



SIMPLY MORTGAGE

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REASSESSING YOUR LIVING SPACE

5 home improvement works that could bring the biggest profits

As many of us have reassessed what we want from our living space after spending months in our homes, it's a good idea to think carefully about what home improvements to spend on and which could bring you the biggest profits.

We look at some of the most popular home improvement options and what you need to consider if you want to make more than your money back if you are thinking of selling up in the near future.

WHICH HOME IMPROVEMENTS COULD BRING YOU THE GREATEST PROFITS?

5 tips for some renovation inspiration

1. Extensions

Home extensions are still a popular option for a home improvement, as well as being among the best ways to add value to your home.

There are various types of extensions to suit different properties, including:

- rear extensions, which work well for properties without an existing extension and with plenty of outdoor space
- side extensions, which work well for terraced properties with underused space such as an alleyway on one side
- second storey extensions, which work well for properties with an existing ground floor extension

The added space can be used however you need it. Adding an extra bedroom will usually add the most value and allow your home to grow with your family. Or you might convert the ground floor of your property into an open plan layout.

2. Garage conversions

Garage conversions have grown significantly in popularity over the last year. This is presumably due to the increasing need to work from home since garage space can be easily and effectively converted into office space.

You need to consider how you can incorporate additional storage into the rest of your home to make up for the storage space you're losing. For example, you may be able to incorporate built-in storage to the loft room or add a garden shed for items previously stored in the garage.

3. Loft conversions

In terms of adding value, a loft conversion can be good investment providing it adds more accommodation than it takes away. A loft conversion can involve quite a lot of planning since sloped ceilings present a layout challenge, and you'll lose some floor space by adding stairs – remember, you need to make room for a full staircase and this will take up existing space.

But the results can add a significant amount to the value of your home and are another popular choice for homeowners looking for additional space. Depending on your needs, your loft could become a bedroom, guest room, living room, children's playroom or home office.

4. Basement conversions

Basements aren't as common as garages and can be a little trickier to convert than lofts, so these conversions are lower on the list of popular renovations. But if your home has a basement, it might be your best option.

You'll need to consider excavation if your basement has a low ceiling height, as well as ventilation and light if there are no windows and the potential for damp. These possible issues can add to the cost of a basement conversion compared to a garage or loft, so plan your budget in detail before work begins.

5. Garden buildings

There has been a massive shift in the number of people working from home, so garden offices are a big selling point and can add value to your home.

The 'shoffice' or 'shed-office' has been a major 2021 renovation trend, offering a chance to get out of your home to go to work without leaving your property.

Garden offices make sense for many reasons. For those without the space to spare in their homes, a garden office can be the only way to create a productive office area.

This option is open to most people with outdoor space, whether you already have a garden building that can be converted or plan to install one for that purpose.

A garden building doesn't necessarily have to serve as an office though. If you need a change of scene from your home's living areas, a summer house or sunroom might be an appropriate option for you.

NEED A MORTGAGE TO SUIT YOU?

We appreciate that buying a home is a big financial commitment. That's why we'd like to help. Find out how much you could afford to borrow for your dream home. To discuss your options, please contact us.

ESTATE AGENT FEES – GETTING VALUE FOR MONEY

Tips to help you cut the cost of selling your home

As the saying goes, 'A wise person should have money in their head, but not in their heart.' Moving home isn't cheap, so it is worth reviewing where you can make savings. One of the things you can do is negotiate with your estate agent about the fees that you have to pay.

Estate agent fees are a necessary part of the property selling process and are based on a number of different factors, such as how quickly similar properties are selling in the local area, the number of similar properties on the market, and their chosen marketing approach for your property.

Most agents are prepared to be flexible and have a bit of room for manoeuvre, so it's worth asking for the rationale behind the fee percentage you've been given.



Here's how to ensure you're getting value for money.

1. CHOOSE THE RIGHT AGENT

You may be approached by agents offering fee reductions, but remember that low fees are only cost-effective if your agent also helps you sell your home quickly and at the right price.

Choosing the right estate agent can be difficult, particularly if you seek several valuations and they vary dramatically. It's tempting to choose the agent who provides the highest valuation, but a high valuation doesn't guarantee a high selling price. Listing your home at the wrong price can delay your sale and cost you more in the long run.

So, do your own research and search online to see what price similar properties have sold for in your area recently. Ask around for recommendations for local estate agents or look for online reviews.

2. KNOW WHAT'S FAIR FOR FEES

Fees for most high-street estate agents can vary between 0.75% and 3% (plus VAT) of the agreed sales price. If you sell for £200,000, that could cost you between £1,800 and £7,200.

Make sure to check what's included in the price your estate agent quotes. Does the price they've given include VAT? Is it sole agency or multi-agency? Does the contract mention 'sole selling rights' or 'ready, willing and able purchasers'? These clauses can be costly!

For a sole agency contract, you should be able to negotiate the fees down to 1% plus VAT.

3. ASK FOR EXTRAS

Getting value for money on your fees isn't just a matter of negotiating a lower commission rate, it's also about what's included.

Sometimes, low-cost agents will charge extra for photography, marketing and sales boards. But if you have several estate agents competing to list your property, you can likely negotiate to have these included in the rate you pay.

4. CHECK THE TIE-IN PERIOD

Some estate agent contracts may specify a tie-in period, which means that you cannot move to another agent within that time, even if you're not happy with the service or haven't received any offers.

Since the market is so competitive, your agent should be confident they can secure a fast sale. So, you may be able to get a contract without a tie-in period. If the tie-in period is unusually long, typically more than 12 weeks, negotiate it down or work with a different agent.

5. CONSIDER AN ONLINE ESTATE AGENT

For lower fees, it's increasingly popular to work with an online estate agent. These often offer fixed fees of between £99 and £999, rather than a percentage of the sales price and sometimes offer 'no sale, no fee' options.

The downsides of an online estate agent are that they might not have the same local knowledge and experience as a high street agent, and you might have to put more of your own time into managing the sale. Also, if your agent is working on a fixed fee, which is usually paid upfront, they may not be incentivised to push for the best sales price and to keep the sale moving once agreed.

Ultimately, there is more to consider than simply the cost of the fees. But the time is right if you want to ask for a discount.

LET'S GET YOU MORTGAGE READY

We know that it's not just about mortgages, which is why we offer a service dedicated to your needs and requirements. Your journey should be one of simplicity, choice and expertise. To discuss your requirement, please contact us.

BUYING YOUR FIRST HOME

Your checklist for all the key stages to get you on the property ladder

Are you looking to buy your first home but not sure where to start? Owning a home doesn't have to be a dream. Homeownership is something that is deeply ingrained in the Great British psyche. It's an aspiration for many people and brings with it a sense of financial security, both now and for the future

But the process of buying a home for the first time can seem daunting and complex. Understandably, taking that first step on the property ladder is likely to be one of the biggest decisions you'll ever have to make.

Here's our step-by-step guide to buying your first home, your checklist for all the key stages.

1. SAVE A DEPOSIT

Long before you can start looking at properties, you need to start saving. You will typically require a deposit of between 5% and 20%, which, based on the average house price in England of around £270,000^[1], could be approximately between £13,500 and £54,000.

The bigger the deposit you can save, the stronger the position you'll be in, which means a lower mortgage interest rate and lower monthly repayments. You'll also be at

a lower risk of negative equity if you have a bigger cash deposit to put down.

2. GET A MORTGAGE AGREEMENT IN PRINCIPLE (AIP)

As a first-time buyer with an Agreement in Principle (AIP), you can take the first step to buying your home. It will improve your chances of having an offer accepted if you already have an AIP from a mortgage provider, which proves that they are in principle willing to lend you the amount you've requested.

As well as letting you know how much you could borrow, you'll also get an idea of how much you can afford to spend on your new home. That means you can start looking at properties in your price range.

3. MAKE A WISH LIST

Next, you need to decide what you're looking for from a first home. It's useful to make a wish list to help narrow down your search. Making a home hunting wish list can be exciting as you think of all the details, features and rooms you'd love to have. But, it's important to know that you may have to make a compromise or two if you ever expect to become a homeowner.

Consider key factors like whether you'd

prefer a newly built or previously owned property, a flat or a house, how many bedrooms you need, which areas you'd be happy to live in, and whether you need a garden or parking.

4. SEARCH FOR SUITABLE PROPERTIES

Once you know what you're looking for, you can search for suitable properties online. There are plenty of reasons to consider online markets when seeking a new property. From convenience to greater choice, this will help you to see a vast array of options and understand what you might be able to afford.

You can search in exact locations using a variety of filters, choosing options such as garden, garage, new build, detached, etc. It's quick and easy to find the exact properties you want to shortlist and narrow down your selection quickly. But as well as looking online, you might want to speak directly to local estate agents and property developers, who may have options that are not listed.

5. GO TO VIEWINGS

One of the most exciting parts of buying your new home is going on property viewings. Property viewings let you see what's available on the market for your budget.



Go along to viewings ready to take notes and photos and ask lots of questions. This is your opportunity to find out all the details of the property that you might not see in the listing.

6. MAKE AN OFFER

Once you've found the right property, you'll need to make an offer. If your offer is accepted, the property will be taken off the market and the sales process will begin.

As a first-time buyer, you're in a strong position to buy a property, as you're chain-free. Make sure that the estate agent mentions this to the seller when they pass on your offer.

7. CHOOSE A MORTGAGE

Now that you're ready to pay for the property, you'll need to find the right mortgage. There are many different types, and the rates and hidden costs can be confusing. It's important to see a professional mortgage adviser at the start of your mortgage journey. It can save you a lot of time and effort in the long run.

Working with a mortgage adviser can give you access to a wider range of mortgage options. They will also take care of the application paperwork and know which lenders will likely process your application the quickest.

8. APPOINT A SOLICITOR OR CONVEYANCER

Once you've had your offer accepted and confirmed your mortgage, you need to decide whom you are going to appoint as your solicitor or conveyancer to handle the legal side of things. Their job is to draw up the contract, conduct searches and handle the money for you.

You may want to consider getting recommendations from family or friends. It is also worth checking reviews and recommendations online. The conveyancing process starts when your offer is accepted and ends when you receive the keys, and good conveyancing is key to keeping your property purchase on track.

9. GET A SURVEY

Before finalising the purchase of your new home, you'll probably want to check that the property is structurally sound and safe to live in. There are a number of different types of survey. What you choose depends on the depth of survey you want and your budget. A surveyor will assess the value of the property and identify any major problems you might need to deal with as the owner.

If the property you are buying is a new build and is built ready, you would ideally carry

out a snagging survey before exchange. If it's off-plan then try to carry out the survey pre-completion when you will have more negotiating power to get any problems fixed.

10. EXCHANGE CONTRACTS

Your solicitor will guide you through all the paperwork involved in your purchase, and then you'll be ready to exchange contracts. At this time, you'll pay your deposit, your mortgage provider will transfer the rest of the funds, and this legally commits you to the property purchase.

Soon, your sale will be complete, and you can collect the keys.

READY TO APPLY FOR YOUR NEW MORTGAGE?

If you're a first-time buyer you've probably got a lot of questions. Our expert mortgage advisers are on hand to help you find a mortgage deal that suits your needs and we'll guide you through the mortgage process. For more information please contact us.

Source data:

[1] <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/april2021>

LOCATION, LOCATION, LOCATION

Deciding where to live – 10 factors to help you choose

You want to buy a property but are not sure where? Before you look at buying your new home, you need to decide on the area. It could be the most important decision you'll ever have to make. If you get it wrong, you may be unhappy with where you live, and then have to face the costs of moving again.

Whether you're looking for your first home, a fresh new start or planning to find the perfect home where you can spend your retirement years, there's much more to buying a home than finding a property you like and signing on the dotted line. It's important to look at your options and what you think is an ideal location.

Weighing up the following factors before you commit

1. COST

A major factor for most buyers is the cost of a home in different areas. For example, many people can't afford to buy in central London or desirable commuter towns. You'll need to research the typical property prices in areas you like to find out which are realistic on your budget.

2. FAMILY AND FRIENDS

It's also important to factor in how close you'll be to your loved ones. Whether you want to be able to meet up daily, weekly, monthly or less frequently will

partly determine which areas you'd be comfortable living in.

3. SCHOOLS

If you have children or plan to have them soon, the quality of local schools might be a deciding factor in where you live. Look at school league tables and find out what catchment areas they allow students from, which you can find out from the local authority.

4. WORK

You'll need to consider how long you're prepared to commute to get to your current workplace. Or, if you're relocating and leaving your current job, how easily available are suitable jobs in the area.

5. NATURE

If you love to be outdoors and need access to open space, you'd likely prefer to be in the countryside than in the town centre.

6. AMENITIES

If access to gyms, restaurants and cinemas is important to you, you might be more at home in a city than in a rural town.

7. TRANSPORT

Of course, there is a balancing act to be done in relation to the type of amenities you appreciate and the location you'd prefer to live in, and transport is also a major factor.

A countryside location with a train link close to a major city might be ideal for you.

8. COMMUNITY

Whether you choose the town, city or countryside, it's always possible to find areas with a good sense of community, if that's important to you. You can check local websites and social media groups for the locations that you're considering, to see how much activity there is.

9. PROPERTY TYPE

If you're looking for a property of a certain type, it might determine where you can live. For example, you won't find many cottages in urban areas. If you need a large family home, you're more likely to find it in the suburbs than the city.

10. POTENTIAL

If you're hoping that your home will increase in value substantially while you live in it, this might influence your choice of location. You can sometimes spot potential by researching what plans are currently in the pipeline to improve the local area and transport links.

FINDING THE RIGHT SOLUTION FOR YOU

We'll identify the most competitive mortgage deals based on your personal circumstances and objectives. For more information and to discuss your options, please contact us.

ON THE MOVE

Planning to move into something bigger, or downsizing

Buying a property can be a daunting experience, whether you are planning to move into something bigger, or downsizing. It may be a while since you went through the process, so don't forget to remind yourself why you're viewing the property and ask the right questions you need to know to help you make an informed decision before you make an offer.

We all know buying a property is usually the single most expensive purchase we'll ever make, but what may surprise you is that, on average, we only spend around 25 minutes^[1] viewing a property before we decide to buy it!

To make sure you get the most out of your viewing, we've put together a list of basic questions you should consider.

HOW MUCH INTEREST HAS THIS PROPERTY ATTRACTED?

It's important to know how many other potential buyers are in the running to purchase the property you're looking at. If you're the first to view, you're in a strong position to make an offer. If there have been several other viewings already, you might have some competition.

Find out if there have been any previous offers that were rejected, and if the current owner is open to offers below the asking price. Remember that some negotiation is considered normal in the buying process.

WHEN IS THE PROPERTY AVAILABLE?

If you're buying a newly built property, find out when the construction work is due to be completed so you can move in.

If it's a previously owned property, you'll need to wait for the current owner to find a new home. This creates a chain, which can add time to the transaction and cause problems if other sales fall through. It's often unavoidable, though, unless the property is inherited or the owner is moving abroad.

WHAT'S INCLUDED?

There are no set rules regarding what a seller will leave in the property and what

they'll take with them when they move out. So, you should establish this before making an offer. If all the white goods are included, for example, the fridge, washing machine, etc, you might be able to make a higher offer. If there are items you don't want to remain in the property, like a garden shed, you'll need to make that request.

Similarly, if you're buying a newly built property, find out if the developer will include the white goods or if you'll need to buy your own.

WHICH WAY DOES THE PROPERTY FACE?

It's helpful to know which way the property is oriented, so you know if you'll be able to enjoy the garden or balcony in the evening, or if the bedrooms are well lit in the mornings.

You can ask the current owner, developer or estate agent, and you can also use a compass app on your smartphone to confirm the answer.

WHAT ARE THE NEIGHBOURS LIKE?

With a newly built property, you won't have the chance to find out about your future neighbours in advance. But, if you're

moving into a previously owned property, you should find out from the current owner if they've had any problems with their neighbours, such as noise.

WHAT ARE THE RUNNING COSTS?

When you buy a home, the current owner or developer will provide you with an Energy Performance Certificate (EPC) that will rate the property's energy efficiency and likely running costs.

Newly built properties are usually cheaper to run. With a previously owned property, ask the owner how much they spend on bills to get a clear idea of how much your monthly expenditure will be.

WHAT KIND OF MORTGAGE DO YOU NEED?

Whether you're coming to the end of your existing mortgage deal or you're looking for a new mortgage, we can help you look at your options. For more information, please contact us.

Source data:

[1] https://www.barratthomes.co.uk/Documents/Barratt_Homes_Home_Buying_Truths.pdf



POSITIVE SOLUTIONS TO NEGATIVE EQUITY

How to get out of it and what options to consider

Many homeowners fear falling into negative equity and the financial difficulties this can create. However, it is not always the disaster it appears to be, and the solution is often straightforward.

We've provided answers to some common questions to help you understand and manage the situation.

WHAT IS NEGATIVE EQUITY?

If you're in negative equity, it means that the current value of your home is less than the amount you owe to your mortgage provider.

For example, if you bought a home worth £200,000, borrowing 90% of the value (£180,000) from a mortgage provider, if the value of your home fell quickly to £175,000, you would be in £5,000 negative equity.

HOW DOES NEGATIVE EQUITY HAPPEN?

Negative equity is usually the result of a sharp fall in the value of a property very soon after it was purchased. This can be because of a slump in the housing market. Falling house prices are typically the most common cause of negative equity.

Other reasons could be if someone has taken a secured loan against their home in addition to the mortgage, for example, perhaps they borrowed an additional sum to consolidate other borrowing.

If someone has an interest-only mortgage, the outstanding balance doesn't reduce as they make payments. This puts them at a greater risk of negative equity if their property value falls.

If mortgage payment has been missed, then the outstanding balance could increase to a level higher than the property value.

Ultimately, negative equity can often be caused by a combination of these issues.

HOW DO YOU KNOW IF YOU'RE IN NEGATIVE EQUITY?

If any of the above applies to you, you can find out if you're in negative equity by asking for:

- The outstanding balance you owe your mortgage provider
- A property valuation from a local estate agent

If the outstanding balance is higher than the valuation, you're in negative equity.

WHAT CAN YOU DO ABOUT NEGATIVE EQUITY?

You have several options to help you get out of negative equity. You can:

Make an early repayment on your mortgage

This can reduce your outstanding balance to below the property value. Mortgage rates are often higher than savings rates and so you could use any disposable funds you may have to repay part of your home loan. However, this could be subject to a charge if you make an early repayment, so this may not always be an appropriate option.

Invest in home improvements.

In some cases, investing in an extension, new kitchen or garage conversion may increase the value of your home to above the outstanding balance on your mortgage. However, the cost of the home improvements could end up being more than the added value to your home.

Wait for the housing market to improve

Negative equity is only really a problem if you want to sell your property, as there will be a shortfall in how much you need to repay your mortgage provider. Property market downturns are usually temporary

so, if you can, simply wait to sell until house prices have risen and you're no longer in negative equity.

If you cannot wait to sell your home, you can discuss this with your professional mortgage adviser who can approach your mortgage provider to see if they will permit you to port the mortgage to your new home instead of repaying it. Alternatively, you could consider letting out your current home instead of selling it, to allow time for the market to improve.

REDUCING THE RISK OF NEGATIVE EQUITY

If you are in negative equity and you want to sell your home, then your options will depend on how flexible your mortgage lender is about transferring your mortgage to a new property. Some mortgage lenders offer specialist products for people with negative equity to move home.

The best way to reduce the risk of negative equity is to put down a significant deposit. This should perhaps be above 10% or 15% of the property's purchase price. This means you will be borrowing less through a mortgage. If property prices fall, the chance of your property's valuation falling below the balance on your mortgage is reduced.

GUIDING YOU THROUGH THE MORTGAGE MAZE

We understand that everyone's situation is different. If you're looking to apply for a mortgage our experts can guide you through the mortgage maze. Please talk to us about your requirements.

Source data:

[1] <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/april2021>





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.

T: 0131 347 8855 • **E:** info@simply-mortgage.co.uk