

Client Guide to Purchasing a House in Scotland

Whether you are buying your first home or climbing up the property ladder purchasing a property is a very exciting time full of decision-making. The process involves finding the right property, arranging funding and agreeing on the terms of the contract. At Strefford Tulips we recognise that this can be overwhelming and are here to help! We will explain the process step by step and give you expert advice throughout the whole transaction. Below we have created a guide to steer you through the main steps involved in purchasing a house in Scotland.

Obtaining Mortgage Funding

It is recommended that you talk with a mortgage broker and find out how much you can borrow before you start your property hunt! We can point you in the direction of trusted local mortgage brokers who can help you through the process of obtaining a mortgage should you wish. Once you have an idea of the price range of properties you are interested in you can start to arrange your loan with your broker.

Noting Interest

Once you have found a property that is right for you it is time to let us know. At this point we will take the steps to note your interest in the property with the selling agents. A note of interest does not oblige you to buy, it simply indicates that you are interested in the property and wish to be kept informed of developments, such as when an offer must be made. However, it does not restrict the seller who remains free to sell the property as he or she sees fit.

Home Report and Survey

Once you have noted interest in a property the selling agent must provide a copy of a Home Report to you on demand.

This contains a Property Questionnaire prepared by the seller, a report on the condition of the property prepared by a surveyor and lastly, an Energy Performance Certificate. Home Reports contain a lot of detail so if you are unsure of anything whatsoever please just contact us for further advice.

In addition to the Home Report you may wish to have an independent report on the property carried out. An independent report may be required by some lenders. The independent reports can vary from a simple mortgage valuation report, a more detailed survey report or a lengthy building survey. We can advise you on the best type of report for the property you have chosen.

Please note that lenders will only lend you a mortgage based on the Home Report value of the property. For example, if the Home Report has valued the property at £110,000.00 and you submit an offer for the price of £120,000.00 you would be liable to pay the additional £10,000.00 out with your mortgage funds.

Happy with the Home Report? Time to make an offer!

Making an Offer

If the property has generated a lot of interest then it may go to a 'closing date'. The closing date is a date fixed by the selling agents by which all offers must be submitted for consideration by the seller. In the event of a closing

date being fixed we would submit your offer on the closing date. This would ensure that your offer price is not disclosed to any other prospective buyers.

Your offer may specify any items within the property to be included within the price, such as white goods, curtains, etc.

Your offer may also be subject to specific conditions in regards to funding. For example, conditional on mortgage funding or obtaining an offer for the sale of an existing property. However, the less conditions in your offer may make it more appealing to the seller and increase your chances of acceptance!

Please be assured that the amount of offers we submit on your behalf does not affect your agreed fees with us - we will submit as many offers as you wish until you have secured your new home!

Having the Offer Accepted

Usually the seller will accept the offer with the highest price. However the seller may accept an offer based on other factors such as the most convenient date of entry or an offer containing no suspensive conditions, otherwise known as a 'clean offer'.

The selling agent will contact us to confirm verbally if your offer has been accepted by close of business on the closing date. We will then receive a written acceptance from the seller's solicitor.

Agreeing the Contract

The written acceptance may contain some points about the property at this stage. We will of course contact you to discuss these and advise you on any pressing issues.

It is important to note that unless the seller is agreeable to concluding the contract subject to you obtaining mortgage funding we will not return a formal letter to the seller until we have your mortgage papers in our hands.

Accordingly, the timescales for concluding the contract to purchase are dependent on your mortgage offer which in most cases takes approximately 3 weeks. Once we have received your mortgage offer we will of course call to confirm receipt, check you are happy with the conditions and confirm you are happy for your missives to be progressed.

Similarly, in the event of you having a sale which you are dependent on to purchase we will not return a formal letter to the seller until we have a concluded contract for your sale unless they are agreeable to the contract being conditional on your sale.

The reason for this is to ensure that you have the required funding in place before you are legally bound to purchase the property.

Having discussed the seller's written acceptance with you we will then take your instructions and return a formal response to the seller's solicitor. Please note that all formal letters exchanged with the seller's solicitor will be signed by us on your behalf.

The exchange of formal letters would then continue until there are no outstanding points. The contract, known as 'the missives', would then be legally binding.

The Conveyancing

Once the contract has been agreed we will take all necessary steps to prepare your file for the date of entry – ‘the conveyancing’.

Prior to the date of entry we will receive from the seller’s solicitor the properties titles as well as property searches. We will examine the properties title and discuss the main points with you, including the boundaries of the property and any responsibilities of ownership you may have. We will also examine the searches to ensure there are no pressing issues and that you are receiving a good and marketable title.

We will also prepare all required legal documentation, including the deed which transfers ownership from the seller to you, known as the ‘Disposition’, as well as the deed which secures your lenders interest in the property, known as a ‘Standard Security’. At this point we will contact you to sign the required deeds and talk you through the documentation in more detail.

Completion and Final Steps

In the run up to completion we will prepare a Cash Account which will include a breakdown of all funds we have received on your behalf, for example mortgage funds, and all fees and outlays which we have agreed with you. This will then leave a final amount due by you. The final amount to pay will be made up of any mortgage deposit you have agreed with your lender, your legal fees and outlays.

Please note that in compliance with our money laundering obligations we will require four months bank statements from you which shows the funds you are using towards your purchase. We will of course discuss this in detail with you at the time.

Once we have received all your settlement funds we will then be in a position to pay the purchase price to the seller in exchange for the Disposition (the document which transfers ownership to you) and the keys to the property.

We will of course call you to confirm the transaction is now complete and you will be free to collect the keys to your happy new home from the seller’s estate agents or solicitors!