

A guide to Buying property in prime central London



Where to start?

Registering with property search websites is always a good idea, but buyers who register directly with W.A.Ellis will always have a head start. A conversation with us will enable us to quickly ascertain your requirement and act on it.

Registering directly enables us to contact you prior to suitable properties appearing on websites and entering the public domain. While we enjoy and benefit from the latest technology, we do not see it as a substitute for personal contact.

What to buy?

Property in London is usually described as either 'freehold' or 'leasehold'. Most houses are for sale 'freehold', which means the buyer will own the house and the land it sits on completely, and therefore will be responsible for maintenance and repairs on the property. Flats are usually for sale 'leasehold', i.e. the buyer will own the property for as long as is specified in the lease.

A lease can usually be extended, either by the buyer inheriting the seller's right (if they have owned for two years or more) or the buyer must wait two years before applying for an extension under the terms of the Leasehold Reform, Housing and Urban Development Act 1993 (amended 2002). If the lease is not extended by the end

of the specified term, ownership will revert to the freeholder. If you buy a flat, be aware of any ground rent and service charges towards the repair and maintenance of the building. W.A.Ellis has detailed knowledge of leasehold and enfranchisement matters and will be able to advise you on a case-by-case basis.

Some flats are for sale with a share of the freehold, which means residents own the lease, including the land the property sits on. It allows the owners to run their own building including the appointment of a managing agent and the setting of service charges.

Be prepared

Be ready to move. Obtaining a mortgage can take a long time, so we advise talking to a mortgage broker early and preparing the paperwork needed: personal identification, payslips, bank statements, etc. This will speed up the process of securing a mortgage which in turn will enable you to move quickly once you find the home you want and give you the edge over other would-be buyers. W.A.Ellis can recommend a selection of independent mortgage brokers with dedicated teams to manage high level financing and specialist situations.

It is also essential to find a good solicitor experienced in property transactions and we can advise on this should you require us to.

The buying process

Please note that this is a generic and basic outline for those new to the process. Each situation will differ and our partners will guide you through your own unique circumstances.

Once you have found something you want to buy, you will make an offer through the estate agent. They will contact the seller and then come back to you with their response. If the offer is not accepted immediately, negotiation between the vendor and purchaser will begin. Do remember that estate agents act for the vendor and are obliged to obtain the best price for their clients. Selling agents' fees are paid by the vendor.

When a price has been agreed, the estate agent will prepare a memorandum of sale, outlining the agreed sale terms and identifying the solicitors instructed to act for the buyer and seller. The buyer's solicitor will then carry out searches, review the contract and raise any concerns to the vendor's solicitor with any supporting or management documentation. This is to ensure there are no hidden problems with the property you want to buy.

At the same time, you should instruct a surveyor to inspect the property and ensure it is sound. There are two main types of survey – a homebuyer's report, which offers a fairly basic look at the property's condition, and a structural or building survey, which is more expensive and goes into greater detail. W.A.Ellis can advise on both.

If you require a mortgage, your lender will want to carry out a separate mortgage valuation, similar to a survey.

You will pay for this but its purpose is to reassure the lender that the property is worth the price you want to pay for it. By this point, details of your finance should be finalised, with mortgage offer letter (if necessary) prepared.

Once both sides are satisfied that all is in place, exchange of contracts will occur. At this point, a completion date for the deal is agreed, you pay a deposit (usually 10% of the price), and you are legally obliged to buy the property. If you fail to complete the deal, the seller may be able to keep the deposit and could sue for "specific performance" of the contract.

Costs and fees

As well as the purchase price, there are several other fees to be accounted for which include:

- Stamp duty
4% on property £500,000 – £1,000,000
5% on £1,000,000 – £2,000,000
7% over £2,000,000
15% over £2,000,000 (if purchased through a company)
- Mortgage fees including arrangement fee and valuation survey fee
- Local Authority Searches (also called conveyancing)
- Legal fees
- Removals fee

Pitfalls to be aware of

Until contracts are exchanged, a seller can decide to sell to someone else, or not to sell at all. If this happens after you have had a survey done, you stand to lose the surveyor's and legal fees for work done to date. A delay in the buyer's mortgage arrangements is a common cause of sellers pulling out, so make sure your finance is arranged as soon as possible.

Very occasionally problems may arise during the survey (e.g. structural problems) or during the searches that were not evident before. They are usually not ruinous, but sorting them out may add time to what can be an already lengthy process.

Advantages of buying in London

With its political and financial stability, excellent transport links, internationally-renowned schools, culture and architecture, it is no wonder London is – and has long been – a property hotspot. People from all over the world want to buy a home here, and so it pays to be prepared before you enter one of the most competitive marketplaces on the globe.

Where specifically?

London is a city of villages, each with its own quirks, styles... and prices. Identifying exactly where you want to buy is the first step. Knightsbridge, with its department stores, elegant restaurants and international influences, is very different to neighbouring Chelsea, with its fashion boutiques, village feel and riverside properties. Belgravia and Mayfair are different again. Factors to take into account include schools (and school runs), transport links, and local amenities such as supermarkets, doctors, parks and restaurants.

When first speaking to us be as decisive as possible about where you want to live and what you are looking for. An indecisive applicant searching a huge area with a wide range of requirements is much harder to accommodate than one with a very focused approach. Even if you are not entirely sure, start your search in one area, we will be able to advise you on other suitable areas should you wish.

W.A.Ellis is renowned for selling the best properties central London has to offer across the spectrum from studio flats to substantial luxury houses. What sets us apart from others in the competitive sales market is the unparalleled care, professionalism and expertise we offer to both applicants and vendors. This has won us repeat business over many years.

For more information or to register for property alerts with W.A.Ellis, please contact one of our sales partners on **020 7306 1610** or email sales@waellis.co.uk