



SIMPLY MORTGAGE

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SPRING

GREEN MORTGAGES

Save money and help the planet ladder

BOOST YOUR CREDIT SCORE

Improve your chances of first-timer
buyer mortgage success

START YOUR JOURNEY TO YOUR FIRST HOME

Taking your first step on the property ladder





GREEN MORTGAGES

Save money and help the planet

Today, homeowners looking for a green mortgage have more options than ever before. The attraction is a green mortgage that offers lower interest rates or extra capital and puts energy efficiency at the forefront of both the lender's and buyer's thinking.

To date, many green mortgage lenders are offering homeowners discounted interest rates for buying properties that are already energy efficient, but this only accounts for a small number of properties.

Increasingly, lenders are offering green mortgages. But what is a green mortgage? It isn't a loan backed by environmentally friendly funds or where some of the profits are invested in sustainability or renewable energy. The green element of these mortgages ties into helping to improve a home's energy efficiency rating.

Three broad types of green mortgages:

- Cheaper lending rates for homes with high energy efficiency ratings
- Capital release to pay for improvements to a home's energy efficiency through

credit, discounted mortgage rates or cashback on an existing mortgage

- Additional borrowing made available for home energy efficiency improvements through re-mortgaging or moving to a new home that may benefit from energy efficiency work

REDUCING A HOME'S CARBON FOOTPRINT

Each type of green mortgage aims to reduce a home's carbon footprint and to help homeowners recoup any investment by saving money on energy bills. A good energy performance certificate (EPC) rating could even help the property's value increase, as it can be an indicator of lower running costs.

The UK is one of many countries signed up to the Paris Agreement to limit global warming to 1.5°C, and is aiming to reach net zero emissions by 2050, with Scotland aiming for 2045. Decarbonising the country's housing by making it more energy efficient is a vital part of that journey.

HOUSEHOLD'S TOTAL EXPENDITURE

Homes in the UK must have an up-to-date

EPC when they are rented or sold. Assessed homes receive an energy efficiency rating of A to G, with 'A' being the most energy efficient and 'G' the least. New homes usually have high 'A' and 'B' ratings while older, historic properties may carry much lower ratings.

Household spending, which includes energy bills, is part of a lender's calculation when looking at mortgages. Most lenders factor a standard energy bill as 4.4%^[1] of a household's total expenditure, which can sometimes lead to inaccurate outcomes.

COULD YOU SAVE MONEY BY TAKING OUT A 'GREEN' MORTGAGE?

It's relatively early days for green mortgages in the UK housing market, but they're set for exponential growth as people become more aware of their existence and benefits. To discuss your requirements speak to us.

Source data:

[1] Energy Saving Trust, July 2021

BOOST YOUR CREDIT SCORE

Improve your chances of first-timer buyer mortgage success

If you are planning to buy your first property, one of the initial steps is to apply for a mortgage. This process requires an assessment of your creditworthiness by lenders. When they carry out their assessment, it will include an evaluation of your credit report which details all the information on how you have managed credit in the past, including late or missed repayments.

TIPS TO IMPROVE YOUR CREDIT RATING WHEN APPLYING FOR A MORTGAGE

HAVE SOME BILLS IN YOUR NAME

Utility bills, such as your mobile phone contract or your gas utility bill, count as a form of credit. If you pay them on time, they're a good way to show lenders you can pay your bills back reliably. If you don't have an account in your name, it might be worth considering putting one or two utility bills in your name.

CARD AND BILL PAYMENTS

If you already have a significant amount of credit available, for example, if you have multiple credit cards or a large overdraft, lenders may view this as a negative. It's also important to remember, though, that what you owe should not make up a high proportion of your overall limit. It may be wise to balance paying off debts with closing old accounts.

CREDIT CARD USAGE

If you haven't borrowed money before, it's difficult for a mortgage lender to judge how likely you are to meet your future repayments. This may impact on your credit score. You can grow your score by using credit regularly and responsibly. Spending small amounts and paying your bill off each month shows lenders they can trust you to repay what you borrow. An arranged

overdraft, or a credit building credit card with a low limit, may be easier to get accepted for than a credit card or personal loan.

BE AWARE THAT CHECKS TAKE POINTS

Every time you apply for credit, for example a credit card, loan or new utility bills, your rating will reduce slightly when a hard search is carried out on your accounts. Therefore, be conscious of how many you're doing, as these checks can take many months before they are removed from your record. Don't apply for credit too frequently in a short space of time as this may also make lenders feel that you're overly reliant on credit and are high risk for them.

SAVE FOR THOSE BIG PURCHASES

When it comes to large purchases, instead of just sticking unusual, large amounts on your credit card or missing your credit card bills to afford them, think ahead and save regularly in a savings account for rainy days for big purchases such as new furniture for your new home. This way, the purchases can occur without affecting your credit rating.

REGISTER ON THE ELECTORAL ROLL

Ensure you're on the electoral register as lenders will use this to check your name, address and where you've lived before. Lenders need to confirm these details to validate who you are before they offer you a mortgage. So, if you're not registered, it could cause a delay or result in your application being declined.

KEEP YOUR ADDRESS UP TO DATE

When you move home, credit rating agencies may not be able to locate you immediately and therefore your score can drop. Registering to vote is a good way to get your new address to sync with credit rating agencies. The longer you're at an address, the steadier your credit score will grow, so try not to move too frequently otherwise your credit score could show uncertainty.

GET YOUR JOINT ACCOUNTS IN CHECK

If you have an account that is linked to another person, such as a spouse, friend or family member, actions in a joint account will still affect your credit score so it's important to keep an eye and a handle on these too. In the run up to your property purchase, it's important they act responsibly in your joint accounts to keep your credit score as healthy as possible.

CHECK FOR FRAUD

Although rare, if you notice odd credit checks or any activity that doesn't apply to you on your credit file, make sure you report it and investigate whether someone has been using your details fraudulently. It's important to check this and act on it, as taking the responsibility for someone else's credit actions could be affecting your credit score negatively and will take a while to be investigated and resolved.

DEALING WITH OUTSTANDING DEBTS

If you already have debt, you should focus on clearing your repayments in the short term in order to see your credit score improve. Don't apply for new credit, as the checks and the use of more credit will see your credit score drop.

If you're looking to obtain a mortgage a good credit score will increase your chances of being accepted, as well as getting a lower interest rate. But if your credit score is low then it's important to take steps to improve it. This means making sure that nothing negative stays on the file, such as defaults and late payments.

ARE YOU LOOKING TO TAKE THE PLUNGE AND BUY YOUR FIRST HOME?

It's an exciting time. But we realise that it can also be a little daunting, so we are here to help you every step of the way. To make an informed decision about the right mortgage for you or to discuss your situation, contact us.

START YOUR JOURNEY TO YOUR FIRST HOME

Taking your first step on the property ladder

Are you looking to buy your first home? Whether you're a young professional or simply planning for the future and trying to be smart with your money, purchasing a home is one of the biggest financial decisions you'll ever make.

With this in mind, we have compiled our top ten steps to give first-time buyers an edge when they decide to get on the property ladder.

10 STEPS TO HELP YOU GET THERE

1. SET A BUDGET AND STICK TO IT

To get a sense of how much you can afford, you should obtain professional mortgage advice. Most estate agents will also require proof of your budget, so having an 'Agreement in Principle' from a mortgage lender will help speed up the process.

2. APPLY FOR A MORTGAGE EARLY

If you arrange your mortgage as early as possible, you'll be in a stronger position with sellers. And, it'll relieve a little stress from the home buying process. Leave it too late to get a mortgage, and you could risk losing your dream property.

3. CONSIDER THE EXTRA FEES

Make sure you are aware of the extra fees that are involved in the buying process. From stamp duty to solicitors' fees, conveyancing fees, property searches and surveys, it's useful to know what extra costs you'll have to pay so you can plan your budget when you're thinking of buying a home.

4. INSTRUCT A CONVEYANCER EARLY

If you are committed to buying a property, you can instruct a solicitor or conveyancer without having the details. This will put you a step ahead of the rest when you have an offer accepted. Instruct them to start the process as soon as your offer has been accepted on the property you intend to buy.

5. COMPOSURE WHILE ON PROPERTY VIEWINGS

When you find the property that you have been dreaming of, it can be easy to forget yourself. But keep in mind that your reactions may impact you further down the line. Be positive and interested, but keep in mind that gushing or becoming overexcited will reveal your hand early. This could have a negative impact if you want to negotiate on price later.

6. AGENTS DO NOT WORK FOR BUYERS

This is one of the key points that many buyers do not realise. Estate agents work for sellers. While they accommodate buyers during property viewings, their job is to sell the property at the highest price. Being aware of this will help you conduct yourself during viewings while the agents are assessing you on behalf of the seller.

7. BE MINDFUL OF THE ASKING PRICE

When you are looking for potential properties, one of the best tips is to be aware of the asking price. Remember it is not the same as value but the seller's want. Do your research for similar properties in the area to give you an idea of what approximate prices should be.

This will prevent you from overpaying in an area where you do not have to.

8. CONSIDER GOVERNMENT SCHEMES

The government is committed to its pledge of turning 'Generation Rent' into 'Generation Buy'. There are a number of schemes currently available to help first-time buyers get on the ladder:

9. ENSURE YOUR CREDIT SCORE REMAINS STABLE

You'll need a healthy credit history to give lenders confidence in your ability to repay your mortgage. Often, buyers will overlook their credit score when the mortgage process has started. Lenders will revisit your credit file once completion looms so ensure you keep your credit score stable throughout the process.

10. TAKE OUT PROPERTY SURVEYS

When you're buying your first home, it's all too easy to get seduced by the look and feel of the place and ignore the shabby-chic brickwork or gurgling sounds coming from the boiler. A valuation is often required by a mortgage lender but building surveys and homebuyer reports can reveal more about the property you are buying.

TAKE THE FIRST STEP TO YOUR MORTGAGE

We're here to help you open the door to a place of your own and make it easier to find a mortgage that's right for you. To find out more, please contact us.

HOME IMPROVEMENT IDEAS FOR 2022

Where can you add real value to your home?

How can I increase the value of my home? That's likely to be a question you've asked yourself at some point. Home improvements give you more than just a little more living space, they can add potentially thousands of pounds to the value of your home.

But what are the most popular building projects and rooms to renovate so you know exactly where you can add real value to your home?^[1]

LOFT CONVERSION

Many homes have an untapped potential for unused space in the loft, which can be converted into another room. A loft extension can cost anywhere between £10,000 and £40,000 depending on the structural condition of the building and quality of conversion, but it could add up to 15% to the value of your property due to the increase in square footage it can give you in living space.

You need to be mindful of the fact that a loft conversion is a large project requiring planning permission and help from an architect and engineer, which adds to the expense of the project. It can also cause a lot of disruption in your home compared to other renovations due to the time it takes, and the number of different trades required to complete the conversion.

PROPERTY EXTENSION

Adding to the square footage of your existing property will almost always add value to your home. Extending your living space can be as simple as adding a single storey extension onto your home for a bigger kitchen or dining room, to a more

complicated project adding a few rooms with a double extension.

You should expect to pay upwards of £10,000 to £20,000 for a single storey extension, but you can expect to add an estimated 10% on to the value of your property. This project causes a greater level of disruption than some light painting and decorating, and could also require planning permission and help from an architect to complete.

KITCHEN REFURBISHMENT

A new kitchen could potentially add 4% to the value of your home. It's also something many prospective buyers look for – most likely because of the cost and difficulty that comes with replacing a kitchen, which makes one that's already complete very attractive.

A new kitchen could cost you anywhere between £5,000 and £40,000 depending on the size and scale of the refurbishment, and because of the number of services including gas, plumbing and electrics that might need to be moved or altered to meet your requirements. Compared to other, larger projects, a new kitchen is only likely to cause a week or two of disruption.

BATHROOM REFURBISHMENT

Adding a bathroom to your property, or upgrading an existing one, can increase the value of your home by up to 5%^[2] and can be a valuable future selling point to prospective buyers. A new bathroom can cost between £2,500 and £6,000 depending on the quality of fixtures and fittings you choose.

If you are adding a bathroom, it's always better to create an en-suite from a large

room or existing cupboard rather than converting a whole room, as you may ultimately devalue your home if you remove a bedroom or study to create a bathroom. This project is likely to cause the least disruption as it requires fewer trades to complete than other home improvements.

CONSERVATORY

Catch the best of the summer weather while adding as much as 10% to the value of your home with a conservatory. Having previously fallen out of favour with many home owners and prospective buyers, the conservatory is back and no longer just the uPVC box added on to so many suburban semis.

A new conservatory with bi-folding doors, self-cleaning glass and timber framing could cost you between £4,000 and £10,000, but is an easy and fast way to increase the value of your home.

LOOKING TO REMORTGAGE YOUR PROPERTY TO FUND HOME IMPROVEMENTS?

Raising finance through remortgaging can be the most efficient, and often least expensive, option to obtain the money for home improvement work. To talk to us about your requirements, please contact us.

Source data:

[1] Shawbrook Bank, 09/2021

[2] <https://www.idealhome.co.uk/project-planning/how-to-add-value-to-your-home-73696>



When it comes to mortgages, taking advice can be a daunting process, whether you are looking to take financial advice for the first time or you've taken financial advice in the past.

Finances often take a low priority for many people because they are complex, but at Simply Mortgage our clients appreciate our ability to make the mortgage-arranging process both simple and enjoyable.

At Simply Mortgage, we ask the questions, look into your future, give straightforward advice and find the right mortgage solution for you.



Contact us today to begin your journey – we look forward to hearing from you.

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