry about getting it right. Within the property market, there is much written about when the best time to buy and sell is.

But ultimately the decision to move should be a personal one. It's important to take other factors into account like your financial situation, the current condition of your home, if you plan to make any improvements, and whether or not local market conditions are in your favour.

SEASON

Spring always comes out on top as the best time to sell. This is probably because people aren't away for the summer holidays or busy with Christmas celebrations. There are plenty of prospective buyers hoping to move into their new home by the summer, and they're motivated to act quickly.

Summer often sees the property market slow down, as prospective buyers will be taking holidays and are less available to attend viewings or to move through the sales process.

Activity increases again in autumn. The back-to-work period drives potential buyers to resume their search, with the aim of moving in for Christmas.

Winter is typically the quietest period for the property market, particularly in the festive season, when potential buyers have other priorities.

THE ACADEMIC YEAR

The academic year runs September to September, and this influences the property market in a couple of ways.

Firstly, most families will be hoping to move over the summer holiday period, and so will be looking at properties in the first half of the year. Families will be least keen to move in the first and second terms of the school year (September to December and January to March).

Secondly, many tenancy periods begin and end in September – a pattern that some renters establish as students. First-time buyers may be keen to ensure their property purchase is complete before the end of their tenancy period as the alternative can be costly or inconvenient.

"Spring always comes out on top as the best time to sell."

HOLIDAY PERIODS

While the summer and Christmas holidays usually signal a slowdown in sales, other holidays can work in sellers' favour.

Bank holiday weekends in May and over Easter often see a spike in viewings, at a time of year that's already busy. If you're listing your property in summer, doing so close to the August bank holiday might help you overcome the seasonal slump.

After the slow festive season, the New Year holiday tends to bring a rebound in buyer numbers, who find a fresh commitment to their property hunt as part of their resolutions.

“Ultimately the decision to move should be a personal one.”

"Bank holiday weekends in May and over Easter often see a spike in viewings, at a time of year that's already busy."

CORONAVIRUS

Taking a longer-term view, sellers may be wondering if 2021 is a good or bad year to sell property, in light of the coronavirus pandemic. **There are several factors to consider:**

HOUSE PRICES

House prices have fallen this year, so you may get less for your property. There's also an increased likelihood of house prices falling in the near future, which might put you off buying somewhere new.

WILLINGNESS TO BUY

With the current uncertainty over the future of the pandemic and the economy, buying now might be a greater risk than many are comfortable with. A low number of prospective buyers usually means a worse time to sell.

MORTGAGE AVAILABILITY

Even if there are those willing to buy, it might be difficult for these potential buyers to secure mortgage approval. People who have been furloughed may find they can't borrow as much as they expect, which can delay or prevent your sale.

WHAT TYPE OF PROPERTY DO YOU HAVE?

You should consider what type of property you have and whom it will attract. If you have a large family home then it's likely that viewings will increase during term time as most parents prefer to view a home while the kids are out of the way.

On the other hand, if you own a bungalow then you might find that you have more viewings in the summer, as older buyers prefer to move in the warmer months.

It's also important that your property doesn't stay on the market for too long. If you want to get the best price then you should aim for a quick sale, as the longer it stays on the market the more likely it is that the buyer will think you might accept a lower offer.

You also should be aware of what's going on in the housing market, both nationally and locally, and consult with an experienced estate agent on what time of year is best for you to sell your property. As well as seasonal changes though, your local area can also be a factor on whether it is a good time to sell your home. If there is local planning permission for building works or road works planned nearby then this could be off-putting for potential buyers, in which case you may want to put your plans on hold. In any case, it's a good idea to contact your local council to find out about any intended plans or proposals. ◆

>> SELLING YOUR HOME? <<

If you are looking to sell your property, it's important not to base this solely on a specific season. The key is that your property is marketed to maximise its full potential and value. To discuss your requirements, please speak to **Agentis Financial & Mortgage Solutions Ltd** – telephone **01733 367800** – email **Info@agentisfinancial.co.uk**.

PREPARING YOUR HOUSE FOR SALE

Make sure you bring out the best in your property

SELLING YOUR HOME? Not having much success? To make the process as stress free as possible when you're preparing to sell your property, it's essential you present it in its best light.

A few minor touch-ups can go a long way towards making a favourable impression on prospective buyers and perhaps clinching a sale. Put your buyer's hat on and walk through your home like it is the first time. Remember your aim is to help them imagine their life there.

They're sure to have some essential requirements, such as the number of bedrooms, or garden size, but beyond those, a great deal depends on the little details that make them feel at home.

Owing to the coronavirus (COVID-19) pandemic outbreak, sellers have turned to marketing their property via online viewings. This means that with each viewing you only have a few seconds to capture the interest of a prospective buyer. So first impressions are key if you want to convert these viewings to accompanied viewings.

KERB APPEAL

- First impressions are important, so make sure that the outside of your home is newly clean, especially the windows, and consider easy cosmetic upgrades like a fresh coat of paint.
- Move your bins out of sight so they're not the first things potential buyers see.
- Small details, like adding a new doormat or placing potted plants at the entrance, suggest a welcoming home.
- Check that the property is well-lit externally, particularly if you're selling in winter. If you don't have lights, temporary solar-powered lighting can be a budget solution.
- Clear the cracks in your path or driveway or borrow a pressure washer to bring it back to its best.

IN THE HALLWAY

- If you usually store coats and shoes by the door, pack these away so that your hallway is clear of clutter.
- Keep your post tidy and dispose of old flyers or newspapers.
- Use an open door to indicate which room you'd like viewers to enter next, while keeping bathrooms and storage spaces closed off.
- For a communal hallway, speak to neighbours about keeping it clear of items like bikes and pushchairs at certain times.

LIVING AREAS

- Take personal items and photos off display, to create a more neutral space that potential buyers can imagine putting their own stamp on.
- Homes generally look better with less furniture, so consider putting some in storage – particularly if your taste is bolder than most.
- Open all your blinds and curtains to allow in the light, and add lamps to remaining dark corners.
- Pets can be off-putting to certain buyers, so hide away beds, toys and litter trays.

BEDROOMS

- While you'll want to keep your décor neutral, consider individualising each bedroom with coloured throws, pillows and accessories, so viewers can recall them later.

"With more than 98% of buyers currently clicking on to the internet to search for their new homes, the first few seconds' viewing has become make or break."

- Bed sizes should be proportionate to the rooms that they're in, to avoid a sense of overcrowding.
- To show off how spacious your built-in wardrobes are, these must be clean, organised and not overfilled.
- If you currently use a spare room as a home office, converting it back to a bedroom can add to the perceived value of the property.

KITCHENS AND BATHROOMS

- When thoroughly cleaning your whole home for viewings, give the kitchen and bathrooms a little extra care.
- Be mindful of any smells coming from cooking, items in the fridge, blocked drains, full bins, etc. as these can unconsciously put off potential buyers.
- Small details, such as candles, soaps, plants and fluffy towels, can really improve the visual impression of your bathroom – as can closing the toilet lid.
- It's usually not worth refitting a kitchen or bathroom, as this is an expensive project that won't add much to your asking price. Let your buyer take this on so it's done to their taste.

GARDEN

- Keep your garden tidy throughout the period your home is on the market, and dispose of waste immediately, if you can, so it's not sitting around.
- If your garden's not blooming in the season that you're selling, consider adding potted plants to fill any gaps.
- Check to see if your gravelled areas are running low, and if so, top them up so they look as good as new.
- If you have viewings in the evenings or in winter, consider how you'll light the outdoor space, for example with portable lanterns, if you don't have external lights.
- In small gardens, or even on balconies, you can use furniture to demonstrate how to make best use of the space. ◆

>> NOT SURE HOW TO PREPARE YOUR HOUSE FOR VIEWINGS? <<
Choosing the right property professional is very important and will have a big impact on how quickly you sell your house, and at what price. We'll provide you with guidance about how to ensure your house is presented to appeal to prospective buyers. For further information contact **Agentis Financial & Mortgage Solutions Ltd** – telephone **01733 367800** – email **Info@agentisfinancial.co.uk**.

Creating kerb appeal

First impressions count when selling your home

IF YOU'RE MAKING plans to sell your home, there are a number of improvements you should consider before putting it on the market, as even small things can make a surprising difference to a successful and quick sale.

Preparing your home for viewers, or 'staging' as it's called, can potentially add thousands of pounds to its value.

Your property will almost certainly be more attractive to buyers with some general sprucing up and cleaning, and can give your home a new lease of life and potentially increase its value without blowing a big hole in your budget.

Remember that most buyers start looking for properties online and they will expect to see in the region of twenty to thirty photos, so your property has to look its best from the outset. Untidy properties and ones that look like they have limited space aren't likely to be first in the queue to view.

REDECORATING

Decorating is perhaps the most obvious task when thinking about how to add value to your home. Whilst small, superficial defects won't directly affect the value of a property, they could put off potential buyers and therefore prevent it from selling at the optimum price.

It's best to fix all superficial defects. While unlikely to be the clinching factor in a house sale, small problems and defects can create an impression of a house being run down or not well cared for.

Redecorating checklist:

- Peeling paint
- Dirty walls, especially near door frames and around switches
- Dripping taps
- Squeaky floors, doors or stairs
- Mouldy sealant in kitchens or bathrooms
- Limescale built up on kitchen and bathroom fittings

"Preparing your home for viewers, or 'staging' as it's called, can potentially add thousands of pounds to its value."

- Badly fitted laminate flooring
- Broken lightbulbs

Bigger issues such as damp should not be covered up. It will show up on a survey and is likely to come back to haunt you later on.

FIRST IMPRESSIONS COUNT

Prospective buyers are likely to make a drive-by visit of your property before they decide whether or not to arrange a viewing. Your goal is to make them want to come in.

It's important to make sure your property has instant kerb appeal. Tidy up the outside of your home, regularly cut the lawn, trim hedges and remove any weeds from your beds or pathways.

If required, consider painting the front door and the window frames. Even a new doorknob, house number or name sign can help. If it's the right season put some pots or baskets outside your property.

KITCHEN MAKEOVER

An attractive, clean and sociable kitchen is essential for most buyers. Kitchens may be the first thing they look to replace if they can't imagine living in yours. You may not be able to afford a whole new kitchen, but there are many smaller ways to improve what you already have.

For a relatively small budget, painting units or replacing cupboard handles or doors are a cheaper way of refreshing kitchens. Good lighting and clutter-free, clean surfaces will make a big difference to the feel of the house.

Alternatively, if there is money in the budget, kitchen renovations can be carried out for a modest investment. Prospective buyers may be willing to pay more to save themselves the hassle of buying a new kitchen.

Kitchen checklist:

- Clean and polish all surfaces, fittings, handles, cupboard fronts and appliances
- Clean inside the oven and any integrated appliances that are included in the sale
- Clear any clutter from surfaces and make sure the sink and draining area are completely clear
- Pet bowls should be cleared away, and always let in a blast of fresh air to clear any stale cooking smells

BATHROOM

Bathrooms need to be fresh and hygienic-looking. Where appropriate re-grout tiling, eliminate all limescale and replace taps. Paint the walls a neutral shade, and ideally replace a shower curtain with a new one or a simple glass screen.

Bathroom checklist:

- Replace existing bathroom fixtures if they are chipped, badly stained or an unfashionable colour such as pink, avocado, peach or chocolate brown
- Flooring should be clean and hygienic
- Consider painting unfashionable tiles with white tile paint. If you need to replace tiles, you could tile over the old ones as removing tiles can be a difficult and very time-consuming job
- Make sure the bathroom has an extractor fan for ventilation
- Add a mirror or two to make the space seem larger and brighter
- Make sure that at least one bathroom has a shower
- Consider replacing bath and shower sealants if mould has accumulated
- Clear away the mountain of toiletries, sponges, medication and make-up that seems to accumulate in the bathroom
- Clear away children's bath toys and put out clean, dry, folded towels
- Open windows to clear away any excess moisture

GARDEN APPEAL

For many people the garden is one of the biggest selling points. An attractive, tidy, well-designed garden can add a great deal of value to a property.

The garden should feel like an extra space for entertaining or relaxing, rather than an expanse of grass. An area of decking gives buyers a sense of having a bigger usable living space.

Garden checklist:

- Tidy away any rubbish, weed and cut the grass
- Trim borders and clear pathways
- Put out some potted plants to soften patios and yards
- A seasonal fertiliser will add colour to a tired lawn
- Be sure to cut back any boisterous bushes, particularly in smaller gardens

SMART TECHNOLOGY

Smart home technologies are increasingly important to buyers – just advertising the presence of fibre optic cables in your area could be enough to encourage buyers. Statement systems like multi-room music platforms can also make a difference.

Smart technology such as Hive, which gives mobile control over heating systems, is a feature worth considering. If it moves your EPC (Energy Performance Certificate) up a band, it could add thousands to the sale price. ◆

CELEBRITY HOMES

Which rolling hills are the playground of the rich and famous in Britain?

FROM SCENIC VALLEYS to rolling hills, beautiful honey-stone villages and breathtaking landscapes, the Cotswolds – which spans the borders of Gloucestershire, Oxfordshire, Warwickshire, Wiltshire and Worcestershire – is a quintessentially English area of outstanding natural beauty that has long been a favourite rural retreat for the rich and famous.

A hot spot for celebrities, you're likely to bump into supermodel Kate Moss, who has been a fan of the Cotswolds for many years and lives in a ten-bedroom house in the Oxfordshire Cotswold village of Little Faringdon, one mile from Lechlade; or Stella McCartney, the fashion designer, who lives near Pershore. Jilly Cooper, the bestselling author of many a scandalous and racy novel, lives in the southern Cotswold village of Bisley, near Stroud.

DAVID AND VICTORIA BECKHAM

David and Victoria Beckham have a £6 million nine-bedroom Cotswolds country residence near the village of Great Tew, not far from Chipping Norton. The stunning Cotswolds retreat was a Grade II-listed farmhouse that has been converted into the sprawling mansion-like building. The house is very close to the exclusive Soho Farmhouse, which is a members-only exclusive chic retreat much loved by celebrities.

"David and Victoria Beckham have a £6 million nine-bedroom Cotswolds country residence near the village of Great Tew, not far from Chipping Norton."

David and Victoria Beckham

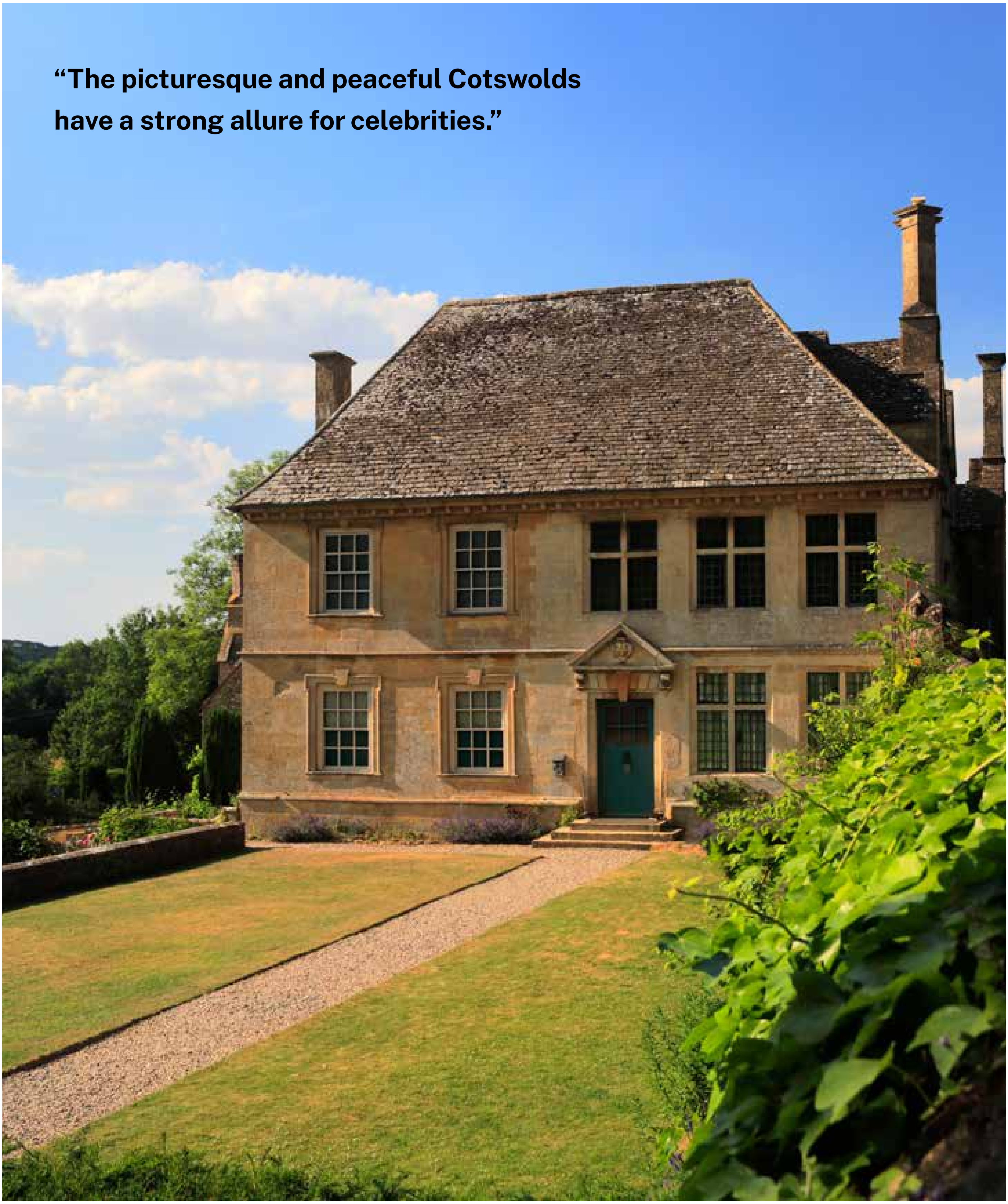
HUGH GRANT

Hugh Grant, one of Britain's best known actors, bought his Cotswold home – Melksham Court in Stinchcombe – in 2003. The grand Cotswold stone manor with a swimming pool and stables was purchased at the time for £2 million.

DAMIEN HIRST

The English artist and leading member of the group that has been dubbed 'Young British Artists' bought a Cotswolds retreat in 2004 set in 124 acres – the Grade I-listed Victorian Gothic Toddington Manor, which he snapped up for £3 million. Built back in 1820, with 300 rooms, Damien budgeted around £10 to £12 million for the refurbishment.

“The picturesque and peaceful Cotswolds have a strong allure for celebrities.”



LIZ HURLEY
Liz lives in a £6 million mansion on the edge of the Cotswolds, in the stunning Herefordshire countryside. The 12-bedroom country house is set in 200 acres, and boasts a fishing lake, housekeeper accommodation, its own 21-acre woodland and a tennis court.

ALEX JAMES
Blur bass player, Alex James, swapped pop for cheese when he moved to Church Heath Farm, Kingham, Oxfordshire. The property has 200 acres of land with sheep and cows, where he makes cheese. The main living space is enhanced by its large drawing room, used in the 19th century as a venue for cattle sales when it was part of the Sarsden Estate.

LAURENCE LLEWELYN-BOWEN
A 17th century manor house at Siddington, near Cirencester, is now the home of the Bowen family. The house is the home of flamboyant interior designer and home design consultant Laurence Llewelyn-Bowen, who moved there in April 2007 with his wife, Jackie, and their two daughters, having decided to risk all and trade their comfortable family town house in London for a 'run-down, unloved' Cotswold home.

JEREMY CLARKSON
Jeremy Clarkson lives between Chipping Norton and Chadlington in the Oxfordshire Cotswolds. His six-bedroom mansion, on a 312-acre site, was bought for £4.25 million in 2012. He blew up the old farmhouse as a spectacular stunt on his Amazon show *The Grand Tour* and rebuilt the mansion. ◆


Jeremy Clarkson


Laurence Llewelyn-Bowen

"A 17th century manor house at Siddington, near Cirencester, is now the home of the Bowen family. The house is the home of flamboyant interior designer and home design consultant Laurence Llewelyn-Bowen."


Liz Hurley

Negative equity on property

What does it mean, and what can you do if you find yourself in this situation?

"If the market value of your property is less than the mortgage you have still to pay on that property, you are said to have 'negative equity'."

WITH THE PROPERTY market on a seemingly upward rise for many years, we might have put the concept of negative equity to the back of our minds. But for homeowners with mortgages, a fall in property prices brings a risk of negative equity.

With the coronavirus (COVID-19) pandemic impacting on some property prices, you might be concerned about how this could affect you. At the height of lockdown, some commentators were predicting that UK house prices would fall by more than 10% during 2020 due to the impact of coronavirus.

Here are some common questions about negative equity.

WHAT IS NEGATIVE EQUITY?

If the market value of your property is less than the mortgage you have still to pay on that property, you are said to have 'negative equity'.

Usually, homeowners own (positive) equity in their property. For example, if your home is worth £200,000 and you have a mortgage for £190,000, you own equity of £10,000 in your home.

But if your home is worth £180,000 and you have a mortgage for £190,000, you own equity of minus £10,000 in your home. In other words, you have negative equity.

HOW DOES NEGATIVE EQUITY HAPPEN?

Most commonly, negative equity occurs when a buyer has taken out a mortgage with a high loan-to-value (LTV) ratio and then house prices fall.

So, a £190,000 mortgage against a property worth £200,000 is considered a high LTV mortgage, because it is 95% of the property value. If house prices fall, and the property is now worth only £180,000, the buyer has negative equity.

HOW DO YOU KNOW IF YOU HAVE NEGATIVE EQUITY?

You might not know. So, if you've recently bought a home with a high LTV mortgage and you find out that house prices have fallen, you might want to check.

To find out, speak to your mortgage provider to see exactly how much you owe, and an estate agent or surveyor to get the market value of your property. Then use this sum: Property market value minus the mortgage owed equals the equity (or negative equity).

> **"If you sell your home for less than you owe your mortgage provider, you will need to have another way to repay the total amount."**

IS NEGATIVE EQUITY A PROBLEM?

If you're planning to stay in your home for many more years, you could be in negative equity without it affecting your daily life.

Negative equity becomes a problem if you want to sell your home, or if your mortgage deal is coming to an end.

CAN YOU SELL YOUR HOME WITH NEGATIVE EQUITY?

If you sell your home for less than you owe your mortgage provider, you will need to have another way to repay the total amount. If your mortgage provider believes that you don't have means to do that, they won't allow you to sell.

CAN YOU REMORTGAGE WITH NEGATIVE EQUITY?

If you had planned to remortgage at the end of your current deal, this will be much harder if you have negative equity.

Unless you reduce your negative equity, you'll probably have to start making repayments at your mortgage provider's standard variable rate (SVR), which can be higher than you're used to. If this is going to cause you financial difficulties, speak to them as soon as possible.

WHAT ARE YOUR OPTIONS IF YOU HAVE NEGATIVE EQUITY?

1. Wait it out

If you can afford your mortgage repayments and don't need to move, you can simply stay where you are. Continue to increase your equity by making your monthly repayments, and wait for house prices to rise over time, as they usually do.

2. Make early repayments

If you have cash elsewhere, find out if your mortgage provider allows early repayments. You can pay back the difference between your property's market value and the mortgage you owe, and you'll no longer have negative equity. Then you'll be able get a new mortgage deal or sell your home.

3. Get a negative equity mortgage

In rare instances, mortgage providers may allow you to move home and carry over your negative equity to the new property. You'll need a deposit for the new property and will lose any money you had paid against your existing home.

4. Rent out your home

If your mortgage repayments increase and you can no longer afford to pay them, you might be able to rent out your home, while you live in a different property that you've rented at a lower price. You'll need your mortgage provider's permission to do this.

5. Make home improvements

Another way to reduce negative equity is to increase the value of your home, so that your mortgage accounts for a smaller percentage of the value. You might be able to do this by completing home improvement work if you budget it carefully.

Most of these options have costs involved and you should make some careful calculations before making your final decision. ◆

>> LOOKING FOR INFORMATION ABOUT MORTGAGES WHEN YOU HAVE NEGATIVE EQUITY? <<

Whatever your circumstances, almost certainly we will have dealt with something comparable. For further information or to discuss your situation, we're here to help you. Contact **Agentis Financial & Mortgage Solutions Ltd** – telephone **01733 367800** – email **Info@agentisfinancial.co.uk**.

We're all on a stamp duty holiday

Nearly nine out of ten people buying a main home will not pay

“The stamp duty holiday will run until 31 March 2021 and will give a much-needed boost to the housing market, which has been impacted by the coronavirus (COVID-19) pandemic outbreak.”

BACK IN JULY 2020, the stamp duty threshold was raised by the Chancellor of the Exchequer on property purchases, saving buyers up to £15,000. The stamp duty holiday took effect immediately for England and Northern Ireland and is aimed at reinvigorating the housing market.

The stamp duty holiday will run until 31 March 2021 and will give a much-needed boost to the housing market, which has been impacted by the coronavirus (COVID-19) pandemic outbreak.

Buyers in England and Northern Ireland pay ‘Stamp Duty’, while buyers in Scotland pay ‘Land and Buildings Transaction Tax’, and buyers in Wales pay ‘Land Transaction Tax’.

The Chancellor in his ‘Mini-Budget’ announcement said the country needs the housing market to be ‘thriving’ and people need to be ‘confident’ about the market. He told Parliament, ‘The average stamp duty bill will fall by £4,500. And nearly nine out of ten people buying a main home this year will pay no SDLT at all.’

From Wednesday 8 July 2020 until 31 March 2021, stamp duty is only charged on properties costing £500,000 or more.

Prior to the announcement, all house buyers purchasing a residential property (for example, a house or flat in England and Northern Ireland) had to pay stamp duty on properties over £125,000. The rate of stamp duty buyers had to pay varied depending on the price and type of property.

Before the stamp duty holiday announcement, first-time buyers were exempt from paying the tax on homes worth up to £300,000, but those who previously owned a property had to pay a rate of 2% on homes over £125,000.

The stamp duty increased to 5% for properties worth between £250,001 and £500,000, with the higher charge made against the portion of the property above the £250,000 threshold.

The Government’s action to support the housing market is aimed at protecting and creating jobs. In England and Wales, an estimated 240,000 people are directly employed by house builders and their contractors, and between 500,000 and 700,000 employees are indirectly supported in the supply chain.

Moving house also boosts the economy, with estimates suggesting that doing so drives additional spending worth about 5% of the house value. ◆

>> DON’T DELAY. TIME IS RUNNING OUT IF YOU WANT TO TAKE ADVANTAGE OF THE TEMPORARY STAMP DUTY HOLIDAY <<

For further information regarding the temporary stamp duty holiday or to discuss your circumstances, please contact **Agentis Financial & Mortgage Solutions Ltd** – telephone **01733 367800** – email **Info@agentisfinancial.co.uk**.

Lender's valuations explained

What is a lender's valuation and why do you need one?

WHEN YOU BUY a property and need a mortgage, the lender will commission a mortgage valuation. The valuation advises the lender of the value of a property and of any characteristics of the property, including significant defects, that might affect its value as security for your proposed loan.

It's important to remember that the lender's valuation is not a survey, which provides more detailed information about the property. The lender's valuation involves a brief inspection, takes typically no more than 30 minutes to carry out and should not be confused with a survey. The findings of the valuation are for the benefit of your lender, rather than you.

WHAT IS A LENDER'S VALUATION?

A lender's valuation is a property inspection undertaken as part of your mortgage application. It's to help your mortgage provider establish the property's value, relative to the sales price. The mortgage provider will want to know if the property is valuable enough to secure your loan against. This is a deciding factor in whether your mortgage application is approved.

Though you may pay for the report, you may not get a copy or even see what the surveyor has written. The valuation is based on the surveyor's knowledge of comparable prices in the locality. It may also give a minimum reinstatement value, which is the amount of money it would take to completely rebuild the property, should it ever be necessary.

HOW DO YOU GET A LENDER'S VALUATION?

Your mortgage provider will appoint a surveyor to conduct the valuation. After inspecting the property, the surveyor will provide a short report to the mortgage provider, identifying any major issues that would reduce the property's value. This step in the mortgage application process usually takes about two weeks.

"The lender's valuation is only intended for use by your mortgage provider, so you may not receive a copy of the report."

HOW MUCH DOES IT COST TO GET A LENDER'S VALUATION?

Some mortgage providers will arrange your lender's valuation for free. Others may charge up to £1,500. You can check your Key Facts Illustration to see how much you'll be charged for yours.

WHAT WILL THE SURVEYOR LOOK AT?

This depends on the surveyor and the type of valuation they provide, but they might look at:

- The type of property (e.g. cottage or high-rise flat)
- The condition of the property (by visiting or driving by)
- Sales data of similar properties in the area

WHAT WON'T THE SURVEYOR LOOK AT?

A lender's valuation isn't a full survey. It doesn't include:

- A deep inspection
- A full inventory of issues uncovered
- Advice on repairs
- Service checks on gas, electricity and water

- Any problems that affect the buyer but not the mortgage provider

WHAT WILL YOU FIND OUT FROM A LENDER'S VALUATION?

The lender's valuation is only intended for use by your mortgage provider, so you may not receive a copy of the report, and you won't necessarily know which issues have been identified. If your mortgage application is refused based on the lender's valuation, your mortgage provider will usually tell you why.

You'll also find out if the surveyor believes your property is overpriced. Bear in mind that lender's valuations are often lower than the sales price you've agreed with the seller, as surveyors can be more cautious than buyers about potential issues.

WHAT COULD AFFECT YOUR MORTGAGE APPLICATION?

Your mortgage application could be refused if the lender's valuation finds that the property is worth much less that the sales prices.

"You might decide that their reasons are valid, and you don't want to buy the property."

Reasons for this include if the property is:

- Poorly or unusually constructed
- In poor condition relative to its age
- In a high-risk flood zone or area prone to coastal erosion
- In locations considered risky, such as above a restaurant
- A leasehold property with a lease nearing expiry

WHAT CAN YOU DO IF YOUR MORTGAGE APPLICATION IS REFUSED BECAUSE OF THE LENDER'S VALUATION?

Firstly, you'll need to find out why the lender's valuation was lower than the sales price, so ask your mortgage provider if they can explain.

You might decide that their reasons are valid, and you don't want to buy the property.

If you still want to buy the property, you could try to renegotiate the sale with the owner at a lower price, and then approach the mortgage provider again. Or, you could ask if the owner is willing to fix the problem identified.

In the long run, you might be glad your mortgage application was refused, as lender's valuations can uncover problems you didn't see yourself. It may just be another step in the journey to your dream home. ◆

THINKING ABOUT BUYING YOUR FIRST HOME?

Start your journey today. Let us help you get 'mortgage ready'

Getting onto the property ladder means taking your first big step. If you're a first-time buyer there are mortgages designed specifically for you. To find out what you could borrow, what your payments may be, and your mortgage options – contact one of our mortgage advisers today.

To find out what you could borrow and what your payments may be, contact us today.

Contact Agentis Financial & Mortgage Solutions Ltd
– **telephone:** 01733 367800
– **email:** info@agentisfinancial.co.uk

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

HOW MUCH DOES IT COST TO BUY A HOME?

The most expensive purchase you're ever likely to make

IF YOU'RE THINKING of buying a home, there's a lot more to consider than just the price of the property. While you might be aware of the major costs involved in buying a house, there could be extras you haven't considered.

The total cost of buying a property is often underestimated. It's not just finding a deposit. Among the additional costs that need to be covered are legal fees, surveyor's fees, stamp duty and moving costs. Preparation is particularly important if you are a first-time buyer.

"The total cost of buying a property is often underestimated. It's not just finding a deposit."

HOW MUCH IS A PROPERTY IN THE UK?[1]

- In England, the average home costs £246,000
- In Scotland, the average home costs £151,000
- In Wales, the average home costs £164,000
- In Northern Ireland, the average home costs £140,000

Source: Office for National Statistics, February 2020

“Stamp duty is a tax paid on property in England and Northern Ireland. There are similar taxes payable in Scotland (Land and Buildings Transaction Tax) and Wales (Land Transaction Tax).”

EXAMPLES OF DEPOSIT AMOUNTS BASED ON AVERAGE HOME PRICES IN THE UK

	5% DEPOSIT	10% DEPOSIT	20% DEPOSIT
England	£12,300	£24,600	£49,200
Scotland	£7,550	£15,100	£30,200
Wales	£8,200	£16,400	£32,800
Northern Ireland	£7,000	£14,000	£28,000

Of course, there’s a lot of variance in price depending on the type of property and the location.

HOW MUCH DEPOSIT IS REQUIRED?

Usually, when you buy a home, you’ll pay 5%–20% of the total price as a deposit and take out a mortgage to cover the remaining cost, which you’ll repay over an agreed period (typically 25 years).

Taking that as a guide, and using the average home prices (p62), here are some example deposit amounts (table above).

If you don’t have this much then there are ways to buy a home with a smaller deposit or no deposit, such as a guarantor mortgage or the Shared Ownership scheme.

WHAT ARE THE OTHER COSTS INVOLVED IN BUYING A HOME?

MORTGAGE FEES

Different mortgage providers charge different fees, and different amounts for those fees. Some of the common ones include:

- Arrangement fee – up to £2,000
- Booking fee – up to £250
- Valuation fee – up to £1,500
- CHAPS transaction fee – up to £50
- Account fee – up to £300

You might have the option to add these fees onto the loan amount so that you don’t need to pay upfront – but this will mean you’ll also be charged interest on them.

STAMP DUTY

Stamp duty is a tax paid on property in England and Northern Ireland. There are similar taxes payable in Scotland (Land and Buildings Transaction Tax) and Wales (Land Transaction Tax).

Fortunately, under the current rates (applicable until 31 March 2021) there is no stamp duty to pay on property up to the value of £500,000.

Above this amount, stamp duty is calculated as a percentage of the property price (between 5% and 12%, depending on the total value). This is a reduced rate, due to the coronavirus pandemic.

SURVEY COSTS

It’s crucial to have your property examined by a surveyor before completing the purchase, as this can identify many kinds of expensive issues that might arise in the future.

There are various types of survey, with different costs, including:

- A basic condition report (£300+)
- A more detailed homebuyer report (£400+)
- An in-depth building survey (£450+)
- A full structural survey (£600+)

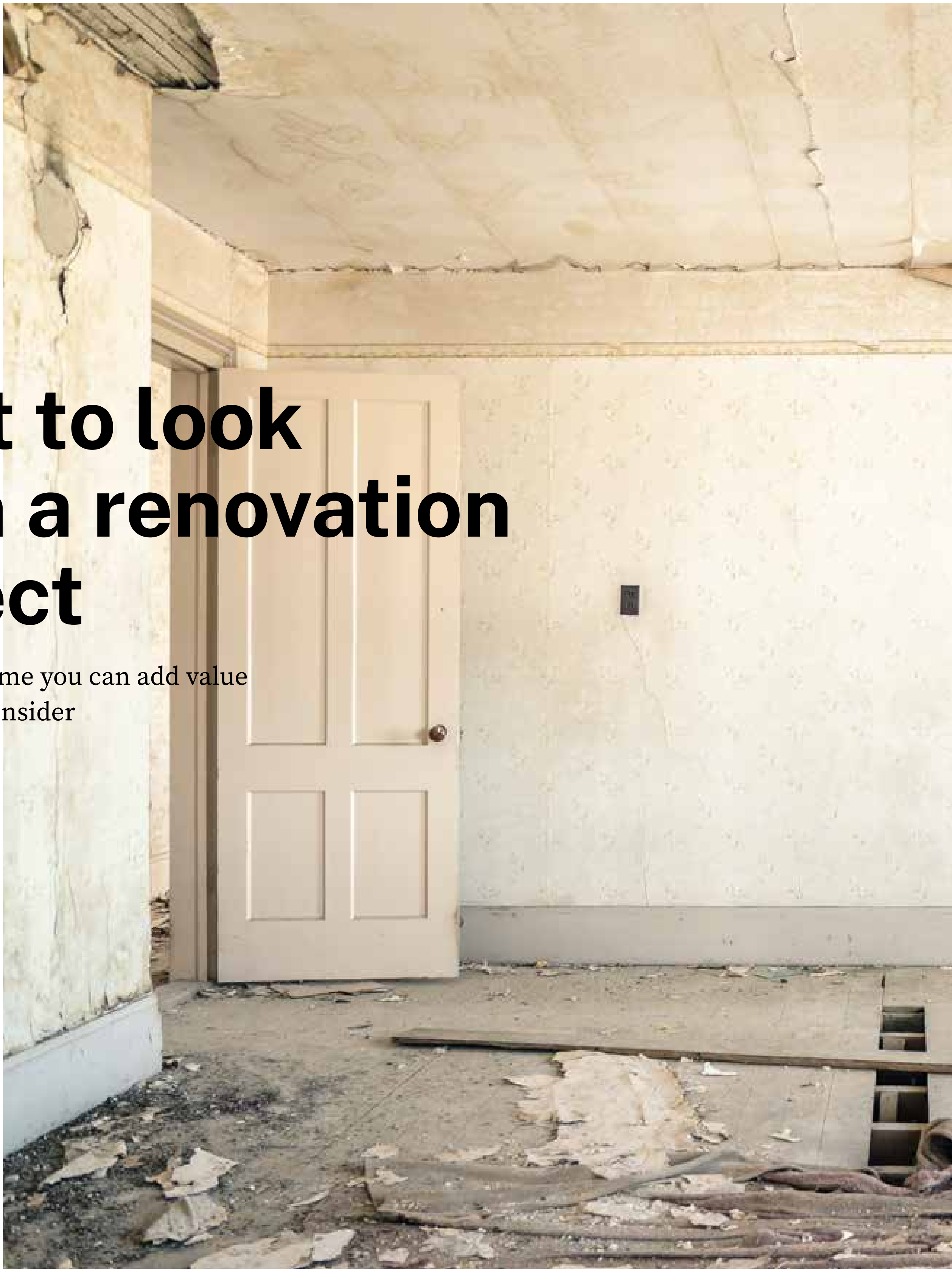
SOLICITOR’S FEES

Another essential cost is a solicitor, to draw up your contract and help to complete your sale. You should expect to pay between £800 and £1,600. This includes your legal fees, money transfer fees, land registry fees and searches. ◆

>> SIGNIFICANT FINANCIAL COMMITMENT <<

Buying your home is not only exciting but for many can be one of the most stressful times they’ll ever experience, not to mention a significant financial commitment. From your mortgage deposit to fees and other costs, buying a property is an expensive business.
To discuss your situation or for further information, please contact **Agentis Financial & Mortgage Solutions Ltd** – telephone **01733 367800** – email **Info@agentisfinancial.co.uk**.

Source data: *[1] https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/february2020*



What to look for in a renovation project

How to spot a home you can add value to and what to consider

WHEN HUNTING for property, many buyers are looking not just for a home they'd like to live in, but also for an investment opportunity. If you're planning on buying a home to renovate, there are plenty of things you'll need to consider.

While this is often a reliable way to turn a more profitable return on your investment, buying a 'fixer-upper' is not for everyone, and there may be elements to such a large commitment that you haven't already considered.

Spotting a property with better-than-average investment potential can be difficult, especially if you're a first-time buyer at the start of your search. So, we've created a checklist of features to look out for and categorised them based on how much value they might add if you use them to your advantage.

POTENTIAL TO ADD SPACE

For most properties, the biggest opportunity to add value is to increase the square footage.

You can do this by extending the property (or adding to an existing extension), adding a conservatory or building a second property on the same site. The key feature you're looking for is unused outdoor space that you can build into.

Look out for:

- 'Side returns' on terraced properties, i.e. a narrow strip of garden between the house and its neighbour
- Secondary structures, such as outhouses, that can be connected to the main property
- Land on which you could build a summer house or garden room

- An existing extension or garage on which you could add another storey
- Adjacent plots of land available for purchase

Changes like these will usually require planning permission. For an indication of how likely this is to be granted, take a look at nearby properties to see if any similar work has been completed.

POTENTIAL TO RECONFIGURE SPACE

The second biggest opportunity to add value is by creating more usable space in a property without adding to the square footage. This can be done by converting a previously unused area, or by changing the floor plan. Any additional living space is a plus but creating an extra bedroom will add the most value.

Look out for:

- Unconverted garages, attics and basements with the potential to become a bedroom or reception room
- Small kitchens next to larger dining rooms or living rooms, which can be combined to create an open plan living area
- Single bedrooms next to much larger ones, which can potentially be equalised by moving an internal wall

Walls can only be easily moved if they're not load-bearing, and not all garages, attics and basements are suitable for conversion. So, you may want to check with a surveyor that you'll be able to carry out the work you have in mind.

POTENTIAL FOR FUNCTIONAL IMPROVEMENTS

If you're looking at older properties, there can be substantial opportunities to add value by bringing them up to modern standards or adding newer features that will perform better.

Look out for:

- Outdated kitchens and bathrooms, to which you can add higher-quality appliances, improved storage and attractive surfaces
- Poor Energy Performance Certificate ratings, which can be improved in various ways from upgrading the heating system to adding solar panels
- Traffic noise from nearby roads, which can sometimes be dramatically reduced with double glazing and sound insulation

This type of work can be quite expensive to undertake relative to the added value it offers, but you'll also benefit from the upgrades while you live in the property.

POTENTIAL FOR VISUAL IMPROVEMENTS

Improving the aesthetic appeal of a property can add some value. Crucially, you'll need to snag a bargain by looking past features that other buyers find off-putting, with the intention of changing them once you move in.

Look out for:

- Original features, such as floorboards, wooden beams or fireplaces, that are in poor condition but can be restored
- Unusual or dated decor that can be removed or replaced
- Unattractive exteriors, which can be disguised with cladding or climbing plants

The more work there is to do, the more potential there is to add value. But it's easy to take on too much and be left with a project that needs more time or money than you can give it. Be careful to match the amount of work required with your level of ambition. ◆

Should I buy an old or a new property?

Opting for a home with character or the convenience of modernity!

THE CHOICE BETWEEN a newly built or an older home is a personal one, and there are advantages and disadvantages on both sides. You'll either be drawn towards a property with character or may prefer the convenience of modernity.

The Government is racing to meet ever-increasing demand for property and, as a result, new developments are popping up all over the place – a mix of immaculate housing estates and modern apartment blocks. On the other hand, if character and a sense of uniqueness are more important to you, an older period home is more likely to be up your street.

To help you decide, here are some of the major factors to consider (see overleaf).

"You'll either be drawn towards a property with character or may prefer the convenience of modernity."

REASONS TO BUY A NEWLY BUILT PROPERTY

Modernity: Your newly built home will be freshly finished to a high standard, with appliances pre-installed. The standard of kitchens, bathrooms, etc. in an older property isn't guaranteed.

Safety: The property will be built to meet current standards for fire safety, etc., whereas older properties might be out of date.

Energy efficiency: Whether you're concerned about your carbon footprint or the costs associated with it, you'll typically reduce both by choosing a newly built, greener home.

Security: Developers will usually install the latest security measures to keep you safe, including lights and alarms. With older homes, the security standard will vary.

Immediate availability: Newly built properties are typically listed on the property market when they're close to completion and are available as soon as they're finished. There's no waiting around for the current owner to find a new home.

Reliability: Developers must meet a required level of service before, during and after the sale. You'll have a warranty to cover major issues that arise in the years after buying the property, so your repair costs will be low.

Affordability: If you're eager to get on the property ladder, there are government schemes such as Help to Buy and Shared Ownership that can help you to buy a newly built property with just a small deposit.

REASONS TO BUY AN OLDER PROPERTY

Location: Older properties are usually built in established areas. This makes it easier to predict the future of house prices, as you can look at past trends. The area is likely already to be served by existing facilities, such as schools and shops, which isn't always true of new developments.

Cost: An older property will typically be priced a little lower than a newly built home that is otherwise similar, as everything in a newly built home is brand new. You might feel you have more negotiating power with a private seller than a professional developer.

Size: Homes are shrinking in size over time, so properties built in previous decades tend to have larger proportions.

Fewer teething problems: The property's previous owners are likely to have encountered and fixed any initial snagging issues associated with new builds. They will have had utilities, such as broadband, connected already.

"While older properties may not be in perfect condition, it can be easier to predict the issues that might come up."

Known flaws: While older properties may not be in perfect condition, it can be easier to predict the issues that might come up, and you can expect to undertake a certain amount of maintenance work.

Profitability: An older home offers the opportunity to make improvements and alterations. This allows you to potentially raise its market value more than a newly built property in the same period of time.

Preference: Some people simply prefer homes from a certain era. If you're looking for historic character or period features, you won't find them in a new-build property. ◆

GREEN HOMES GRANT

Could you benefit? What you need to know

THE CHANCELLOR of the Exchequer delivered his emergency 'Mini-Budget' Summer 2020 Statement to Parliament on Wednesday 8 July, amid the backdrop of a growing threat to the economy from the global outbreak of coronavirus (COVID-19).

During his speech he announced the introduction of a £2 billion Green Homes Grant, providing at least £2 for every £1 homeowners and landlords spend to make their homes more energy-efficient, up to £5,000 per household. The Green Homes Grant, with online applications for recommended energy-efficiency measures and details of accredited local suppliers, was launched in September 2020.

Eligible households in England can use the vouchers on green home initiatives, including insulation, low-energy lighting and double glazing. For those on the lowest incomes, the scheme will fully fund energy efficiency measures of up to £10,000 per household. In total, this could support over 100,000 green jobs and help strengthen a supply chain that will be vital for meeting the target of net zero greenhouse gas emissions by 2050.

The move is part of a £3 billion green investment package and aims to upgrade over 600,000 homes across England, saving households hundreds of pounds per year on their energy bills. As part of this package, homeowners and landlords in England will be able to apply for vouchers from the Green Homes Grant scheme to pay for green improvements such as loft, wall and floor insulation.

The vouchers will fund two-thirds of work done. These improvements could save some households hundreds of pounds a year on their energy bills while creating thousands of jobs for tradespeople. The remaining £1 billion of the £3 billion programme will make public buildings (including schools and hospitals) greener, helping the country meet its ambitions of achieving net zero by 2050. ◆

"Eligible households in England can use the vouchers on green home initiatives."

>> LET US TAKE THE HASSLE OUT OF YOUR PROPERTY AND MORTGAGE NEEDS <<
Hundreds of thousands of households could be eligible for £5,000 vouchers under the Government's new home improvement scheme. To discuss any of your property and mortgage requirements, contact **Agentis Financial & Mortgage Solutions Ltd** – telephone **01733 367800** – email **Info@agentisfinancial.co.uk**.

‘New normal’

Home movers reorder priorities in response to the coronavirus outbreak

GIVEN THE unprecedented impact of the coronavirus (COVID-19) pandemic, many home buyers and sellers may have changed their ideas about what they are looking for from their next home move. As the property market establishes a ‘new normal’, 54% of home movers have reordered their priorities in response to the coronavirus outbreak[1]. Home hunters are still on the move, although economic uncertainty is a concern. But in promising news for the market, 86% of those planning to move prior to the coronavirus crisis intend to proceed with their plans, with 40% of buyers in London and the South East saying their

intention to move over the next twelve months has not changed.

"Younger people have been impacted the most, with 35% saying their plans to move have been delayed."

DELAYED PLANS

Meanwhile, a third of buyers from across the country admit that while their plans have been delayed, they still intend to move in the next year. Of those who have delayed their search, 31% cited concerns around a downturn in house prices as a result of the impact of coronavirus, followed by the impact of coronavirus on the UK economy (30%), and its impact on their employment and household income (22%), as their greatest worry.

Meanwhile, younger people have been impacted the most, with 35% saying their plans to move have been delayed. Delving deeper, 30% of respondents under the age of 35 cite access to a mortgage or difficulties saving for a deposit as their reason for delaying their move.

BIGGEST CHANGES

The survey has also brought to light a shift in priorities amongst home hunters as a result of the pandemic. 44% of those whose criteria have changed are now looking to move closer to the countryside, parks or the coast.

Under-35s have recorded the biggest change in priorities, with one in five saying they're more likely to prioritise private outdoor space over an additional bedroom, or expand their location search if it means being able to afford a garden.

WORK-LIFE BALANCE

A dedicated home office area, being closer to family and

friends, and the ability to exercise at home all ranked highly in the list of priorities. Proximity to amenities such as pubs and shops have been deprioritised, with just 13% of respondents citing them as a neighbourhood must-have.

Work-life balance is key for many, with 85% of respondents expecting to work the same hours or less in the coming months. 42% expect to work from home more often, which explains why, when it comes to those under the retirement age, over half of respondents expect to commute less.

PROPERTY SEARCHES

Naturally, this shift in lifestyle has had implications for property searches. Just over one in five respondents (22%) say having a home-working area has become more of a priority, which increases to 34% of those in the 35-49-year age bracket. Other shifts in lifestyle include 30% of respondents saying they are doing more DIY, 43% doing more gardening, and 35% planning to take more holidays in the UK. Overall, it looks like people are intending to spend a lot more time both outdoors and at home.

86% of those who had planned to move before lockdown still intend to go ahead with their plans in the near term. Without doubt, lockdown has put the functionality of many homes under pressure, and many homeowners have emerged with a revised list of requirements that they're looking for a new home to fulfil.

FUTURE LOCKDOWNS

With more people looking to travel into the office less often, while socialising at home more, expectations of what a home can deliver look likely to be greater than ever. Many home movers are likely to reset their work-life balance, with greater emphasis on finding a home that will accommodate these lifestyle changes.

In addition, whilst always popular, a garden or private outdoor space, as well as proximity to parks, the countryside and the coast, have assumed a new level of importance. Inevitably, home movers want to fortify themselves against the impact of any future lockdowns – should they arise. ◆

>> WE'RE HERE TO HELP ADVISE YOU <<

Whether you're looking to buy your first home or invest in property, we can help. Our expert will make buying your home or property investment easy. Contact **Agentis Financial & Mortgage Solutions Ltd** – telephone **01733 367800** – email **Info@agentisfinancial.co.uk**.

Source data: *[1] Zoopla survey of over 2,000 home movers, 6 July 2020*

Buy-to-let

Investing in a rental property

THERE ARE MANY different ways to become a landlord. Perhaps you have inherited a property that you want to keep but not to live in or maybe you have your eye on a property that you wish to acquire with a view to rent out.

There are an estimated 3 million buy-to-let landlords in the UK, who choose to invest in property for long-term capital growth, but also want to make money in the short term from rental income. If you are considering becoming a buy-to-let landlord, here are a few things you need to know.

Being a buy-to-let landlord comes with a fair number of obligations and responsibilities. These include tenancy agreements, tenancy deposits, repair and maintenance and more.

WHY DO PEOPLE BECOME BUY-TO-LET LANDLORDS?

People may have their own reasons, but typically, buy-to-let is an investment. While some people invest their money in the stock markets, others choose to invest in property, which requires different knowledge and skills.

Choosing to become a landlord is a big decision, with great benefits as well as an array of challenges that need to be considered. It's a big responsibility, whether you own one property or several, so gaining some insight into what you can expect is essential.

HOW DO BUY-TO-LET LANDLORDS MAKE MONEY?

As a buy-to-let investor, you will either be relying on capital growth (increase in the value of the property over the medium to long term) or rental yield (income generated from the property expressed as a percentage of the property value). You'll need to work out which of these has the greater advantage.

Rental yield – the money you make from the rent you charge to tenants. You'll need to pay income tax on this money.

Capital growth – money you make by selling the property at a higher price than you paid for it. You'll need to pay capital gains tax on this money.

"People may have their own reasons, but typically, buy-to-let is an investment."

HOW DO YOU FIND A BUY-TO-LET PROPERTY?

You can start to search in the same way as you would search for a home for yourself – by speaking to estate agents and searching online.

The features you look for in the property will probably be different to what you'd look for in your own home, and this depends on whom you plan to let to – a decision you should make before buying.

Different demographics have different requirements. For example, students want properties in cheap but vibrant areas with good public transport links to university. Professional sharers often look for equally proportioned bedrooms. Families need good local schools and safe roads.

If you plan to rent to multiple people in one property, you also need to be aware of the government's rules around houses in multiple occupation as there are certain requirements, like bedrooms of particular sizes.

Once you've found the right property, you'll need a buy-to-let mortgage.

WHAT IS A BUY-TO-LET MORTGAGE?

If you can't buy your investment property outright, you'll need to apply for a mortgage. There are specific mortgages on offer for people who plan to let out their property, and unsurprisingly, these are called buy-to-let mortgages, or BTL mortgages.

In many ways they are like regular mortgages and have a similar application process: you'll need a good credit rating together with a suitable deposit and you'll usually apply for an Agreement in Principle before you put in an offer on a property.

IMPORTANT WAYS THAT BUY-TO-LET MORTGAGES ARE DIFFERENT

There are various differences between a residential and a buy-to-let mortgage, and they start with the way your affordability is calculated.

- You'll probably need a bigger deposit (usually between 25% and 40% of the property value)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“Finding the right property in the right location is important when searching for your own home. But it’s equally important when looking for a buy-to-let property.”

- You’ll normally only pay off the interest each month, not the capital. That means you’ll need to pay off the capital at the end of the mortgage term. Sometimes landlords will sell the property to do this, or you can use other funds to pay it off.
- They usually have higher fees than mortgages for owner-occupiers
- The interest rates are also often higher
- The eligibility requirements can be stricter

WHO CAN GET A BUY-TO-LET MORTGAGE?

You’ll usually need to own a home of your own already (including a home you have a mortgage on). Like most other loans, your finances need to be in order. You’ll need a good credit record, and usually a regular income of £25,000 or more.

HOW IS MY INTEREST RATE CALCULATED?

The rate you’re offered may be influenced by several factors, including:

- The type of rental property you have (e.g. long-term rental, or short-term holiday let)
- Whether you choose a variable or fixed rate mortgage
- The value of the property you're using to secure the mortgage
- How much you need to borrow (both in total, and as a percentage of your property’s value)
- Your credit history (but not your credit score)

LOCATION, LOCATION, LOCATION

Finding the right property in the right location is important when searching for your own home. But it’s equally important when looking for a buy-to-let property. So, before you start your search, think about what kind of tenant you are targeting. If you get the location or type of property wrong, you’ll find yourself in a situation where the rent you charge will need to be lower and the right tenants harder to come by.

Many lenders have restrictions on mortgages for student lets and Houses in Multiple Occupation (HMOs). So the type of tenant renting your property can really impact your plans. For instance, an HMO building is defined by having three tenants or more, that form more than one household and who share a toilet, bathroom or kitchen facilities.

Some properties may also be more difficult to secure a mortgage on, so you need to bear this in mind. These can include former council houses, new developments and flats above commercial premises, such as shops.

ARE YOU READY TO BECOME A BUY-TO-LET LANDLORD?

Ask yourself these questions to help decide if this is right for you:

- Are you interested in property, and keen to invest your money here rather than in the stock markets?
- Are you willing to put some time into the process in exchange for the potential financial reward?
- Might you enjoy the process of property hunting and home improvement?
- Are you confident working with numbers and calculating things like rental yield?
- Do you understand that – like with any investment – there is risk involved, and there can be unexpected costs?

IF YOUR ANSWERS ARE ‘YES', YOU’RE PROBABLY READY TO TAKE THE NEXT STEP.

Despite the UK Government continuing to introduce policies aimed at making it difficult for buy-to-let landlords to make significant profits, if approached in the right way buy-to-let can still be an attractive investment opportunity for anyone who is able to purchase a second home, or build a portfolio, and rent their properties out to tenants. ◆

>> WANT TO DISCUSS YOUR BUY-TO-LET MORTGAGE OPTIONS WITH ONE OF OUR TEAM? <<

If you are looking to buy a property to rent out or add another investment to your property portfolio, there are lots of things to consider. Whether you’re looking to purchase your first property to let, or expanding your current portfolio, for further information or to discuss your requirements, we’re here to help you. Contact **Agentis Financial & Mortgage Solutions Ltd** – telephone **01733 367800** – email **Info@agentisfinancial.co.uk**.

How to attract the right tenants

Tips for marketing your buy-to-let property

FOR A BUY-TO-LET property to be as profitable as possible, it's crucial to find quality tenants quickly. The most sought-after tenants are those who pay their rent on time, keep the property in good condition and don't cause any problems.

Over the last few years, more and more people in the UK have been renting homes rather than buying them. We're also staying in rented homes for much longer without moving. To attract the right tenants it is important to present the property well and have it marketed in the right places looking at its best. If you obviously care about your property, your tenant is more likely to care for it as well.

IDENTIFY YOUR TARGET TENANT

Ideally you will have purchased your buy-to-let property with a specific tenant in mind – for example, families, young professionals or students. But this won't always be the case, as you may be renting out a property that you originally bought for yourself, or inherited.

The main deciding factor that tenants are looking for in their rental property is a 'good' location.

If you're not sure who your target tenant is, look at:
Location – Is your property in a safe and secure neighbourhood? Is your property within a good school's catchment area? Does it have good transport links? Would it suit commuters? Is there a good proximity to local nightlife or shops?

Nearby rental properties – If you search on a property website for your area, who do you think those landlords are targeting?

Quality – Do you think your property offers a similar standard as other properties available, or is it superior in some way?

KNOW WHAT YOUR TARGET TENANT IS LOOKING FOR

Think about which features of your property make it suitable for the audience you've identified.

Examples of points to consider:

- Does it have a perfect garden for families?
- Does it offer parking?
- Is there access to a gym in the building?
- Is it suitable for pets?
- Does it have an en suite bathroom?
- Is it offered furnished or unfurnished?

These are all examples of features you'll want to draw attention to in your property listing.

TAKE GREAT PHOTOS

Well-shot photos can make your listing stand out and help your new tenants to picture themselves living there.

Lighting – Natural is best, so shoot on a bright day, if possible, with the curtains and blinds open.

Angles – Shoot towards a corner, rather than head-on to a wall, to give a better impression of the size of the space.

Staging – Photos of clean and well organised properties are more appealing than cluttered and untidy ones. Consider finishing touches such as flowers or a fruit bowl.

Details – If you have unique features, such as luxury white goods, make sure your photos draw attention to them

Variety – Include a good range of photos, including different angles of the same room if there's an opportunity to show different features.

DESCRIBE YOUR PROPERTY CLEARLY

You can either write the descriptive text yourself, or review text written by your agent. Either way, make sure that it mentions everything you think will attract the tenants you want.

- Focus on the biggest and best feature first, e.g. 'spacious family home' or 'luxurious city apartment'
- List other features of the property
- Give reasons why it's suitable for a particular type of tenant
- Include positives about the neighbourhood
- Use relevant descriptors, such as 'quiet' or 'modern', rather than general ones, such as 'exciting' or 'fantastic'

Remember the things that aren't shown in your photos, such as a security system, off-street parking or close proximity to local amenities. It might help you to imagine what you would point out to people if they were viewing your property in person. You'll also want to be clear about your pet policy and smoking policy.

ASK YOUR AGENT FOR ADVICE

Your letting agent can check that you've included all of the essential information and add anything you've missed. They'll also confirm that you're meeting all of your obligations in line with the Consumer Protection from Unfair Trading Regulations (2008). ◆

Legal matters

Tenancy agreements and handling deposits

WHEN IT COMES to private renting, there are measures in place to protect both landlord and tenant. Regardless of the type of tenancy, it's important to know where the lines of responsibility are drawn.

Whether you're a landlord or a tenant, it makes good sense to have a solid tenancy agreement in place. Not only will this highlight your rights and responsibilities but it will also help maintain a positive relationship between you and your landlord or tenant.

“Whether you're a landlord or a tenant, it makes good sense to have a solid tenancy agreement in place.”

The most common type of tenancy in the UK is an Assured Shorthold Tenancy (AST). This describes tenancies involving:

- a private landlord who will not be living in the property
- a tenant or tenants who will be living in the property
- annual rent that is no less than £250 and no more than £100,000

At the start of a new AST, a tenant and landlord will sign a tenancy agreement, and the tenant will pay the landlord a deposit. If you're a buy-to-let landlord, here are the answers to common questions you may have about this stage of the tenancy.

WHAT IS A TENANCY AGREEMENT?

There's more to renting out a property than just handing over the keys. Tenancy agreements are an essential component in the life of any buy-to-let landlord or property investor. A tenancy agreement is a contract between a landlord and tenant.

Legally, a verbal agreement is acceptable and equally valid as a written agreement. But in practical terms, it's advisable to have a written agreement in place to refer to in case of a dispute. Tenancy agreements can either cover a fixed term (e.g. one year) or renew periodically (e.g. every month).

WHAT SHOULD A TENANCY AGREEMENT INCLUDE?

The tenancy agreement should specify the details of the property (i.e. address), landlord and tenant, and a start and end date.

Rent – How much and how frequently is it due? What payment methods are acceptable? When will the rental amount be reviewed?

Deposit – How much was paid by the tenant? Where is it held? In what circumstances will it be withheld, in full or in part?

Bills – Who is responsible for paying them?

Obligations – What is expected of the landlord and tenant? Who will carry out repairs?

Additional terms – Is it acceptable to sublet the property? In what circumstances can either party withdraw from the agreement early?

WHAT IS A TENANT DEPOSIT?

When your tenants provide you with a deposit, it's your responsibility to protect their money in a government-backed tenancy deposit scheme (TDP). A tenant deposit is an amount of money (usually equivalent to rent for a certain period, e.g. one month) that the tenant pays to the landlord at the start of the tenancy.

In certain circumstances you can use this deposit to cover costs such as rent arrears or property damage caused by the tenant. The deposit amount, and the conditions for repayment, should be covered in the tenancy agreement.

WHAT IS THE LAW AROUND HANDLING DEPOSITS?

You must place your tenant's deposit in a TDP scheme, within 30 days of receiving it. You must inform the tenant which scheme their deposit is protected by and provide them with a TDP Certificate.

These schemes ensure that the deposit is returned to the tenant at the end of the tenancy, as long as they met the terms of their tenancy agreement, paid their rent and bills, and didn't cause damage to the property. If these conditions are met, the deposit must be returned within ten days.

All of these laws are in place to protect both you and the tenant from lengthy and costly disagreements. Knowing your rights and responsibilities is an important part of being a buy-to-let landlord. ◆

>> NEED HELP WITH LEGAL ASPECTS RELATING TO HOUSING AND PROPERTY? <<

There are so many complex legal aspects relating to housing and property. It's imperative that you make sure the law is giving you as much support and protection as possible. We offer expert advice and support across our specialist areas of expertise. For further information contact **Agentis Financial & Mortgage Solutions Ltd** – telephone **01733 367800** – email **Info@agentisfinancial.co.uk**.

Selling a tenanted property

How to sell a buy-to-let investment with current tenants

"Selling your property with existing tenants means that you won't run the risk of the property sitting empty for several months while it's on the market."

IF YOU OWN a buy-to-let property that you rent to tenants, selling it might take a little extra effort. As well as finding a buyer, you need to make allowances for the people renting it and decide whether to sell the property to another landlord or someone who wants to use it as their home.

The process for selling a tenanted property is slightly different, so make sure you're aware of the following considerations.

ADVANTAGES OF SELLING A TENANTED PROPERTY

Selling your property with existing tenants means that you won't run the risk of the property sitting empty for several months while it's on the market. So, you don't lose any of your monthly income until the sale is complete.

This can also be a selling point for other buy-to-let investors, who can be sure of receiving an income from the property immediately after the sale and won't have any immediate marketing costs.

DISADVANTAGES OF SELLING A TENANTED PROPERTY

Selling your property with tenants gives you access to a smaller audience of buyers, as it is only of interest to other buy-to-let landlords. A smaller audience potentially means a lower sales price, but not always.

You probably won't have the opportunity to complete any renovation work that could increase your selling price. The buyer, too, will likely have to wait until the end of the tenancy if there is work they'd like to do.

PRACTICAL CONSIDERATIONS FOR SELLING A TENANTED PROPERTY

Dealing with tenants can make the sale a little more difficult, but if you have a good relationship with them and communicate well, you can keep these difficulties to a minimum.

- It may be worth checking if your tenant would be interested in buying the property themselves before putting it on the market.
- Discuss their concerns about needing to move, whether they'll pay more rent, and if the sales process will disrupt their enjoyment of the property.
- Keep them informed of viewings and work around their schedule (they are entitled to 24 hours' notice and can refuse viewings at inconvenient times).
- Likewise, update them at each stage of the sales process.
- Make sure that you, the buyer and the tenant are all in agreement about how any ongoing repairs (or other issues) will be managed after the sale.

FINANCIAL CONSIDERATIONS FOR SELLING A TENANTED PROPERTY

There are a few additional financial considerations when you make the sale:

- If the property is furnished, you'll want to include these furnishings in the sales price
- If you've paid a commission to a letting agent, you can try to partially recoup this cost from the buyer
- If you hold a tenancy deposit, you'll need to transfer it to the new owner

ADDITIONAL PAPERWORK WHEN SELLING A TENANTED PROPERTY

As well as the usual sales paperwork, you'll need to provide your buyer with:

- Evidence of the tenant's right to rent
- The tenancy agreement
- The deposit protection certificate
- Relevant communications between yourself and the tenant

TAX CONSIDERATIONS FOR SELLING A TENANTED PROPERTY

The tax considerations for selling a buy-to-let property are the same whether the property is vacant or tenanted. Capital gains tax is applicable to taxable gains you make from your property sale, i.e. the profit you've made on your investment. You have a tax-free allowance of £12,300 (for the 2020/21 tax year). Profits over that amount could be subject to tax of up to 28%.

It's important to calculate the tax that will be due in advance, as it might affect your decision to sell. ◆

>> SELLING A TENANTED PROPERTY? <<

If you are considering selling a property with sitting tenants, we're here to help guide you through the process. For further information contact **Agentis Financial & Mortgage Solutions Ltd** – telephone **01733 367800** – email **Info@agentisfinancial.co.uk**.

DO YOUR NUMBERS ADD UP?

Rental yield and capital growth are the two key ways property investors make money

BUY-TO-LET investors make money in two different ways, rental yield and capital growth. On a basic level, landlords investing for the short-term should consider locations that could deliver high rental yields, while landlords with a long-term view may want to prioritise regions or cities with historical capital gains and steadily rising house prices.

There are no guarantees but it is possible for landlords to secure both strong rental yields and good capital gains over time. Rental yields and capital gains aren't, however, the only things to take into consideration when choosing where to invest. Just as important is to take into account tenant demand, how long rental

"There are no guarantees but it is possible for landlords to secure both strong rental yields and good capital gains over time."

properties are staying on the market, and calculating the level of rent you can realistically charge.

WHAT IS RENTAL YIELD?

Rental yield is the money you make from renting out a property that you own. It's calculated as a percentage based on the total value of your property. You'll see it referred to in terms of gross rental yield and net rental yield, so we'll explain the difference between the two.

Rental yields are typically at their highest in commuter towns, particularly on the outskirts of major cities like London, as homes here are generally more affordable, tenant demand is high and there is a good opportunity to charge higher rents and secure reliable, long-term tenants.

GROSS RENTAL YIELD

Gross rental yield is based on the total amount your tenants pay in rent. It's calculated like this:
Total annual rent / Cost of property x 100 = Gross rental yield
So, if the property cost £200,000, and you're charging £1,000 a month in rent:
£12,000 / £200,000 x 100 = 6% gross rental yield

NET RENTAL YIELD

Net rental yield takes into account the costs of owning the property.

These costs include:

- Mortgage interest payments
- Agent fees
- Landlord insurance
- Property taxes
- Repairs and renovations
- Decorating and furnishing
- Cleaning
- Periods in which the property is vacant

It's calculated like this:
(Total annual rent – expenses) / Cost of property x 100 = Net rental yield

So, if the property cost £200,000, and you're charging £1,000 a month in rent, but your monthly costs are £100 each month:
(£12,000-£1,200) / £200,000 x 100 = 5.4%

HOW DO YOU ACHIEVE A GOOD RENTAL YIELD?

As you can see, some of the factors you'll need to balance to achieve a good rental yield include: choosing a property that renters will be willing to pay a significant amount of rent for, negotiating a good deal on the property purchase, and keeping your costs low.

Remember that it's a balancing act. Focusing too much on one factor can lower your rental yield. For example, charging rent that is too high can result in longer periods of vacancy, at a high cost. Neglecting repairs and furnishing costs can bring down the rent you can realistically charge.

WHAT IS CAPITAL GROWTH?

When you buy any asset and then sell it at a higher price, the money you've made in doing so is capital growth. So, if you buy something for £2 and sell it for £3, you've made £1 in capital growth – not taking into account any costs you've incurred in the process.

In the context of property, capital growth is the difference between the price you pay for a property and the price you sell that property for. Any profit you make on the sale of a buy-to-let is known as the capital gain. If you are looking for capital gains, you should consider up-and-coming areas which are likely to experience rapidly rising prices in the coming years. Or locations which have seen house prices rise steadily over a number of years, seemingly impervious to external factors.

HOW CAN YOU ACHIEVE GOOD CAPITAL GROWTH?

You can't calculate capital growth before buying a property, as you can't predict how much you'll sell the property for in future. However, you should use your judgement to find properties you think have good potential.

Factors that can influence how much capital growth you make include how

"You can't calculate capital growth before buying a property, as you can't predict how much you'll sell the property for in future."

long you have the property for, how much house prices rise in the area over that time, and how much you've improved the property. Consider areas where buyer demand is consistent or which have been the beneficiary of recent or ongoing infrastructure projects, for example Crossrail 1 or HS2.

IS RENTAL YIELD OR CAPITAL GROWTH MORE IMPORTANT?

That depends on your reasons for investing. If you rely on your property portfolio for your monthly income, then rental yield will be very important to you. If you're investing over the long term – for example, to fund your future retirement – capital growth may be more important. For many investors, it's a mixture of both. ◆

>> HELPING YOU AVOID THE PITFALLS OF PROPERTY INVESTING <<

Rental yield and capital growth are the two key ways property investors make money. Both can be highly lucrative providing you know how to find them. But even buying an investment property these days isn't safe as houses if you get it wrong. To discuss your requirements or for more information, contact **Agentis Financial & Mortgage Solutions Ltd** – telephone **01733 367800** – email **Info@agentisfinancial.co.uk**.

Tenancy deposit protection schemes

Do you know your obligations as a landlord?

IT IS A LEGAL requirement for landlords who rent out their properties on Assured Shorthold Tenancy (AST) to pay any deposit money they collect into a tenancy deposit protection scheme.

Since April 2007 all landlords who take a deposit from their tenant on an AST in England and Wales must comply with the tenancy deposit protection legislation.

Some landlords believe it is okay to let a property to a tenant and not take a deposit, however it's not advised. The deposit gives landlords a financial safety net in case the tenant causes damage to the property or steals or loses any of the landlord's possessions.

So that you can be sure you're meeting your obligations, we've answered some of the common questions about tenancy deposits and protection schemes.

WHAT IS A TENANCY DEPOSIT?

A tenancy deposit is a refundable payment from a tenant to a landlord, made at the start of a new tenancy. It is intended to cover any financial loss suffered by the landlord if the tenant is at fault. If there is no damage or financial loss caused, the deposit is returned to the tenant when the tenancy is over.

Deposits are typically equivalent to between four to six weeks' rent, but should be no more than two months' rent. The deposit amount, and the conditions for repayment, should be covered in the tenancy agreement.

WHAT IS A TENANCY DEPOSIT PROTECTION SCHEME?

A tenancy deposit protection (TDP) scheme is a system for holding or insuring deposit money for the duration of a tenancy to ensure that it is repaid to the appropriate party at the end of the tenancy.

There are three government-backed schemes: The Deposit Protection Service, MyDeposits and the Tenancy Deposit Scheme. All three offer both custodial deposit protection schemes and insured deposit protection schemes.

At the end of the tenancy, landlords must return the deposit within ten days of both landlord and tenant agreeing how much will be returned.

WHAT IS A CUSTODIAL DEPOSIT PROTECTION SCHEME?

Under a custodial deposit protection scheme, the deposit is held by the scheme for the duration of the tenancy, and it is released to the appropriate party after the landlord and tenant have come to an agreement about the amount to be repaid.

WHAT HAPPENS IF THERE IS A DISPUTE OVER THE TENANCY DEPOSIT?

All TDP schemes offer free dispute resolution if you're unable to reach an agreement between yourself and your tenant. If you choose to use this service, the decision made is final.

WHAT HAPPENS IF YOU DO NOT PROTECT A TENANT'S DEPOSIT?

Should a tenant find out that a landlord hasn't protected their deposit, he or she may lodge a complaint with their local court. At this point, a court may order the landlord to repay it to the tenant or place the deposit into a protection scheme within 14 days.

They may also rule that the landlord pay up to three times the value of the deposit to the tenant as compensation. ◆

Source data:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/775002/EPLS_main_report.pdf

"All TDP schemes offer free dispute resolution if you're unable to reach an agreement between yourself and your tenant. If you choose to use this service, the decision made is final."

WHAT IS AN INSURED DEPOSIT PROTECTION SCHEME?

The alternative to a custodial deposit protection scheme is an insured deposit protection scheme. This is where the landlord holds the deposit themselves and pays a fee to their chosen TDP scheme insurer. If the landlord fails to repay the deposit at the end of the tenancy, the insurer will pay the tenant and pursue the landlord to recoup that money.

WHAT ARE THE LANDLORD'S RESPONSIBILITIES REGARDING DEPOSITS?

As a landlord, you must protect your tenant's deposit through a government-approved TDP scheme within 30 days of receiving it. You must inform the tenant of which scheme their deposit is protected by and provide them with a TDP certificate.

If all conditions stated in the tenancy agreement are met, all rent and bills are paid, and there is no damage to the property, the deposit must be returned to the tenant within ten days at the end of the tenancy.

HOW CAN I GET A MORTGAGE IF I'M SELF-EMPLOYED?

Mortgages shouldn't be complicated just because you're self-employed

We understand that self-employment comes in many shapes and sizes. Whether you're self-employed, a contractor or freelancer, we can match your income to an appropriate lender. Our experienced mortgage advisers will explain the best mortgage options for your self-employed status.

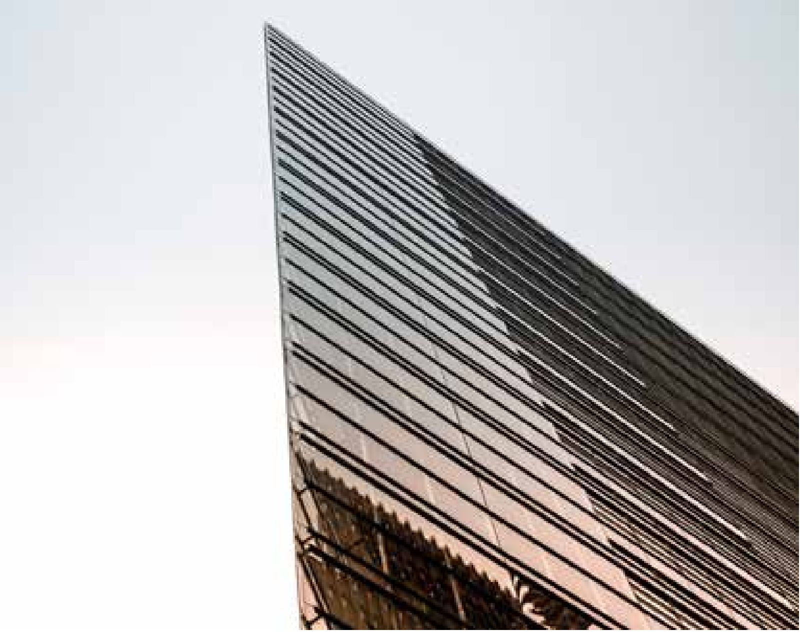
To find out what you could borrow and what your payments may be, contact us today.

Contact Agentis Financial & Mortgage Solutions Ltd
– **telephone:** 01733 367800
– **email:** info@agentisfinancial.co.uk

AGENTIS
FINANCIAL & MORTGAGE SOLUTIONS LTD

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

SELLING A COMMERCIAL PROPERTY



Make a strong first impression, minimise your risk and maximise your return

IN TIMES OF economic uncertainty, selling a commercial property can be more difficult. But with some careful planning and preparation you can ensure that the sale is a smooth and successful transaction.

Before marketing your property, it is important to understand what your buyers will be looking for. Their primary considerations will probably be location, suitability and property price. While the details can vary between properties, our guide will help you to navigate the standard process, step by step.

1. Prepare the property
Maximise the appeal of your commercial property to potential buyers by making sure it's clean and free of clutter. Consider any repairs or improvement work that could boost your sales price. If you have furniture or equipment in the property that is not included in the sale, you may want to remove these now.

2. Appoint a solicitor
You'll need an experienced solicitor to handle contracts and deposits. Get quotes from several solicitors but remember that there is more to consider than the cost. A good solicitor will not just help to expedite the sales process, they can also answer many of your questions along the way.

3. Speak to your mortgage provider
There are various considerations that might have costs involved, such as whether you are paying off your mortgage early, whether you intend to transfer your mortgage, or whether you'll need a new mortgage on a different property. Make sure you're aware of all of these at the start of the sales process.

4. Find an agent
Choose an agent specialising in commercial property. Look for members of a professional body, like the Royal Institute of Chartered Surveyors, as a mark of quality, as all members are required to meet certain professional standards.

5. Get a valuation report
Speak to your agent about a detailed valuation report, which will help to ensure you list your property at the right price. They will look at the property condition, sales data for the area and market trends. Bear in mind that an inflated asking price can slow down your sale and ultimately cost you money.

6. Prepare a buyer pack
This should cover any information a potential buyer will want to know.

Your agent can advise on what to include, such as:
- Planning permission documents

"Maximise the appeal of your commercial property to potential buyers by making sure it's clean and free of clutter."

- Lawful use certificates
- Commercial energy performance certificate
- Tenancy documents (for tenanted properties)
- Details of costs (e.g. business rates and applicable taxes)

7. List your property
In collaboration with your agent, prepare the property listing, with good quality photos and a detailed description. Your agent should be able to advise you on what buyers are looking for, but you can also contribute any selling points you wish to highlight.

8. Conduct viewings
These will be managed by your agent. Bear in mind that, if your property is tenanted, you will need to be considerate about accessing the property for viewings in accordance with their tenancy agreement.

9. Accept an offer
Your commercial agent will inform you of any offers that come in, as they are required to by law. They can also provide advice on which offer to accept, based on their experience with different types of buyer.

10. Approve the sales agreement
When you accept an offer, a sales agreement will be prepared. This is for both you and the buyer to approve.

11. Exchange contracts and complete the sale
Your solicitor will lead this process. First, contracts will be prepared and exchanged. Then, your buyer will pay the deposit to your solicitor. Everyone involved will agree a date for completion. After completion, the mortgage lender will deliver the remaining funds to your solicitor. ◆

>> SELLING A COMMERCIAL PROPERTY? <<
If you're considering selling a commercial property you'll want to ensure you achieve the best price within your preferred timescale. We'll help take the hard work out of the process. For further information or to discuss your requirements, contact **Agentis Financial & Mortgage Solutions Ltd** – telephone **01733 367800** – email **Info@agentisfinancial.co.uk**.

Bridging loans

When you need short-term finance for a purchase or refurbishment project

TIMING IS crucial when buying property, and if you need to make a purchase quickly, it isn't always possible to get a mortgage. A bridging loan is an alternative that's faster but works very differently.

If you are purchasing a property funded from the proceeds of the sale of another property, but the sale cannot be completed before or at the same time as the purchase, short-term finance may be required in order to bridge the gap so that the purchase can still proceed.

Bridging loans can also provide the cheapest option for raising the required funds. In addition, they have flexible lending criteria so that approvals can be given quickly without extensive checks, and they can be secured on all types of property, including property that is unsuitable to other lenders.

WHAT IS A BRIDGING LOAN?

A bridging loan is a type of short-term financing that's sometimes used when buying property. As the name implies, it's designed to bridge a gap between the time you buy a property and a moment in the future when you expect to be able to repay in full.

The most common use of a residential bridging loan is when you would like to purchase a new property but have not sold your existing property. In these cases it is possible to take out a short-term loan that can be repaid when your old property is sold.

“Like mortgages, bridging loans are based on a ‘loan-to-value’ or LTV ratio.”

WHO CAN GET A BRIDGING LOAN?

You’ll need to be a UK resident over the age of 21 to apply for a bridging loan. Usually, bridging loans are used by property developers or investors rather than residential buyers.

HOW MUCH CAN YOU BORROW?

Like mortgages, bridging loans are based on a ‘loan-to-value’ or LTV ratio. You can usually borrow at a maximum LTV of 60-75%, meaning you can borrow between 60% and 75% of the value of your property.

For a £200,000 property, for example, this is between £120,000 and £150,000.

Usually, you can borrow at the top end of this range if you don’t also have a mortgage on the property, and at the lower end if you do have a mortgage. This is because both the mortgage and the bridging loan are secured on the same property.

If you fail to make your repayments, your mortgage provider has a higher priority claim to that property and any money made from its sale.

A bridging loan on a property with no mortgage is called a ‘first charge’ bridging loan, while a loan on a mortgaged property is called a ‘second charge’ bridging loan.

WHEN WILL YOU NEED TO REPAY A BRIDGING LOAN?

Rather than making monthly repayments, you’ll agree to repay in full, with interest and charges added, at a later date.

There are two types of bridging loan with different repayment terms:

CLOSED BRIDGING LOAN

If you take out a closed bridging loan, you’ll have a set date on which to repay it. This might be linked to the completion date for the sale of this or another property.

OPEN BRIDGING LOAN

If you take out an open bridging loan, you won’t have a fixed repayment date, but will usually be required within a certain period, e.g. one year.

Which type of loan you choose will depend on how you plan to raise the capital to repay it.

WHAT HAPPENS IF YOU’RE UNABLE TO PAY?

Your bridging loan will be secured on your property, so if you fail to repay the loan, the property will be repossessed and sold to pay off your debt.

HOW MUCH ARE THE FEES FOR A BRIDGING LOAN?

Usually you’ll pay an arrangement fee of around 2% of the total loan amount, as well as a monthly fee of between 0.5% and 1.5%. This is quite a bit more than most mortgages, so you won’t want to take out a bridging loan for longer than you need to.

Bear in mind that you might also need to pay valuation fees, administrative fees, redemption fees or exit fees, so always compare the total costs when you’re choosing a bridging loan. ◆

>> ACHIEVING YOUR PROPERTY GOALS <<

Whether you’re buying, downsizing or even refurbishing, a short-term bridging loan can be the best way to achieve your property goals. For further information or to discuss your requirements contact **Agentis Financial & Mortgage Solutions Ltd** – telephone **01733 367800** – email **Info@agentisfinancial.co.uk**.

Tax and stamp duty on second homes

Understanding the costs of buying and selling investment properties

WHEN BUYING or selling a second home (whether it's one you use personally or one you rent out), the rules on the taxes you'll pay are a little more complicated than buying or selling a home that's your main residence. The two major differences to be aware of relate to capital gains tax (CGT) and stamp duty.

CAPITAL GAINS TAX ON SECOND HOMES

Unlike selling your main home, selling a second home will incur a CGT charge. The rules for capital gains tax are:

- You will only pay CGT on the profit you make from selling the home, not on the total sales price
- The first £12,300 you receive in capital gains are tax-free (for the 2020/21 tax year) and all gains above that amount are taxed
- Basic rate taxpayers will be taxed at 18% (for the 2020/21 tax year)
- Higher rate and additional rate taxpayers will be taxed at 28% (for the 2020/21 tax year)

So, for example, if you were to sell a second home that you bought for £200,000 and sold for £210,000, you would not need to pay CGT (assuming you made no other capital gains in the tax year) as the £10,000 profit would be within your tax-free allowance.

If you were to sell a second home that you bought for £200,000 and sold for £230,000, you would not pay CGT on the first £12,300 of profit (assuming you made no other capital gains in the tax year). Of the remaining £17,700, you would pay either £3,186 (18%) if you're a basic rate taxpayer or £4,956 (28%) if you're a higher or additional rate taxpayer.

If you had carried out major building work or renovations, the costs of these could be deducted from the profit you made on the house before taxes are charged.

IF YOU'RE BUYING A SECOND RESIDENCE OR A BUY-TO-LET IN ENGLAND OR NORTHERN IRELAND

Stamp duty is a tax paid when buying a property. The rates you'll pay when buying a second home or a buy-to-let in England or Northern Ireland are higher than the rates you'll pay when buying a first home. **For the current tax year, those rates are shown in Fig 1 below.**

So, for example, if you were to buy a main home for £600,000, you would pay £5,000 in stamp duty (5% of the portion of the property value over £500,000). If you were to buy a second home for £600,000 you would pay £8,000 (8%).

These rates have been temporarily reduced in response to the coronavirus (COVID-19) pandemic. They are due to rise on 1 April 2021, when the new rates will be as shown in Fig 2.

WHAT COUNTS AS A SECOND HOME?

For the purpose of these tax rules, a second home is any residential property you buy while owning and residing in another property.

This includes a property you buy for a family member, a holiday home, a second home in the countryside or a buy-to-let property. It even includes a property you buy before you have sold your current home (though the additional second home stamp duty rate will be refunded as long as that home is sold within three years). ◆

>> IT'S GOOD TO TALK <<

To make sure you're aware of all the rules around buying or selling a second home, it's essential that you obtain professional advice. For further information or to discuss your requirements, contact **Agentis Financial & Mortgage Solutions Ltd** – telephone **01733 367800** – email **Info@agentisfinancial.co.uk**.

"If you had carried out major building work or renovations, the costs of these could be deducted from the profit you made on the house before taxes are charged."

FIG 1.

PROPERTY VALUE	MAIN HOME STAMP DUTY RATE	SECOND HOME STAMP DUTY RATE
up to £500,000	0%	3%
between £500,001 and £925,000	5%	8%
between £925,001 and £1.5 million	10%	13%
over £1.5 million	12%	15%

FIG 2.

PROPERTY VALUE	MAIN HOME STAMP DUTY RATE	SECOND HOME STAMP DUTY RATE
up to £125,000	0%	3%
between £125,001 and £250,000	2%	5%
between £250,001 and £925,000	5%	8%
between £925,001 and £1.5 million	10%	13%
over £1.5 million	12%	15%

Life insurance protection

COVID-19 pandemic outbreak causing many of us to think about our own mortality

THE TERRIFYING daily death tolls resulting from the coronavirus (COVID-19) pandemic outbreak may be causing many of us to think about our own mortality, particularly if we're responsible for a family or business loan. Increasingly, we're having to think about things we haven't thought about before – including the unthinkable.

Understandably, we would rather not think of the time when we're no longer around, but this crisis has highlighted the importance of protecting the things that really matter – like our loved ones, home, lifestyle and business – in case the unexpected happens.

The outbreak of the coronavirus pandemic may mean you have concerns about your life insurance and whether you're covered. If you have life insurance to provide for those left behind or to cover business loans after your death, it's important to keep paying the premiums, even if you're tempted to put them on hold to cut costs. You could lose your cover and may struggle to find the same level of cover if you start another policy later on.

PROJECTING OURSELVES INTO THE FUTURE TO SEE WHAT'S AROUND THE NEXT BEND

For many of us, projecting ourselves into the future to see what's around the next bend is not an easy thing to do. However, without thinking, we insure our cars, homes and even our mobile phones – so it goes without saying that you should also be insured for your full replacement value to ensure that your loved ones and business are financially catered for in the event of your unexpected death. Making sure that you have the correct type and level of life insurance in place will help you to financially protect them.

Life insurance provides a safety net. Ultimately, it offers reassurance that your family and mortgage would be protected financially should the worst happen. We never know what life has in store for us, as we've seen since the outbreak of COVID-19, so it's important to get the right life insurance policy. A good place to start is asking yourself three questions: What do I need to protect? How much cover do I need? How long will I need the cover for?

Supporting your family and business financially when you're no longer there for them – what questions you need to ask:

- Who are my financial dependents – my husband or wife, registered civil partner, children, brother, sister or parents?
- What kind of financial support have I provided for my family?
- What kind financial support will my family need in the future if I die prematurely?
- What kind of costs will need to be covered, such as household bills, living expenses, mortgage payments, educational costs, debts or loans, or funeral costs?
- What amount of outstanding business loans do I have now?

"Life insurance provides a safety net. Ultimately, it offers reassurance that your family and mortgage would be protected financially should the worst happen."

THE CORRECT LEVEL OF LIFE INSURANCE WILL MAKE SURE THEY'RE TAKEN CARE OF FINANCIALLY

It may be the case that not everyone needs life insurance. However, if your spouse and children, partner, other relatives or your business depend on you to cover the mortgage, other living and lifestyle expenses or business loans, then it will be something you should consider. Putting in place the correct level of life insurance will make sure they're taken care of financially.

That's why obtaining the right professional financial advice and knowing which products to choose – including the most suitable sum assured, premium, terms and payment provisions – is essential.

AT DIFFERENT STAGES IN YOUR LIFE, YOUR NEED FOR PROTECTION WILL INEVITABLY CHANGE

There is no one-size-fits-all solution, and the amount of cover – as well as how long it lasts for – will vary from person to person. Even if you consider that currently you have sufficient life insurance, you may probably need more later on if your circumstances change. If you don't update your policy as key events happen throughout your life, you may risk being seriously under-insured.

As you reach different stages in your life, the need for protection will inevitably change. How much life insurance you need really depends on your circumstances – for example, whether you have a mortgage, you're single or have children, or you have business loans that you are liable to repay. ◆

>> LET'S TALK ABOUT YOUR OPTIONS <<

We know it can be difficult to talk (or even think) about supporting your family financially when you're no longer there for them, but it really needs to get sorted. If you would like to discuss your life insurance requirements, contact **Agentis Financial & Mortgage Solutions Ltd** – telephone **01733 367800** – email **Info@agentisfinancial.co.uk**.

BUYING BUSINESS PROPERTY?

We take time to get to know you and understand your business

Whether it's for office, industrial or mixed-use premises, our experienced mortgage advisers will advise on mortgages that are tailored to your individual needs. We know property can be a big cost for many businesses, that's why we help you manage that investment wisely.

To find out what you could borrow and what your payments may be, contact us today.

Contact Agentis Financial & Mortgage Solutions Ltd
– telephone: 01733 367800
– email: info@agentisfinancial.co.uk

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