

Benest & Syvret

How to buy a property

A guide for people looking to buy
a home in Jersey



Contents

- 04. Introduction:** Who is this guide for? How to use this guide and who can help me?
- 05. What can I afford?**
Preparing to apply for a mortgage
- 06. ID checks**
Housing Qualifications
- 06-07. Choosing a home**
- 08. Buying a new build property:** Money, Timescales, Snagging Issues
- 09. Freehold and Share Transfer**
Buying a rented property
- 09-10. Making an offer**
- 10. Instructing a legal representative**
- 10-12. Searches**
- 12. Your mortgage**
- 12-13. Survey**
- 13. Fraud**
- 13. Completion**
Moving your belongings
Preparations for moving
- 15-16. Post completion**
After moving
- 15. Buying and selling at the same time**
- 17. Annex: Key milestones**

This information is frequently updated. Search on www.benestsyvret.com to ensure you have the latest version. The online version contains links you can click on to get more information.





How to buy – A buyers guide

Introduction Buying a home is often the largest purchase you will make in your lifetime. It is really important you have the right information, at the right time, to ensure you make informed decisions.

You can avoid stress and speed up the process by knowing which questions to ask, what your rights are, and what responsibilities you have as a home buyer.

Who is this guide for? This guide is for people who are thinking of purchasing a home in Jersey. First-time buyers may find it particularly useful, but as the buying process can change, even more experienced buyers can benefit from understanding the latest key steps.

It is intended as a helpful overview of the process; it is not a definitive statement of the law and not all of the steps are mandatory for all cases. If you are thinking of buying a property, contact the property team at Benest & Syvret on **01534 875875** or via **info@benestsyvret.com**.

How to use this guide This guide is best viewed online as it contains hyperlinks.

If you are reading this on a computer or tablet, you can click on the links to go to other websites which provide more detailed information.

Hyperlinks are coloured and underlined like this. On Android and Windows devices, links work better if you download Acrobat Reader.

Who can help me? During the home buying process a number of specialists can offer you advice or assistance:

In addition, when selling, you may also need to pay:

- **Lender** – able to lend you money to purchase the property.
- **Insurer** – able to provide the building insurance policy you need in order to purchase a property and the contents cover to protect your belongings.
- **Legal Representative/Conveyancer** – able to carry out the legal work needed to buy a property.
- **Surveyor** – able to assess the physical condition of the property and can give an independent valuation.
- **Mortgage Broker or Adviser** – able to advise which mortgage is best for you.
- **Specialist Professional or Tradesperson** – able to advise on any maintenance or building works that are identified in the survey.

The estate agent will help guide you through the buying process and work with other parties to help the sale progress. But remember – their primary role is to help the seller sell their property.



How to buy – A buyers guide

What can I afford?

Before you start looking for a new home, you should have an idea of how much you can afford to spend on a property. Most buyers will require a mortgage in order to purchase a home. You can typically borrow a multiple of your household income and this amount will be influenced by your credit score. Adding this sum to your deposit will give you an indication of your budget. The larger your deposit, the more favourable the mortgage deals you are likely to be able to access.

The States of Jersey has a range of schemes to help people buy a home. Details can be seen at www.gov.je/Home/RentingBuying/BuyersGuide. You should make sure you are clear about what these schemes can offer you.

You should remember that buying the property is not going to be your only expense. You may also need money to pay for:

- Stamp duty (on a freehold property) or Land Transaction Tax for a share transfer property (unless you are a first time buyer and fulfil certain criteria – see links for more information).
- Getting up-to-date surveys/reports.
- Conveyancing fees.
- Search fees.
- Building insurance.
- Moving costs.
- Essential home repairs or improvements.
- Mortgage costs and life insurance.
- Service charges in certain properties.

Preparing to apply for a mortgage

Before you speak with a mortgage broker or adviser, you should check your credit score. This score shows how likely you are to be accepted for credit.

This score shows how likely you are to be accepted for credit. The higher the number, the more likely you are to be offered a range of good mortgage deals. Information on how to check your credit score and how to improve it can be found from the [Money Advice Service](#) website.

There are many different types of mortgages on offer. Looking at price comparison websites can help you to understand the types of product available. Using a mortgage broker can be a good way to get individualised mortgage advice, although you may have to pay a fee. It may be especially useful to get tailored advice if you have unusual circumstances (e.g. if you are self-employed or have a low credit score), as this can limit the types of mortgages that are available to you. Equally, many lenders will have mortgage advisers who can advise on their own range of products.

Before you begin viewing properties you should get a mortgage decision in principle. This is a written statement from a lender giving an estimate of what you can borrow. It gives you some indication of your budget and signals to sellers that you are serious about buying a property. Getting a decision in principle from one lender does not mean you have to take out a mortgage with them. However, as part of the decision in principle, the majority of lenders will carry out a credit search. Some lenders will carry out a soft enquiry that will not affect your credit score. Other lenders will undertake a hard enquiry that may affect your credit score. You should find out what type of enquiry lenders use, as too many hard enquiries could negatively affect your credit score.

How to buy – A buyers guide

ID checks Estate agents, lawyers and mortgage lenders are required by law to check your identity to prevent money laundering and fraud. At several stages during the transaction you will have to produce documents to prove your identity or address and information on your source of funds. This could include receipts from the sale of another property, savings, inheritance monies and financial gifts from family and friends. Checking this information is a legal requirement to help safeguard your transaction, and failing to provide ID documents could slow down the process.

Get the documentation you need together now to make sure you are prepared:

- **Proof of identity** – passport or driving licence.
- **Proof of address** – bank or credit card statement, utility bill (not more than 3 months old). Mobile phone bills are not a valid proof of address.
- **Proof of source of funds** – including your last three months' payslips, tax return and other documents if you are self-employed. More information on the documents you need is available on the [Money Advice Service](#) website.

Housing Qualifications You will need to demonstrate that you have the relevant qualifications allowing you to purchase property in Jersey. To do that you will need to obtain your registration card under the Controls/Housing and Work (Jersey) Law. More information on how to get a registration card can be found on the www.gov.je website.

Choosing a home Most people start their property search with online property sites or through local estate agents.

When browsing properties you should think about lots of different criteria:

- **Affordability** – what can you afford to spend on a property? (see page 5).
- **Location** – the area you want to live in, and you may also wish to consider the amenities of the immediate neighbourhood (local shops, doctors' surgery, schools etc.)
- **Transport links** – you should check your commute to and from work and/or school, using public transport or otherwise.
- **Flat or house** – for flats whether share transfer or flying freehold will need you to pay a regular service charge.
- **New build or second hand** – new builds can be appealing as they will be clean and energy efficient, and you may be able to make some decisions about fixtures and fittings (e.g. kitchen cabinets, tiling, lighting etc). However, new builds may be more expensive than a similar second-hand home – this is known as the 'new-build premium'. Second-hand homes can provide more opportunities for improvements to tailor it to what you need and allow you to add value to the property.
- **Number of bedrooms** – consider how many bedrooms you need now and how many you may need in the future.
- **Amount of living space** – think about your lifestyle and storage needs – do you have a bike or pram? Where is it going to go?

How to buy – A buyers guide

- **Car parking** – if available, is parking on-street, on a drive, or in a garage; and are there any parking permit costs?
- **Scope for extending** – would you be able to extend the property or convert the loft or garage to make more space?
- **Garden** – do you want an outside space? How much maintenance are you able and willing to do? Would the space be yours or would it be shared with other properties?
- **Listed building status** – check if the property is included on the Planning Department's register of listed buildings as this may affect your ability to make changes to both inside and outside the property.
- **Condition** – some properties are immaculate and need no work; others may need considerable renovation or repair. You should think about how much time and energy you have to make the necessary repairs.
- **Drawbacks** – properties on busy roads, or located some distance from shops and public transport routes are often cheaper. You should make sure you are happy to make any compromises before you buy. These properties may also take longer to resell.

You should find out as much as you can about any properties you are interested in to help you decide which, if any, to buy. Things you may wish to ask the estate agent include:

- Is there anything I should know about the property before I put in an offer? Ask your estate agent for the material facts about the property as they are required to pass this information on to you.
- How long has the property been on the market? If it has been on for longer than 3 months ask why they think it isn't selling. Is there something other people have been put off by, or is it overpriced?
- Is the property part of a property chain, where a number of people are buying and selling their properties at the same time? How many people are in the chain? Will the sellers need to tie in their own purchase?
- How long have the owners lived there? If it is a short period of time you may wish to find out why – for example, there may be an issue with noisy neighbours.
- Has the property repeatedly changed hands or have previous sales fallen through – if so, why is that?
- When are the sellers hoping to move out?
- Have all the necessary consents been obtained for any work already carried out on the property?
- Can you speak directly to the sellers? They will be able to give you good insight into issues relating to the property.
- Is the property freehold or share transfer?

While at the property you should also look at the condition of the building. A useful list of things to check outside and inside the property can be found on the [Which?](#) website.

If you are interested in a property, you should consider visiting it several times if the seller is agreeable. Visiting at different times of the day can be helpful – for example, traffic in the vicinity may be busier at certain times of the day or the sun may fall in different parts of the garden.

How to buy – A buyers guide

Buying a new build property

Buying a new build property can be quite different from buying a second-hand home. You may be buying off-plan, meaning the property may not even be built yet.

Some differences to be aware of include:

Money

- When buying a new build home, you may need to put down a reservation fee to hold the property. This may only be refundable in certain circumstances, so check the small print before you pay.
- Many developers will ask you to enter into a preliminary agreement and pay a deposit shortly after reserving the property. You should make sure your lender and legal representative are aware of the deadline and are able to meet it. Do not sign any agreement without legal advice.
- Many developers will have referral relationships with specific mortgage advisors and legal representatives. You are under no obligation to use these firms if you don't want to.
- There may be additional charges associated with a new build property. Make sure your legal representative fully explains the details of the contract so you know what you are signing up to.

Timescales

If your property is still being built, your developer may give you a date by which the property should be finished. On some occasions this end date may be delayed or brought forward. Make sure you know what will happen in either scenario. If the former your mortgage offer may need to be refreshed as they usually only last for a limited period.

- A long-stop date can be written into your contract, which permits you to withdraw from the purchase in the event of long delays to the property being finished.

Snagging Issues

Snagging issues are defects or unfinished pieces of work in a new build home.

- You should consider agreeing that immediately before completion a snagging survey should be carried out once the property has been built.
- This survey can be carried out by a professional company or done yourself. You should report back any issues to your developer and ask for them to be addressed before you move in.
- Most new build homes have a 10-year warranty for major structural problems but this may not cover the whole of the property and any attached land. Make sure you are clear about what is and is not included in the warranty before you put down a deposit.
- Before you make an offer, understand what will and won't be fixed before completion and what happens if you have a dispute with the builder.

Make sure you ask the developer for all material facts relating to the property before you commit to buying.

More information on buying a new build home can be found on the [Which?](#) website.



How to buy – A buyers guide

Freehold and Share Transfer

When considering a property purchase, it is really important that you know whether the property is freehold or share transfer.

A freehold property means you own the property and land outright.

A share transfer property means that the company owns the land and the buildings which make up the block of flats. Ownership of a particular block of shares in the company gives you a right to occupy a particular flat. In turn the Articles of Association and any rules or regulations adopted by company set out how the costs of maintaining the building and land are to be divided between the different flat owners.

Finally, flying freehold means that you are a co-owner of the entire land and block of flats with all other owners within the development. A declaration of co-ownership is registered in the Public Registry which sets out the rules and regulations relating to occupancy and the division of costs.

In each case as part of the due diligence Benest & Syvret will be checking the regulations that attach to your property and the service charges that are likely to arise so that you can have a full understanding of your obligations before you buy.

Buying a rented property

Buying a rented property with a sitting tenant, or buying with the purpose of renting the property out, may be an investment option; however it is beyond the scope of this guide. If you are thinking of taking this route you should seek expert advice, as there are legal, tax and mortgage implications to becoming a landlord.

Buying a rented home to live in yourself is no different from buying a property that was occupied by the owner; you should take the same care in arranging surveys and researching the property's location (more detail on this below). The tenant may still be occupying the property when it is on the market, but the landlord must give the tenant a notice period to find a new home. This may add to the time it takes to complete the sale – you should ask the seller what arrangements they have made with their tenant.

When you are visiting the property, you should be mindful that it is the tenant's home and be respectful of their property, just as you would expect others to be respectful of yours. The landlord must give their tenant notice that a potential buyer is being shown the property, so bear this in mind when you are arranging viewings.

Making an offer

Making an offer on a property is a big step. You shouldn't feel pressured to put in an offer before you are ready – a second viewing is usually helpful when deciding whether it is the right place for you. The asking price is just that – don't be afraid to make a lower offer. This is the start of a negotiation process. The estate agent is legally obliged to pass on all offers and the seller is not obliged to accept any offer, regardless of how much it is.

Before you make an offer on a property, make sure you have considered the following:

- What is included** – which fixtures and fittings does the offer include e.g. will the seller leave white goods or the garden shed?
- What the property is worth** – what have similar properties in the area sold for and how many are on the market at the moment?



How to buy – A buyers guide

- What you can afford and are willing to pay** – have an upper limit in mind, above which point you will walk away.
- Seller's circumstances** – is the seller part of a chain?
- Your appeal as a buyer** – let the seller know that you have a decision in principle (or are a cash-buyer), and if you are a first-time buyer or have already sold your home.
- Interest in the property** – has or is anyone else making an offer?

You should not put an offer in unless you are serious about buying the property. Pulling out of a purchase once a verbal offer is accepted will cause delays, extra costs and frustration both to you and the seller. A verbal offer can be renegotiated at any time up to purchase but you should think carefully before renegotiating and only do so when a change is justified; for example if the home survey identifies significant issues. Attempts to renegotiate the offer when a sale nears completion may cause delays and could risk the sale falling through.

If your offer is accepted, congratulations! You should ask the estate agent to stop actively marketing the property and to remove the listing from any online portals, although it is the seller's choice whether to leave it on the market. You should advise the agent of your legal representative. You should receive a memorandum of sale from the estate agent which outlines your offer in writing and provides details of the legal representatives for each party. A few days after your offer is accepted, check with your legal representative that the seller has instructed their own legal representative and the purchase is progressing.

Instructing a legal representative

Once your offer has been accepted, Benest & Syvret will be ready to assist you. We play a key role in helping you purchase your home – we carry out the appropriate legal checks on the property, complete the legal work for your property purchase and, if you are getting a mortgage, ensure that it meets your lender's requirements. We will identify any title or planning issues; advise you on which searches to have carried out (see the next section), and do the legal work of transferring the ownership of the property from the seller to you. You should instruct us as soon as your offer has been accepted, but if you have any special requirements (for example if you only want a home which you can run a business from), you might want to instruct us to check this for you before you put your offer in.

We will provide you with a letter of engagement which sets out the terms of your agreement, the fee we will charge, the timescales for the purchase and other relevant information.

Searches

Benest & Syvret will organise searches on the defined property and/or land. These searches tell you about any restrictions relating to the land or property (e.g. tree preservation orders or whether the property is listed and about any relevant external factors (e.g. new roads) but do not tell you about development on the neighbour's land. If you have concerns about this then we can request a specialist search for you.

During the process we will raise enquiries. These are questions about the information which they have received relating to the property or the mortgage offer. Enquiries take place on a wide range of issues, and are therefore raised at different points through the process and will normally need to be answered by the seller. You should think about whether there is anything you would like your legal representative to ask on your behalf.





How to buy – A buyers guide

Searches contd..

It may be necessary to take out indemnity insurance to protect against issues uncovered by the property searches. We will be able to advise you on this option.

You should save the search information you receive in a safe place – it may come in handy for reference if you sell the property in the future.

Your mortgage

Once your offer has been accepted, you need to complete a full mortgage application for the lender you wish to use (this can be either the lender who gave you your initial decision in principle, or another provider). If you have a mortgage broker they may complete the application for you. Make sure you select a lender who offers the best deal for you for the property you wish to buy.

When applying for the mortgage you will need to complete a form and show ID, proof of address and proof of income. Self-employed people may have to provide extra assurances of their income, so find out what the requirements will be before you apply. Most people applying for a mortgage will have to complete a mortgage interview. Contact the mortgage provider for more information about what this will involve.

The mortgage provider will carry out a mortgage valuation, where they check that they are happy to lend against the property. This is not a survey – valuation does not protect you if something goes wrong with the property and may not even include a physical inspection of the property (for this information you will need to have a survey carried out – see the following section).

Survey

A Survey is a detailed inspection of a property's condition. There are various different types of home survey, some of which include advice about how to rectify any issues identified. More information on home surveys can be found from the [Money Advice Service](#) website.

Remember – a mortgage valuation is not the same thing as a home survey. A valuation does not protect you in the event that something goes wrong with the property.

You should strongly consider having a survey carried out. A survey is useful because it will advise you of minor maintenance and major works required on the property now and in the future.

The survey should be carried out by a trained professional; for example a member of the [Residential Property Surveyors Association \(RPSA\)](#), the [Royal Institution of Chartered Surveyors \(RICS\)](#) or the [Independent Surveyors and Valuers Association \(ISVA\)](#). Your estate agent, legal representative or lender may refer you to a particular surveyor, but it is your decision who you appoint. You should speak with a surveyor to get advice on what level of survey service is recommended for your property. You should also consider the nature of the property when selecting a surveyor.

How to buy – A buyers guide

Some buyers have a survey carried out as soon as their offer has been accepted, while others wait until their lender carries out their mortgage valuation and confirms the sum they are willing to lend. Bear in mind your surveyor may be busy, so don't leave it too late.

Make sure you read your survey report carefully and speak with your surveyor afterwards to ensure you understand what the problems are, how serious they are, and what the remedies might be. You may be advised to get a specialist to visit the property and carry out a further assessment; for example a boiler check or damp assessment.

If any significant issues are uncovered by the survey you can ask the seller to pay for them to be fixed before you purchase; you can renegotiate your offer to take into account the cost of the work; or even withdraw your offer altogether. You may wish to share the relevant part of your survey with the seller's legal team in order to negotiate any of the above.

Fraud Buying a home involves the transfer of large sums of money and can attract the attention of criminals. Though the risk of fraud is low, you should be vigilant about common scams.

Misdirection fraud is when you receive an email or phone call which seems to come from your legal representative informing you of a change to their bank account details.

Benest & Syvret will not change their bank account in the middle of a transaction. If you are in any doubt, do not transfer any money.

Call Benest & Syvret on a known number (i.e. not the number listed on the potentially fraudulent email) to check.

Also consider your behaviour and be social media savvy. It is not uncommon for fraudsters to find the information they need to commit fraud from your social media profiles. **For example:**

- If you have shared a post that contains details about your move, such as the day your offer was accepted, the day you will be moving, the road/area the new property is in or even a picture of it.
- If there are open groups on a social media platform such as Facebook containing you and the other people in your property transaction chain, this can also obstruct your legal professionals in their work.
- If there are any types of open discussions with others involved in the process on an open online forum.

This information can be used by criminals to quickly identify which property you are buying and other important details about you, which can then be used for fraudulent purposes.

How to buy – A buyers guide

Completion Completion is when the buyer and seller pass a contract before the Royal Court to transfer the property's ownership. After completion the property belongs to you and you will receive keys and be able to move in. This will happen when:

- You are happy with the searches, survey and the details in the contract.
 - Your lender has confirmed your mortgage.
 - You are able to pay the deposit.
 - You are able to pay all other associated costs including stamp duty, removal costs and so on, in cleared funds. Bear in mind that you may need to pay a bank charge for the transfer.
 - On passing contract you need to organise buildings insurance, because you are legally responsible for the property.
-

Moving your belongings You need to consider how you are going to move your belongings into your new home. You may be able to move yourself or hire movers to help you. You can opt to pack yourself or have the removal firm do it for you. If you need a professional removals company make sure you give them as much notice as possible. Fridays are very busy, so you may get better rates and availability if you try to avoid these times by agreeing with the seller a different date from the completion date.

When selecting a removals firm you should consider price, quality of service and availability. They will be responsible for all of your possessions.

You should get more than one quote before selecting your removals firm. **Check:**

- Are they a member of a Trade Association such as the [British Association of Removers?](#)
- Do they have insurance in place and are your belongings covered throughout the move?
- How are their online reviews? If there are issues, how are they resolved?
- Check the small print for additional charges – a professional company will explain them to you.

If access to your property is difficult or you have unusual items to move, ensure the removal company visit before giving you a quote.

Preparations for moving Between exchange and completion you should:

- Inform your removal company of your move date.
- Contact your utilities, water and broadband providers to close or move your old accounts.

How to buy – A buyers guide

- Organise for your post to be forwarded to help protect you against identity fraud – Jersey Post offers a [post-forwarding service](#).
 - Ask the seller about another visit to measure rooms for furniture etc.
 - Ask the seller where the fuse box, energy meters and stopcock (water supply valve) are located.
 - Order any appliances and furniture you will need (consider when you want them to arrive – on moving day or shortly after).
 - Start packing and clearing out unwanted objects.
-

Post completion On the Tuesday following the passing of contract on the Friday, Benest & Syvret will transfer the purchase price to the seller's legal representative.

- Remember to take meter readings when you leave your current property and when you arrive at the new one. A date-stamped photograph is useful.
- It is also advisable to pack a box of essentials that you will need on the first night in your new home – this might include toilet paper, crockery and cutlery, a kettle, snacks, toiletries, bedding and towels, chargers, cleaning items, bin bags and light bulbs.
- When you first arrive in your new home, it may be dirty from the builders or previous owners. Be prepared to give it a quick clean before you move your belongings in.
- You may wish to change the locks of your new home to ensure you are the only one with a set of keys.

After the move Benest & Syvret will register the change of ownership with the Parish.

After moving Once you have moved home, you should update the following with your new address:

- Government of Jersey of both your new home and your previous one. Similarly you should move your electoral roll registration over to your new Parish.
- Utilities and water.
- GP and other medical providers e.g. dentist.
- DVS (if applicable).
- Bank or building society.
- Mobile phone, TV and internet packages.

How to buy – A buyers guide

After moving contd...

Insurance company – cancel insurance for your old property. Having building insurance is normally a requirement of having a mortgage, but you should also consider contents insurance to protect your belongings.

— Any financial products you have (e.g. bank or building society account; pension schemes).

— Vet, especially to change your pet's micro-chip details (if applicable).

**Buying and selling
at the same time**

If you are selling as well as buying, check our guide on How to Sell.

How to buy – A buyers guide

Key milestones Length Varies depending on how many options you consider and how specific your requirements are

STAGE #1 – SEARCHING TO BUYING SUBJECT TO CONTRACT

Understanding your finances

- Think about what you can afford.
- Consider mortgage options.
- Research estate agents.

Think about your requirements

- Size, location, price – be as flexible as possible to maximise your options.
- Tenure – freehold or share transfer- Choose estate agent.
- Special requirements e.g. retirement housing?

Looking for a property

- Do as much research as you can.
- View properties.

Make an offer - Negotiate with potential sellers(s).

Buy the house (subject to contract) - Instruct Benest & Syvret on **01534 875875** or **info@benestsyvret.com**

STAGE #2 – BUYING SUBJECT TO CONTRACT TO MOVING IN

Completion and moving in

- Payments transferred by legal representatives.
- Estate agent gives you the key to your new property.
- Post move notify States, utilities providers and other relevant organisations of your address change.

Property searches and survey

- Benest & Syvret arranges property searches and raises enquiries.
- Arrange a property survey.

Arrange mortgage - Research options and make application.



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How to buy a property

A guide for people looking to buy
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