

Do I need a solicitor to buy a house?

Here's what you need to know

For most people, buying a property is the single biggest investment they'll make in their lives. From young adults looking to lay down roots and start building a family, to those who've worked hard for years to make the switch from renting to owning, purchasing a house is something most of us strive toward.

It usually takes years of hard work to manoeuvre ourselves into a position where we can afford to buy our own home, so it's important to get it right. Things like survey fees, valuations and contract exchanges can seem extremely daunting, and it can be difficult for new buyers in particular to navigate the many nuances of a mortgage deal and other [legal aspects of buying a house](#). Sometimes these things can add additional 'hidden' costs to the whole process, leaving you struggling to stay on course. This guide should hopefully cut through the jargon and leave you with all the information needed to make a well-informed decision.

Understanding the ins and outs of conveyancing can also be difficult, and each individual property can also come with its own legal regulations that must be adhered to. So what are the key things you need to understand before you commit to buying your new home?



The potential hidden costs of buying a home

When you've found the perfect property it might be tempting to dive right in, but it's worth familiarising yourself with the different fees you're likely to face throughout the process:

Mortgage Valuation Fee

One of the first fees you'll be greeted with when applying for a mortgage is a **valuation fee**. Not to be confused with a survey fee which often comes next, a valuation fee is simply the lender's way of putting a value on the property you're looking to buy. Some mortgage lenders cover these costs, but it's far more likely to be passed onto you as part of your mortgage application.

Survey Fee

Survey fees aren't required by law. In fact, only 20% of buyers get a professional survey before they purchase a new home¹. However, a good survey carried out by a qualified surveyor is a great way to find out if there are any faults with the property that may lead you to renegotiate the price. For example, finding out that the property has £10,000 worth of electrical repairs that need to be carried out might lead to you asking for £10,000 off the asking price. This can potentially save you a lot of money in the long run, particularly if it's an older building. Ensuring your surveyor is registered with the Royal Institute of Chartered Surveyors (RICS) is a good start.

¹ <https://www.moneyadvice.service.org.uk/en/articles/estimate-your-overall-buying-and-moving-costs>

Stamp Duty Land Tax

Stamp duty land tax sounds complicated, but really it's just the new term for stamp duty - a tax that's payable on all property purchases. For any property purchase of £40,000 or more, a tax return must be completed by the buyer. Like most tax returns, SDLT comes with time limits and penalties for delays, so it's worth getting ahead of. Use this [Government calculator](#) to see how much stamp duty you will need to pay.

Update 22nd November 2017: Good news for First Time Buyers, there will be no SDLT to be paid for Properties up to £300,000. If you are a first time buyer who is purchasing for more than £300,000 use the calculator (above) to see what you are entitled to.

Land Registry Fee

Registering your property with the land registry will usually be completed as part of your conveyancing (more on that soon). The land registry basically records who owns land and property throughout England and Wales. If you purchase a new home but fail to register as the new land/property owner it can cause a lot of complications further down the line. Registration can cost anywhere from £20 to £1,000 depending on the value of the property and how you apply.

Mortgage Lender Fees

This type of fee comes in all shapes and sizes depending on your circumstances. The most common is perhaps the **mortgage arrangement fee** which is charged by mortgage companies and can range from £100 to 1% of the mortgage. Another potential fee is the **mortgage indemnity fee**, which covers the insurance that lenders take out to protect themselves if you cannot pay the loan. This is mainly for specific cases where your loan is unusually high compared to the value of the property **Estate agent fees** are usually taken care of by the seller, so if you're faced with bills from either party do some investigating to make sure it's legitimate. Some lenders insist you pay fees up front, others add the cost to the mortgage; make sure you weigh up all options when choosing a lender to do what's best for your situation. Here's a quick tip – when you are looking for a mortgage through a broker, make sure they cover whole of the market. Some brokers only deal with a limited amount of mortgage lenders which can limit your options and chance of a great mortgage rate.

Removal Expenses

This is something that can often be forgotten in the noise of applying for a mortgage. If you've got some fit and able friends, you can, of course, do this for free, but more often than not a removal company is required to get all furniture moved safely and on time. The cost will depend on the size of your home to who you hire; a man in a van at a few hundred pounds might be all you need, but larger properties might need a professional removals company to provide a specialised truck which can easily run into thousands of pounds.

These are the main costs home buyers often overlook when they begin proceedings, so if you're aware of them and expecting them you're already off to a good start. There are other small things to think about like VAT and taking care of final utility bills, but these are difficult to miss. Once the above steps are taken care of, and both buyer and seller are happy that everything is in order, contracts can then be exchanged. This is when things like moving dates and deadlines are agreed, and is often the biggest source of stress and frustration so it's important to ensure both parties are comfortable with the agreed dates.



What is conveyancing and why do you need it?

Conveyancing sounds complicated but it simply refers to the legal process of transferring ownership of a property from one party to another. Whether you're buying or selling, it's a good idea to get a conveyancer or conveyancing solicitor to handle the legalities. Conveyancing fees will be broken down and itemised by your solicitor, but they usually include things like carrying out money laundering checks and acquiring title deeds to the property. A conveyancer will also take care of registration to the land registry and keep you informed of any stamp duty land tax you'll need to pay as a buyer.

Unless you are taking out a mortgage, it's possible to handle the conveyancing yourself, but if like most people you're short on time or have any reservations about the process, it's highly recommended that you hire somebody to take care of this for you. A good conveyancing service will handle everything, from the moment your offer on a house is made official, to the second you get the keys to your new home. But where do you start?

Remember, it's up to you to find yourself a reputable and affordable conveyancer. You can take recommendations from people, but try to avoid simply going with whatever your estate agent recommends as they'll usually be on commission and more expensive as a result. Do some research online, and if possible look for online reviews and search in forums before committing to a conveyancer. If you can speak to somebody directly who has used a conveyancer you're considering, even better. These companies will often talk up their service, but there's no substitute for real, word of mouth experience from people who have been through what you're about to embark on.

One of the biggest advantages of using a conveyancer are what are known as **property searches**. There are things you may not be able to find out about a property by simply viewing it or looking it up on Google. A detailed property search will look at everything from flood risk to potential future developments. Moving in only to find that a motorway is about to run through your garden or the land nearby is contaminated can be a nasty shock. It can also severely impact the value of the property, regardless of what you paid for it.

Getting started and getting on top of the various legal aspects

No two properties are the same when it comes to buying, selling and the process of conveyancing. Even experienced buyers can still get tripped up or face unexpected costs if they're dealing with a new property in a new area. Whether you're a first-time buyer, looking to remortgage, or even thinking about shared ownership or buy-to-let, you need someone on your side that can cover off all the legal aspects and make your investment a safe one.

If you're buying a home for the first time, here's a step by step breakdown of what you need to do:

1. Work out how much you can afford
2. Get a mortgage agreement in principle
3. Choose your home
4. Hire a solicitor
5. Make an offer

6. Have a survey and valuation done
7. Do any necessary legal work
8. Consider arranging life cover
9. Finalise your mortgage
10. Exchange contracts
11. Organise your move
12. Complete the purchase
13. Move in!

A reliable and trustworthy conveyancer will be able to help you with most of the steps above. If you're a new buyer, you want professional input and guidance throughout the entire process to make sure everything is taken care of.

If you're looking at re-mortgaging there's even more to think about. Usually, the sole purpose of re-mortgaging is to free up capital or reduce your monthly payments. It can be a complex process but when handled in the right way you could end up with a much better deal whilst also improving your financial situation dramatically. A conveyancer will be able to advise you on the best courses of action, and then take care of the legalities such as dealing with the title deeds.

Other avenues of buying a home like buy-to-let and shared ownership can seem simple on the surface, but these are often dependent on multiple parties agreeing and seeing things through. Having the benefit of a conveyancer in your corner to assess the legal aspects can give you the peace of mind you need to go ahead with the move and enjoy life in your new home.

Final thoughts

In simple terms, the process of purchasing your own home - whether you take out a mortgage, shared ownership, buy-to-let or something different - is likely to be one of the most important financial processes of your life. The effects of getting something wrong or missing a minor detail can be far reaching and have long-lasting consequences, so it's important to get it right the first time. For this reason, it's *always* a good idea to enlist the help of a professional conveyancer who can take the stresses and strains away, leaving you to focus on what colour you're going to paint the kid's bedroom or where the sofa's going to go.

Of course, it's still a good idea to be aware of potential pitfalls and use a checklist of things that need to get done, but if you're working full-time or have children to look after (or both) it's almost impossible to stay on top of everything on your own. Look for support, ask around and hire a conveyancer to take care of the legal aspects - you'll be glad you did in the long run.