

THE MORTGAGE & PROPERTY MAGAZINE

ISSUE 2 - SPRING 2021

ESCAPE TO THE COUNTRY

Urbanites of all ages moving to a rural way of life



NEW HELP TO BUY SCHEME

*First-time buyers support
extended*

SHOULD WE BE CONSIDERING A REMORTGAGE?

*5 reasons when it pays to review your
mortgage deal*

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THINK CAREFULLY BEFORE SECURING OTHER DEBTS AGAINST YOUR HOME.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

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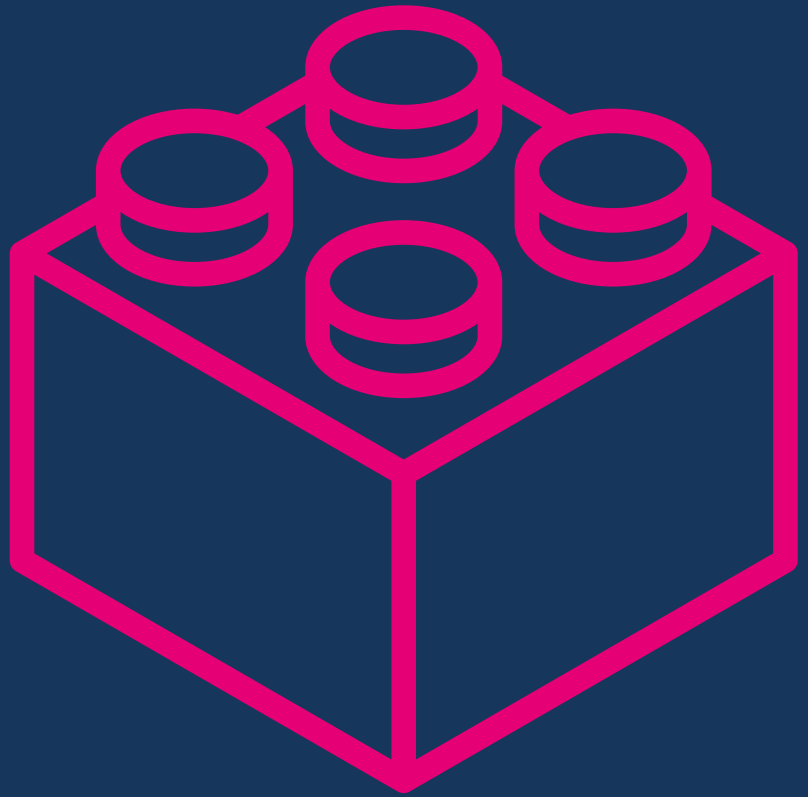
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HOW CAN I BUILD MY BUY-TO-LET EMPIRE?

Let us find the right property finance to fund your investment portfolio

We can help you whether you're starting or expanding your investment property portfolio. We know a buy-to-let investment can be a big commitment, that's why our dedicated mortgage advisers will help you consider the costs, responsibilities and risks of becoming a landlord.

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Welcome

I AM DELIGHTED to welcome you to the Spring 2021 quarterly issue of *The Mortgage & Property Magazine* from Nightingales Wealth Management Ltd.

In his Budget announcement on 3 March, Chancellor Rishi Sunak confirmed the temporary stamp duty holiday has been extended to the end of June 2021, enabling more buyers to take advantage of significant savings. This was welcome news for those buying a property who had been worried about having to pay up to £15k extra on their purchase if they weren't able to complete in time for the previous deadline. Find out more on page 20. Don't miss the extended deadline if you are looking to buy.

The coronavirus (COVID-19) pandemic led to the virtual disappearance of mortgages that only required a 5% deposit. But in another Budget announcement the Chancellor unveiled a new initiative, the government-backed mortgage guarantee scheme, which is open to first-time buyers and home movers across the UK and is aimed at encouraging banks and building societies to offer 95% loan-to-value (LTV) mortgages again. Turn to page 22.

The government's new Help to Buy scheme, which supports people to get on the property ladder, has replaced the previous scheme and came into place from 1 April 2021. It will run until March 2023 and there are no plans for any further extensions.

On page 18, if you're a first-time buyer in England, we look at how you can apply.

Should you be considering a remortgage? On page 10 we explain five reasons when it pays to review your mortgage deal. In the current economic climate, many homeowners may be unsure about when is the right time to look for a new mortgage. Is the time right now or should you remain with your current mortgage? It's a very important decision that could impact your finances by thousands of pounds every year.

Urbanites of all ages are moving to a rural way of life. On page 64 we look at how the coronavirus (COVID-19) pandemic outbreak has triggered a reappraisal of urban living for some people. The lockdown restrictions have been difficult for many, especially in urban areas where access to outdoor space is limited. Many are now looking to escape crowded cities and big towns by moving to the country in search of a more peaceful and sustainable lifestyle.

A complete list of the articles featured inside this issue appears on page 03. Following the Budget announcements, whether you're a first-time buyer, home mover or buy-to-let investor wondering how and when to make your next move, there are some really good reasons why now is the perfect time to purchase a property. ♦

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Sam Farmer - Company Director

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Should we be considering a remortgage?

5 reasons when it pays to review your mortgage deal



IN THE CURRENT economic climate, many homeowners may be unsure about when is the right time to look for a new mortgage. Is the time right now or should you remain with your current mortgage? It's a very important decision that could impact your finances by thousands of pounds every year.

Remortgaging is the process of getting a new mortgage on your existing property, either with your current or a new lender. More often than not, the main reason to remortgage is to save yourself some money, but it's not the only one.

But before you look at the 'when', you need first to consider the 'why'. Is your current deal about to come to an end or has it already finished and you've been moved to your lender's costly standard variable rate (SVR)? Are you simply looking to save money, or do you want to release some of the equity in your home to make changes to it, such as renovations or adding an extension? Or, do you want to switch from an interest-only to a repayment mortgage?

Whatever your reason for wanting to remortgage, it's important to obtain professional advice to see if remortgaging is the best option for you and to help you identify the best mortgage deal to meet your needs. There's no right answer for everyone, but we've provided five reasons why remortgaging now could save you money or make you money over the long term.

1. I'M NEARING THE END OF MY PROMOTIONAL PERIOD

You have a fixed or tracker mortgage and you're coming close to the end of the initial promotional period (often two, three or five years). If you don't find a new deal, you'll automatically revert to your lender's SVR when your promotional period ends.

This could be considerably higher than your current rate, and could cost you thousands of pounds in additional interest over the lifetime of the mortgage. Instead of remaining with your mortgage and accepting the higher SVR, now would be a good time to talk with us about a new mortgage deal.

2. I WANT TO TAKE ADVANTAGE OF HISTORICALLY LOW MORTGAGE RATES

The Bank of England base rate is currently unusually low, due to the financial conditions surrounding the coronavirus (COVID-19) pandemic. That means borrowing money now

enables you to take advantage of lower-than-normal mortgage rates.

Even if you'll pay a fee to exit your current deal early, for some people it could be worth doing so, to secure a rate at a lower level.

3. I WANT TO REMORTGAGE WHILE PROPERTY PRICES ARE RISING

Property prices have been rising in recent months in spite of the COVID-19 pandemic, and that can mean it's a good time to remortgage.

Why? Because your loan-to-value ratio will be lower. In other words, the amount you need to borrow will be a smaller percentage of the market value of your home. If prices fall again, your loan-to-value ratio becomes higher and you may not have access to the best mortgage deals.

4. MY FINANCIAL SITUATION HAS CHANGED

If your financial situation has changed significantly since you chose your current mortgage, you might want to explore other options. Perhaps you have more cash available now, and you'd like a mortgage that allows you to make overpayments as and when you want to. Or perhaps you need to improve your cash flow and need a mortgage with flexible repayments.

5. I WANT TO RAISE CAPITAL

In some situations, you might want to borrow more against your home. For example, you might want to build an extension or carry out home improvements that will increase the value of your home. Or you might want to buy a second property as a buy-to-let. Remortgaging could help you to raise the capital to do this. ♦

>> IS YOUR CURRENT MORTGAGE DEAL COMING TO AN END? <<

In general, you should start looking for a new mortgage at least three months before the end of your current mortgage's promotional deal. With so many mortgage deals available, we can compare the mortgages that are best for your financial situation. For more information, please contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.



A photograph of a modern living room. In the foreground, a person's legs in blue jeans and bare feet are resting on a white, tufted sofa. The sofa is on casters. In the background, there is a tall, dark grey bookshelf filled with books and decorative objects. A large window with light-colored curtains is on the right, letting in bright light. A green plant is visible near the window.

SOLO FIRST-TIME BUYERS

Opening the door to owning your
first home

“Buying a property is a big financial commitment and there are more costs to save for than you might imagine. As well as finding a deposit, you’ll need savings to pay for conveyancing, surveys, mortgage arrangement fees, moving costs and furnishings.”

FOR SOME PEOPLE, buying their first property can be a difficult and expensive journey whatever their circumstances, but for single people buying alone, it can seem almost impossible. If you dream of owning a home but don’t have help from family or someone to buy with, here are some of the options available.

COSTS OF BUYING A HOME ALONE

Buying a property is a big financial commitment and there are more costs to save for than you might imagine. As well as finding a deposit, you’ll need savings to pay for conveyancing, surveys, mortgage arrangement fees, moving costs and furnishings.

If you are a first-time buyer you need to do your sums carefully to avoid any

financial surprises. The average cost of buying a property will vary depending on where you live, but it will certainly run into thousands of pounds.

There are a number of government schemes available to help you buy a home and the eligibility criteria has changed for some. Which could you be eligible for in 2021?

GOVERNMENT SCHEMES

There are several government schemes designed to help you get on the property ladder. Your options include:

SHARED OWNERSHIP

This scheme allows you to buy a share in a property while renting the rest from a local authority. You may be able to increase



your share over time, which is called 'staircasing'. While your upfront costs, for example, your mortgage deposit, will be lower, your ongoing costs may be higher, as you'll pay not only your mortgage but also rent, service charges and maintenance fees.

HELP TO BUY EQUITY LOAN

This scheme allows you to buy a property with just a 5% deposit, plus a 20% equity loan from the government (or 40% in London), which is interest-free for five years. You won't need to repay the loan until the end of the term, or when you sell the property or finish repaying the mortgage.

HELP TO BUY MORTGAGE GUARANTEES

The latest scheme, thanks to new measures announced in the 2021 Budget, provides government guarantees on 95% loan-to-value (LTV) mortgages for first-time buyers, making it easier to buy a property with just a 5% deposit.

APPLYING FOR MORTGAGES

Solo buyers may also find it more difficult to obtain mortgage approval, as they will need to meet the affordability criteria of the lender alone. But, while difficult, it is not impossible.

For example, there are mortgages available that will take into consideration a friend or relative's income as well as your own, even if they are not named on the deeds for the property. Or, if you buy a property with more than one bedroom, you may be able to find a mortgage from a lender who will consider the income of a lodger as well as yourself. Due to the government's new scheme, there is now a higher availability of 95% LTV mortgages.

BEING FINANCIALLY SAVVY

For a first-time buyer, the prospect of getting on the property ladder can feel overwhelming and out of reach. So what should you consider to improve your chances of success?

- **Check your credit score** Make sure your credit score is clean and pay down any debt and credit card borrowings as much as possible



- **Clean up your current account** Your lender will carry out an affordability test based on your income and monthly outgoings. Go through your current account six months before you make a mortgage application and see for yourself where all your money is going.
- **Start building a deposit** Aim to put down as much deposit as you can to avoid unmanageable mortgage repayments
- **Professional mortgage advice** Obtaining advice can make the difference between a successful mortgage application and being rejected. It may also lead to a significantly better value deal, potentially saving you thousands of pounds over the mortgage term. ♦

>> LET US HELP GET YOU ON THE PROPERTY LADDER <<

Buying a property, especially for the first time on your own, can be a complex process and there are a number of costs that need to be considered in addition to the purchase of the property itself. With a range of government schemes that make home-buying more affordable, to discuss your requirements contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.

WHY NOW IS THE TIME TO DISCUSS FIVE- YEAR FIXED RATES

Home owners look to shield themselves
from future base rate rises



“Long-term fixed-rate mortgages (five years or more) are not covered by the mortgage affordability rules, meaning that lenders do not need to stress-test these borrowers.”

MORTGAGES WITH long-term fixed rates (five years or more) now account for half of new mortgage lending, according to analysis from the Bank of England (BOE)^[1].

Although two-year fixed rate mortgage deals still offer a cheaper rate than five-year fixed rate deals, the latest data from the Moneyfacts UK Mortgage Trends Treasury Report show that the gap between the average two and five-year fixed rates is at its lowest point since June 2013.

TWO FACTORS TO CONSIDER

But why are more borrowers opting for long-term fixed rate mortgage products? There are two factors to consider: the new mortgage rules and a shift in interest rates. In 2014, the Financial Policy Committee (FPC) introduced new rules, including a requirement for mortgage lenders to stress-test mortgage affordability.

The rules act as an ‘insurance policy’ to protect against imprudent lending and a further rise in the number of highly indebted households. The affordability test requires mortgage lenders to ensure that new mortgage borrowers could afford their mortgage if interest rates went up by 3% within the first five years of the loan.

MORTGAGE AFFORDABILITY RULES

Long-term fixed rate mortgages (five years or more) are not covered by the mortgage affordability rules, meaning that lenders do not need to stress-test these borrowers. The FPC noted that this could make long-term fixed rates more attractive to borrowers.

Also, there could be an incentive for lenders to offer borrowers these products in order to circumvent the mortgage

affordability rules. However, the analysis shows that lenders typically stress-test all borrowers, meaning long-term fixed rate mortgages tend not to be treated differently.

REDUCTION AT THE LENDER'S DISCRETION

However, it's more likely that lower interest rates have had more impact on the popularity of long-term fixed rate mortgages than the mortgage affordability rules.

If you have a fixed rate mortgage, then your mortgage payments will not have changed because of the last interest rate cut nor any future reductions. If you are on a standard variable rate (SVR) then you may have seen a reduction at the lender's discretion.

MORE EXPENSIVE WAY TO BORROW

One of the biggest attractions of fixing your mortgage rate is the certainty it provides to your monthly payments and overall finances. The interest rate is fixed for a specific period and will remain at this rate irrespective of any changes that the Bank of England (BOE) may make.

At the end of the fixed period, the interest rate will typically revert to the lender's SVR, which traditionally has been a more expensive way to borrow.

UNPREDICTABLE ENVIRONMENT

Most lenders will offer mortgages fixed for an initial term of two, three or five years. Some lenders also offer initial fixed periods of ten years. Currently, banks are constantly reacting to the unpredictable environment and the interest rates between two-year and five-year fixed rate

mortgages are at their closest levels in recent years.

It is important that you consider the early repayment charges (ERCs) that typically apply to such mortgages and take into consideration your future plans.

REVIEW YOUR CURRENT MORTGAGE

Take time to review your current mortgage and ensure that it continues to be the right mortgage for your personal circumstances.

The 95% mortgage guarantee announced in Budget 2021 came with a condition that lenders offer borrowers the opportunity to fix their rates for at least five years, which the Treasury said would offer ‘valuable extra certainty’. ♦

Source data:

[1] Bank of England (BOE) published on 3 July 2020.

>> WANT TO SHIELD YOUR MORTGAGE AGAINST FUTURE BASE RATE RISES? <<

Longer fixed rate mortgages may now look even more appealing to some home owners who want to shield themselves from future base rate rises, but that's not to say they will suit everyone.

To discuss your options, contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.

New Help to Buy scheme

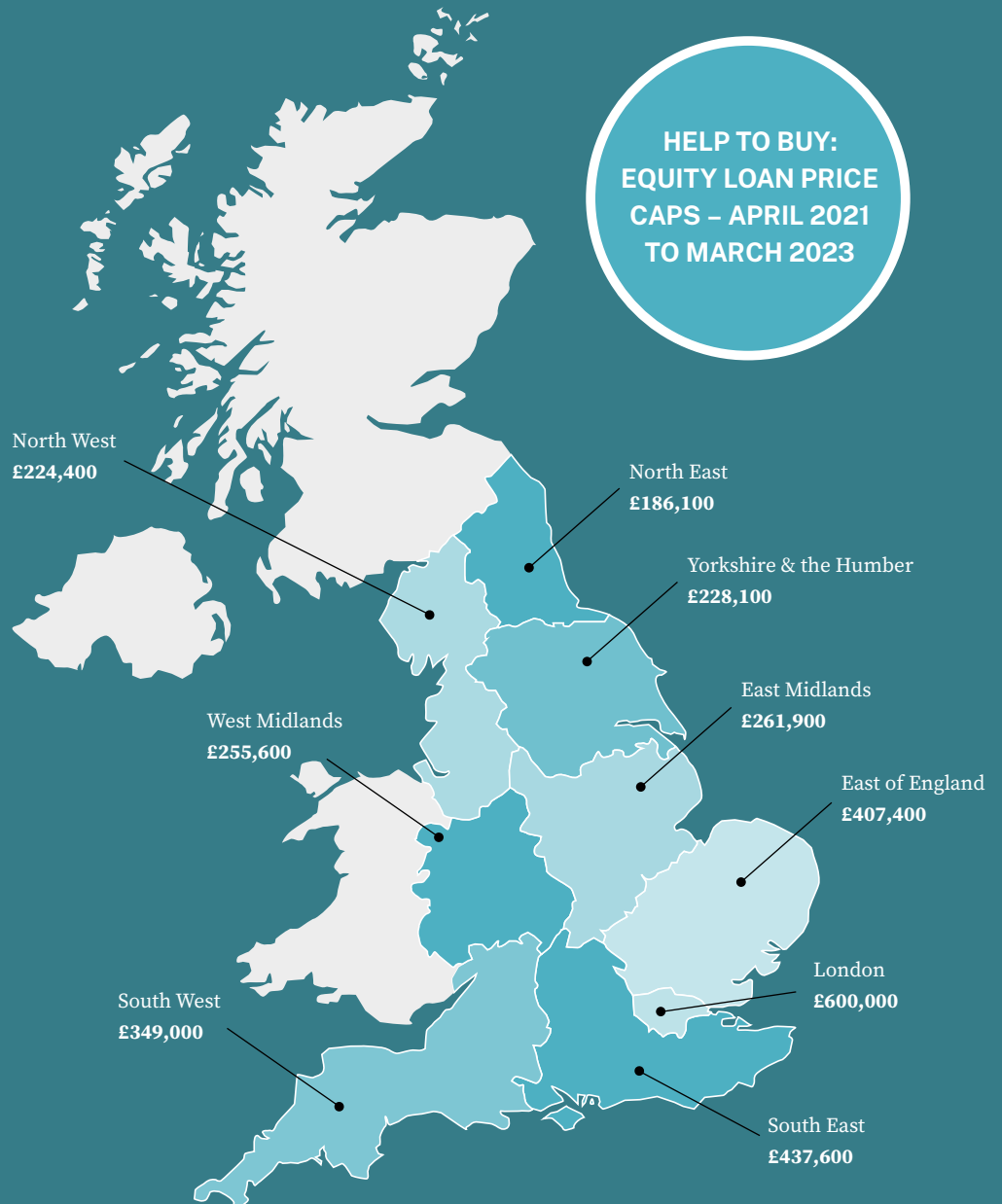
First-time buyers support extended

THE GOVERNMENT'S new Help to Buy scheme, which supports people to get on the property ladder, has replaced the previous scheme and came into place from 1 April 2021. It will run until March 2023 and there are no plans for any further extensions. The new scheme includes property price caps and is restricted to first-time buyers only.

If you're a first-time buyer in England, you can apply for a Help to Buy: Equity Loan. This is a loan from the government that you put towards the cost of buying a newly built home. Help to Buy equity loans provide a low-interest loan towards your deposit.

You will need a 5% deposit, and the government lends up to 20% of the value of the property (up to 40% of the value if you are purchasing in London). But you must buy your home from a homebuilder registered for Help to Buy: Equity Loan.

The amount you pay for a home depends on where in England you buy it.

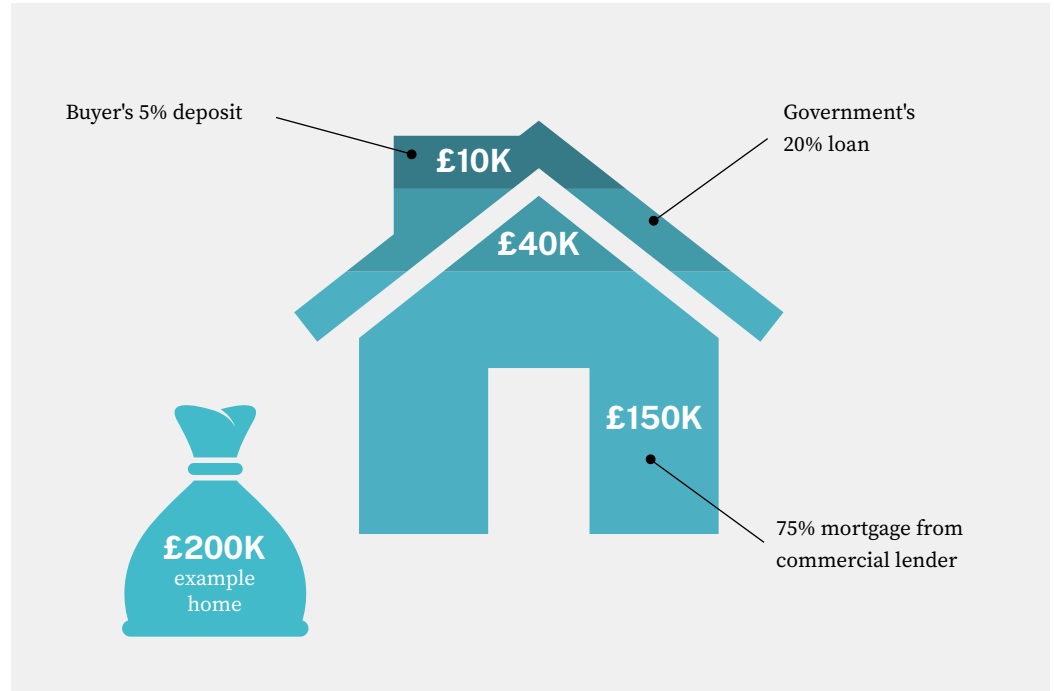


BUYING YOUR NEWLY BUILT HOME

The equity loan, the deposit you have saved and your repayment mortgage cover the total cost of buying your newly built home. The percentage you borrow will be based on the market value of your home when you buy it.

You do not pay interest on the equity loan for the first five years. You start to pay interest in year six, on the equity loan amount you borrowed. The equity loan payments are interest only, so you do not reduce the amount you owe.

You can repay all or part of your equity loan at any time. A part-payment must be at least 10% of what your home is worth at the time of repayment.



PAYING BACK THE EQUITY LOAN

When deciding if an equity loan is right for you, it's important to consider the full cost of your borrowing:

For the first 5 years:

- the equity loan is interest free
- you pay a £1 monthly management fee by Direct Debit

From year 6:

- you pay the £1 monthly management fee
- you pay a monthly interest fee of 1.75% of the equity loan
- the interest rate will rise each year in April by the Consumer Price Index (CPI), plus 2%
- you continue to pay interest until you repay your loan in full

When you take out your equity loan, you agree to repay it in full, plus interest and management fees.

You must repay your equity loan in full:

- at the end of the equity loan term
- when you pay off your repayment mortgage
- when you sell your home
- if you do not follow the terms set out in the equity loan contract, we ask you to repay the loan in full

FIND OUT IF YOU'RE ELIGIBLE

The amount you pay back is worked out as a percentage of the market value at the time you choose to repay. If the market value of your home rises, so does the amount you owe on your equity loan. And if the value of your home falls, the amount you owe on your equity loan falls too.

This announcement applies to the scheme in England, which is administered by the UK Government, and not to similar schemes in Northern Ireland, Scotland or Wales. ♦

“You can repay all or part of your equity loan at any time. A part payment must be at least 10% of what your home is worth at the time of repayment.”

>> LOOKING TO TAKE THE PLUNGE AND BUY YOUR FIRST HOME? <<

So you're looking to take the plunge and buy your first home. It's an exciting time. As a first-time buyer, finding exactly the right mortgage for your circumstances can be daunting. To discuss your requirements, contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.

Beat the stamp duty holiday extension deadline

Take advantage of significant savings before end of June 2021



IN HIS BUDGET announcement on 3 March, Chancellor Rishi Sunak confirmed that the temporary stamp duty holiday has been extended to the end of June 2021, enabling more buyers to take advantage of significant savings.

This was welcome news for those buying a property who had been worried about having to pay up to £15k extra on their purchase if they weren't able to complete in time for the previous deadline.

The extension means that anyone buying a property worth up to £500,000 before the end of June will now not pay the stamp duty tax. The £500,000 nil-rate band has been extended to 30 June, after which it will fall to £250,000 for three months.

In England and Northern Ireland the nil-rate band will be £250,000, double its standard level, until the end of September, and we will only return to the usual level of £125,000 from 1 October.

Sunak said: *'The cut in stamp duty I announced last summer has helped hundreds of thousands of people buy a home and supported the economy at a critical time.'*

'But due to the sheer volume of transactions we're seeing, many new purchases won't complete in time for the end of March.'

'So I can announce today the £500,000 nil-rate band will not end on the 31st of March. It will end on the 30th of June.'

DON'T MISS THE DEADLINE – WHAT IS THE STAMP DUTY AFTER SEPTEMBER 2021?

On 1 October 2021, stamp duty in England and Northern Ireland is set to return to previous levels.

- Up to £125,000: no stamp duty tax applied
- The portion between £125,001 and £250,000: 2%

- The portion between £250,001 and £925,000: 5%
- The portion between £925,001 and £1.5m: 10%
- Above £1.5 million: 12%

First-time buyers already had a holiday where they did not have to pay stamp duty on properties costing up to £300,000 (and 5% up to £500,000).

Where the purchase is for an additional property (such as a second home or buy-to-let), the normal rates will come back into force on 1 October, plus the additional 3% rate:

- Properties up to £125,000: 3%
- The portion between £125,001 and £250,000: 5% (2% + 3%)
- The portion between £250,001 and £925,000: 8% (5% + 3%)
- The portion between £925,001 and £1.5m: 13% (10% + 3%)
- The remaining amount, above £1.5m: 15% (12% + 3%) ♦

>> MEET THE RUSH, BEAT THE NEW STAMP DUTY DEADLINE <<

If you want to meet the temporary stamp duty holiday extension deadline announced in the Spring Budget, it's important to make sure you are as fully prepared as possible in terms of your mortgage, surveyor and any borrowings from family. To discuss your options, contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.



HOW CAN I FIND THE RIGHT MORTGAGE FOR ME?

Talk to our experienced team today. We're here to get you moving

We understand how important making the decision to get a mortgage is. It's not just about taking out a mortgage, it's about getting the keys to your new home, improving the one you've got or arranging your finances for the future.

Whether you want to buy your first or new home, remortgage your current property, borrow more or buy-to-let – we're here to help.

**To find out what you could borrow and what your payments may be,
contact us today.**

Contact Nightingales Wealth Management Ltd

– telephone: **0345 2221177**

– email: **customer@nightingaleswm.co.uk**


NIGHTINGALES
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THINK CAREFULLY BEFORE SECURING OTHER DEBTS AGAINST YOUR HOME.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

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Government-backed 95% mortgage guarantee scheme

Open for business to first-time buyers and home movers across the UK

“The government-backed mortgage guarantee scheme is open to first-time buyers and home movers across the UK.”

THE CORONAVIRUS (COVID-19) pandemic led to the virtual disappearance of mortgages that only required a 5% deposit. But the Chancellor, Rishi Sunak, announced on 3 March a new initiative during his Budget 2021 speech.

The government-backed mortgage guarantee scheme is open to first-time buyers and home movers across the UK and is aimed at encouraging banks and building societies to offer 95% loan-to-value (LTV) mortgages again.

The announcement is tremendous news for first-time buyers looking to get on the property ladder at a time when, for many, owning a home may seem an impossible dream as they would otherwise not be able to find a large deposit to secure a mortgage deal.

GETTING ON THE HOUSING LADDER

The announcement aims to stimulate the housing market and get more people onto the housing ladder. The Chancellor said there was good evidence that ‘this will help those that are getting on the housing ladder disproportionately to other home movers.’

He said: ‘We know from the previous time we did it, it helped 100,000 people buy a home and the average value of a home bought under the scheme was £160,000, compared to the average price of a home which at that time was more like £225,000.

‘And 80% were first-time buyers, so it feels like it is a policy that is quite well targeted to help people get on the housing ladder.’

GUARANTEE TO LENDERS ACROSS THE UK

The government introduced the scheme for new mortgage applications which commenced from April and provides a guarantee to lenders across the UK that

offer mortgages to people with a deposit of five per cent on homes with a value of up to £600,000.

This scheme is for any ‘creditworthy’ household struggling to save for a higher deposit. These will be standard residential mortgages – so no second homes or buy-to-lets.

If the borrower gets into financial difficulty and their property is repossessed, the government will cover that element of the lender’s losses. The scheme opened for new mortgage applications from April and will be open to new applications until December 2022.

Several of the country’s largest lenders, including Lloyds, NatWest, Santander, Barclays and HSBC, are offering these 95% mortgages, with others to follow shortly after. The mortgages must be on a repayment basis, not interest-only. And borrowers will need to be credit checked and meet the standard rules on affordability.

All lenders under the scheme will also offer mortgages fixed for at least five years, providing options for buyers with smaller deposits who want the security and predictability of a mortgage with a fixed rate over a longer term.

Eligible mortgages guaranteed under the scheme will need to:

- be a residential mortgage (not second homes) and not buy-to-let
- be taken out by an individual or individuals rather than an incorporated company
- be on a property in the UK with purchase value of £600,000 or less
- have a loan-to-value (LTV) of between 91% and 95% of the value of the property
- be originated between the dates specified by the scheme
- be a repayment mortgage and not interest-only

- meet standard requirements in terms of the assessment of the borrower’s ability to pay the mortgage, for example, a loan-to-income and credit score test

LIFELINE FOR FIRST-TIME BUYERS

Thanks to soaring house prices and tighter rules on mortgage approvals, the first rung of that famous property ladder can be very hard to reach. So the new government-backed mortgage guarantee scheme will be a lifeline for those first-time buyers trying to get on the housing ladder. ♦

>> GET AN ESTIMATE ON HOW MUCH YOU COULD BORROW <<

Are you ready to buy a property? You’ve dreamed of owning a home for as long as you can remember, or maybe you’re looking to move to another property. Now the new government-backed mortgage guarantee scheme could make it a reality. To discuss your options and get an estimate on how much you can borrow, contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.



What size mortgage could I afford to borrow?

Understanding how mortgage affordability is calculated is key

WHEN YOU APPLY for a mortgage, the lender's decision on how much you can afford to borrow can seem like a mysterious one. But there's no magic or secret behind the outcome, just a simple affordability formula.

Here are the factors the mortgage lender will consider.

YOUR INCOME

In the past, your income was the only factor that mortgage providers would base their decision on. But things have become more complicated

“In the past, your income was the only factor that mortgage providers would base their decision on.”

imposed stricter rules on how much you can borrow.

So, you'll need to prove to mortgage providers how much your annual income is. If a significant portion of your income doesn't come from your regular salary, but instead from overtime, bonuses, commission or dividends, you'll need to find a mortgage provider who will include these in their consideration. Some will also include pension income, tax credits and allowances.

YOUR CREDIT SCORE

Mortgage providers will always check your credit score with a credit reference agency before agreeing to lend you money.

Your credit score will reflect any financial issues you have encountered in the last six years, such as loan defaults, county court judgements, individual voluntary arrangements or bankruptcy. These issues will affect whether a mortgage provider will lend to you, how much they will lend you and the interest rate available to you.

YOUR DEPOSIT

Having a large deposit (relative to the value of the property you intend to buy) demonstrates a certain level of financial responsibility to mortgage providers. It also lowers the risk of lending to you, as the money lent could be more easily recovered when the

property is sold, if you were to default on the loan.

So, generally speaking, the more you have saved, the more money you'll be able to borrow.

YOUR OUTGOINGS

One of the ways that affordability checks have changed in recent years is that mortgage providers must consider how much of your income is spent on essential outgoings. After all, knowing your income isn't that helpful if you already spend 70% of it on bills and loan repayments.

Essential outgoings include:

- Groceries, toiletries and cleaning supplies
- Household bills, e.g. gas, electricity, broadband
- Car costs, e.g. vehicle tax and fuel

- Other essential travel costs, e.g. train fares
- Insurance, e.g. home, life, medical, critical illness insurance
- Medical costs, e.g. contact lenses or prescriptions
- Debt repayments, e.g. credit cards or other loans

OTHER SPENDING

As well as how much of your income is spent on essentials, mortgage providers will also look at the cost of your current lifestyle.

So, they might want to know how much you spend on:

- Dining out
- Entertainment
- Shopping
- Holidays and non-essential travel
- Gym memberships

since then. However, your income is still considered to be one of the main determinants of whether you can afford to pay back the mortgage loan.

Some mortgage lenders may offer larger loan amounts to people in certain professions with higher earnings or higher combined household incomes. In some cases, the income multiple you'll be eligible for can also depend on the loan-to-value ratio you're borrowing at. But following the coronavirus outbreak, many mortgage lenders have





If a large part of your salary is spent on these non-essentials, you'll be less likely to keep up with mortgage repayments in the future. So, if you have costs in these areas that you'd happily sacrifice to afford a bigger mortgage, you might consider cutting them several months before you make your application.

FUTURE OUTGOINGS

It's not enough for mortgage providers simply to assess how easily you can afford a mortgage now, as it's a long-term loan. They'll need to consider if you'll be able to afford it in the future.

So, they'll consider the likelihood of various circumstances occurring while you have the mortgage, such as redundancy, serious illness or having a baby. If

you're currently pregnant or have young children, the cost of raising these children may be included even if it is not reflected in your current spending.

Having enough cash savings (at least enough to cover between three to six months' worth of outgoings and spending) can help to demonstrate to a mortgage provider that you would still be able to afford your mortgage.

FUTURE INTEREST RATES

There are other future changes that could affect your ability to afford your mortgage repayments, and the most significant is an interest rate rise.

Mortgage rates could rise and fall multiple times over the lifespan of your mortgage and, unless you have a fixed-

rate mortgage, could lead to your monthly repayments increasing. A mortgage provider will check if you'd still have enough income left after your essential outgoings and other spending to make these repayments, based on certain assumptions they use.

Though mortgage providers all use broadly the same affordability criteria when

deciding how much to lend you, there are small differences in what they'll each check, which could mean that one mortgage provider will lend you more than another. It can be time-consuming to find the provider that will lend you the money you need. We can work with you to find the best arrangement. ♦

>> WANT TO DISCUSS HOW TO GET THE BEST MORTGAGE DEAL AVAILABLE? <<

We can help navigate you through every stage of finding and applying for a mortgage to get the best deal available.

For further information or to discuss your situation, contact

Nightingales Wealth Management Ltd – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.

SAY HELLO TO LISA

Saving for your first home tax-efficiently



IF YOU ARE planning to use a Lifetime Individual Savings Account (LISA) towards your property purchase, you must be a first-time buyer. A LISA is a savings account that can be opened if you are aged between 18 and 39. You can save up to your annual LISA allowance (currently £4,000).

Proceeds are free of tax and the government will pay a 25% bonus on your contributions, currently up to a maximum of £1,000 a year. The home you buy must have a price of £450,000 or less, be the only home you will own in the UK where you intend to live and be purchased with a mortgage.

INDIVIDUAL ELIGIBILITY CRITERIA

If you plan to buy a home with someone else who is also a first-time buyer, you can each open and save money into your own LISA account. You must both meet the individual eligibility criteria. You can open more than one LISA during your life, but you can only open one in each tax year and put money into one in each tax year.

Your LISA allowance forms part of your overall annual ISA allowance (currently £20,000 in tax year 2021/22). You can use your Lifetime ISA with other government schemes as long as you meet the eligibility requirements of the other schemes you wish to participate in.

TOWARDS AN EXCHANGE DEPOSIT

Any withdrawals within the first 12 months of your first payment into a LISA will incur a 25% government withdrawal charge (2021/22 tax year), which could mean you would get back less than you paid in. A withdrawal charge does not apply when a withdrawal is made to buy a first home or the investor has a terminal illness. After the first 12 months, you can withdraw

money to buy your first home, but for any other withdrawals before the age of 60, the government withdrawal charge will apply.

LISA funds, including the bonus, can be put towards an exchange deposit, provided the property purchase is completed within 90 days of your conveyancer receiving the withdrawn funds from your LISA provider.

PURCHASE FALLS THROUGH

If it's taking longer than 90 days for your property purchase to go through, your conveyancer can write to HM Revenue & Customs for an extension. If the purchase falls through, or you don't use the cash to buy your home within three months after the withdrawal, the money must be returned to the LISA by the conveyancer.

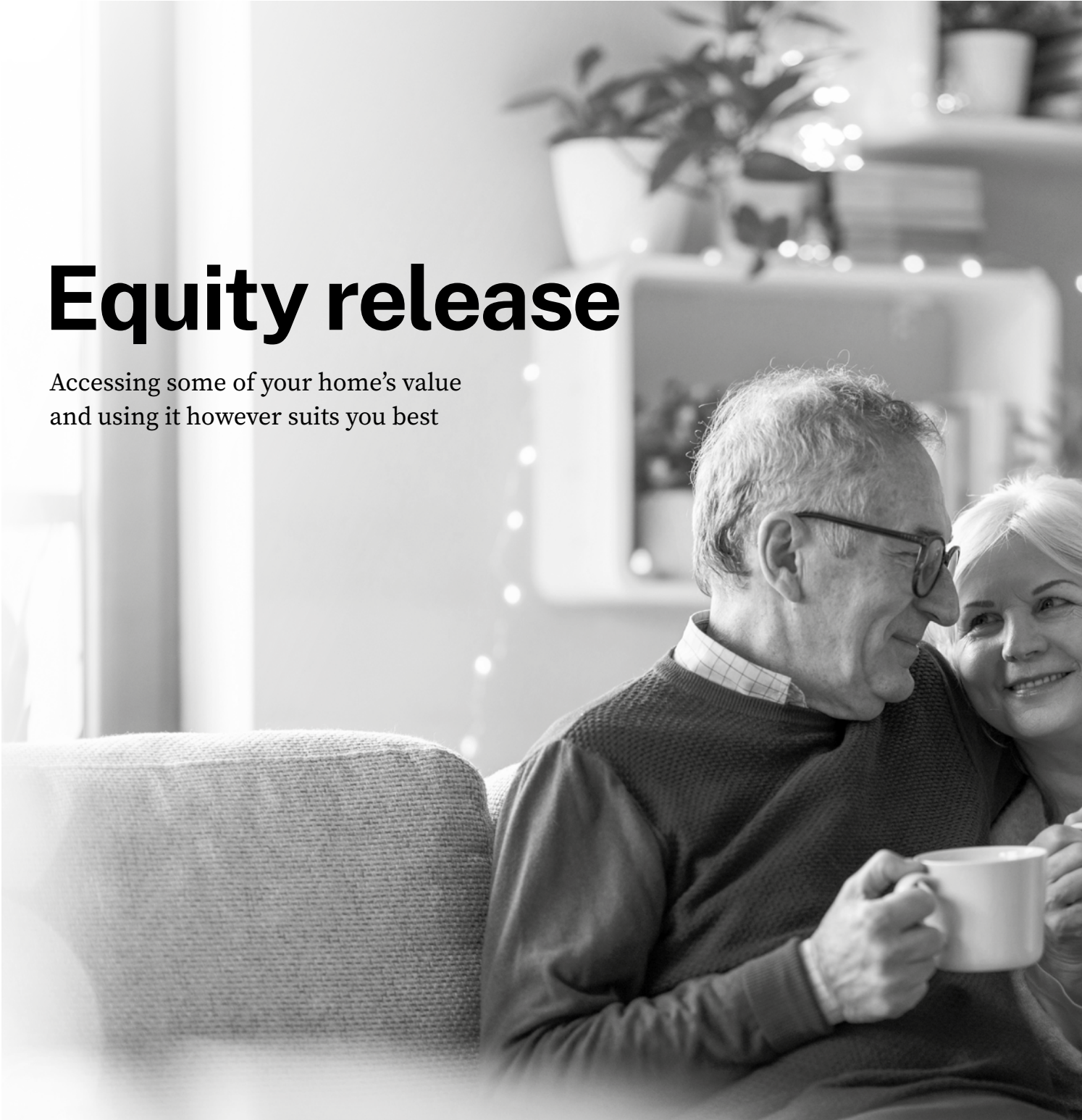
There is no restriction on which stage of the property purchase you can put your LISA funds towards. If it meets the conditions above, you will be able to put them towards a deposit at exchange of contracts. ♦


>> LOOKING FOR ADVICE TO PURCHASE YOUR FIRST HOME? <<

Looking to take advantage of the government bonus added to any money you save in a LISA towards purchasing your first home? For further information about how we can help, contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.

Equity release

Accessing some of your home's value
and using it however suits you best





EQUITY RELEASE refers to any product that allows you to unlock a tax-free lump sum from the value of your home. Whatever financial freedom means to you in later life, whether that's renovating your home, making those vital home improvements, helping your children or simply supplementing your income, equity release is designed to help.

you move into a care home or die. At this point, your home is sold to pay off the debt and the interest.

There are strict conditions that must be met if you are to qualify for a lifetime mortgage. You must be at least 55 and own your property outright, and it must be your main residence. You can usually borrow up to 60% of its value.

“Lifetime mortgages are the most popular type of equity release product and are available to homeowners.”

Lifetime mortgages are the most popular type of equity release product and are available to homeowners. It's a way of accessing some of your home's value and using it however suits you best.

There are three main stipulations that you should meet in order to qualify for equity release. You must be aged 55 or over, your home should be worth at least £70,000 and you should be a home owner. If you have a mortgage or secured loan on your property you may still qualify for equity release.

BALANCE OF THE LOAN

With a lifetime mortgage, you take out a loan secured against your property. Often, these loans require no repayments during your lifetime and the interest is simply added to the balance of the loan.

Once you have taken out a lifetime mortgage, the loan accrues interest. Some lenders allow you to pay off the interest each month but many people decide to let the interest build up.

ACCESS THE CASH

Some lifetime mortgages pay you a single lump sum, while others allow drawdown, which means you access the cash in lump sum amounts as and when you need it. The benefit of a drawdown loan is that interest is charged only on the money that you have already released from your equity.

You are allowed to stay in your home and nothing is paid back to the lender until

'NO NEGATIVE EQUITY GUARANTEE'

The Equity Release Council, which is the industry trade body, insists that all lifetime mortgages include a 'no negative equity guarantee'. This means that if the value of your property falls and the money received when it is sold is not enough to repay the loan in full, neither you, your heirs nor your estate will need to make up the difference.

Some lenders will allow you to pay off the interest to prevent it from accumulating. This is not the same as a retirement interest-only mortgage.

OTHER COSTS ASSOCIATED

When you take out a lifetime mortgage there may be other costs associated, including solicitors' fees, survey fees and application fees.

It is also worth noting that lifetime mortgages are designed to do just that – last a lifetime – and many carry an early repayment charge should you decide to repay the mortgage early. ♦

>> UNLOCKING MONEY TIED UP IN YOUR HOME <<

If you're looking to unlock money tied up in your home through an equity release scheme and it's suitable for you, for further information, contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.



First-time buyer mortgage tips

Feeling daunted by the prospect of buying your first home?

BUYING YOUR FIRST home is an expensive business and, for most of us, is the single biggest transaction of our lives. It's easy to see why some people can feel overwhelmed by the entire process.

To help you get your first foot on the property ladder, we take a look at what you need to do to have the best chance of securing a mortgage and buying your home. Here are some of our top tips.

STEP UP YOUR SAVING

Unless you've already got savings, or family who can help, you should aim to save a minimum deposit of 5% of the value of the property you want to buy. In April, the government launched a mortgage guarantee scheme 'guaranteeing' 95% mortgages for buyers with 5% deposits. The scheme will initially run to 31 December 2022, though this will be reviewed before the end date.

Major banks have all committed to launching 95% deals.

While 5% is the minimum you'll need, there are plenty of reasons why you should aim to save more if you can. A larger deposit will mean lower monthly mortgage repayments, access to better mortgage deals, a bigger buying budget and less risk of being impacted by 'negative equity'. The best mortgage deals are generally offered to borrowers with at

least a 40% deposit, but it's unusual for first-time buyers to have a deposit this large.

PLAN FOR ADDITIONAL COSTS

Even if you have just started thinking about buying your first property, it's good to know more about the costs that are involved. You'll need to make sure you have enough money available to cover these expenses.

“Even if you have just started thinking about buying your first property, it's good to know more about the costs that are involved. You'll need to make sure you have enough money available to cover these expenses.”

Remember that it's not just the deposit that your savings will need to cover. The other costs of buying a home (including surveys, conveyancing, mortgage arrangement fees, moving services, et cetera) can add up to thousands of pounds. If you haven't yet considered those costs, you might have less than you think for your deposit.

GET YOUR FINANCES IN ORDER

Mortgage providers will want to thoroughly examine your outgoings before agreeing to lend to you, so you'll want your financial affairs looking their best. They will undertake affordability checks, which will involve looking at your outgoings to decide if you can reliably meet the monthly repayments. Postpone large purchases, close unused accounts, pay off your credit card every month and avoid

taking out new lines of credit (for example, a phone contract or car lease) until after your mortgage is approved.

Make sure there are no outstanding issues affecting your credit score. Also make sure you get your paperwork in order in advance, so you can clearly evidence your income and ability to make repayments to a mortgage lender.

SPEAK TO A MORTGAGE ADVISER

If you've saved up enough for the deposit you require, spotting the best mortgage deal can be tricky, as it's not just the advertised rate you need to take into account. You also need to consider any additional fees and hidden charges.

A professional mortgage adviser can help you to make sense of the different options and find the right one for your specific circumstances. They will also be able to

advise and help if you have specific circumstances that could affect your mortgage chances, for example, if you're self-employed, have a small deposit or have a history of credit issues.

GET AN AGREEMENT IN PRINCIPLE

A mortgage Agreement in Principle is the first step towards your mortgage. It provides you with an indication of whether a mortgage provider could lend you the amount you need to borrow. Sometimes called a Mortgage Promise or a Decision in Principle, an Agreement in Principle is a statement that lenders can provide to give you a guide as to how much money they are likely to lend you.

This will help you to narrow down your search for property to those in your price range and will help you prove to sellers and agents that you're a

serious buyer. It does not take very long to get a mortgage Agreement in Principle. But in order to obtain one promptly, you'll need to have all the documents and information your lender requires, and there would have to be no issues. ♦

>> YOU DON'T HAVE TO FIGURE IT ALL OUT BY YOURSELF <<

We'll guide you through the entire home-buying journey. That means helping you find the right mortgage, filling out and managing the application and liaising with the lender. To make your first move, contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.





Strike a pose

Taking a 'virtual tour' makes finding your ideal home even easier



“Since the COVID-19 pandemic outbreak, online tools have become even more important. They help everyone keep safe and save on unnecessary journeys to unsuitable properties, allowing agents to easily show applicants around properties from the comfort of their own homes.”

One-third of properties for sale now have video content available^[1]. Walk-through videos are more than just a ‘virtual tour’, they can really help you get a better feel of a property viewing.

Government coronavirus (COVID-19) ‘Stay Safe’ guidelines say that, where possible, initial viewings should be conducted online. An agent-narrated walk-through video of each property is a short preview video and, on request, a longer version can usually be provided for you to view in the comfort of your own home.

PROPERTY SHOWCASE

More agents are using video content to showcase properties for interested buyers and renters. Rightmove now has over 68,000 listings with this functionality added, and agents report that it is helping them cut down on wasted viewings.

Thousands of estate agents have accelerated plans to use digital technology to showcase homes to buyers whom they hope will remain interested until the virus outbreak subsides.

PROSPECTIVE BUYERS

Since the COVID-19 pandemic outbreak, online tools have become even more important. They help everyone keep safe and save on unnecessary journeys to unsuitable properties, allowing agents to easily show applicants around properties from the comfort of their own homes.

During the first national lockdown in 2020, virtual services became vital to all prospective buyers, allowing agents to provide online valuations, virtual viewings and more.

video but you can then attend agent-accompanied livestream viewings, where you can see even more and ask questions about both the property and the area.

Sellers are able to showcase their properties without having to worry about social distancing and other restrictions that COVID-19 safety guidelines entail. The biggest benefit is that, when you do attend an actual in-person viewing, you are effectively viewing the property for a second (or in many cases, a third) time. ♦

Source data:

[1] Rightmove 21 February 2021

LIVESTREAM VIEWINGS

Not only can you now take a look around through an agent-narrated online walk-through

PROPERTY VIEWINGS during the coronavirus (COVID-19) lockdown have surged in virtual viewings and live ‘walk-through’ video tours. Huge leaps in virtual viewing technology have made it far easier for potential buyers or tenants to be given remarkably realistic tours of properties.

>> SELLING YOUR HOME, AND LOOKING FOR MORTGAGE ADVICE? <<

We’re here to help you secure your financial future through trusted advice. As part of the process, we will discuss any fees to give you a clear expectation of how much you will pay. To discuss your mortgage requirements, please speak to **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.

VIEWING AN EMPTY PROPERTY

Helping you see the full potential of the space

BUYING A PROPERTY is a major decision to make. You need to make sure the property is right for you and everything is functioning properly. Since most property sales take place while the current owners are still living there, some buyers can be a little wary of viewing empty properties.

But there's really no reason for this trepidation if you've considered the advantages and disadvantages in advance and know what to expect.

ADVANTAGES OF VIEWING EMPTY PROPERTIES

1. Without furniture in the space, you can get a clearer view of the structure and condition of the property. For example, if there are cracks in the walls, signs of damp or stains on a carpet, these will be on full display, not hidden behind a wardrobe or cabinet.

2. Someone else's furnishings can influence your view of a property, especially if you have different taste. In an empty property, you won't have this distraction. You can picture your own furniture there instead.

3. The buying process of an empty property may be faster and simpler than a furnished property, since there is no one who needs to move out and therefore no chain.

DISADVANTAGES OF VIEWING EMPTY PROPERTIES

1. Without furniture, it can be more difficult to judge the size of the property accurately. For example, it's hard to tell if a small bedroom has enough space for a double bed along with other furniture if you can't see it all in position.

2. When relying on your imagination, it can be difficult to see a property's full potential. Staging a property for viewings is an important part of the selling process for just that reason. For example, a space that seems dark and dingy can be hugely improved with accessories and lighting, but if all you see is an empty room, it's hard to tell.

3. There may be a reason why a property is sitting empty, and you'll need to ask some questions to establish this and decide if it's an issue that matters to you.

TIPS FOR VIEWING EMPTY PROPERTIES

None of these disadvantages should stop you viewing an empty property, but you might want to plan for how you'll handle them.

WHAT DO YOU NEED TO DO?

ASK A LOT OF QUESTIONS

You'll want to get the full story on why a property is currently empty and how long it's been empty for.

TAKE A TAPE MEASURE

Instead of trusting your judgement on the dimensions of a room and how much furniture will fit inside, measure it for yourself. You could also measure your furniture at home to see if there's enough space, or just learn the sizes of common items, for example, a standard double bed is around 1.9m x 1.4m.

USE VISUAL AIDS

If you don't have a visual imagination, you might need some prompts to help you see the potential of the full space. This could be photos of your current furniture or other furniture you like, paint swatches or inspiring interior design photos.

LOOK AT SIMILAR PROPERTIES

You can search online for properties in the same street or nearby. Scrolling through the photos will show you how other people have furnished a similar home. ♦

>> LOOKING FOR COMPREHENSIVE MORTGAGE ADVICE? <<

Whether you're looking for a first-time buyer mortgage, are requiring remortgage services, are a landlord or are in need of comprehensive mortgage advice, to discuss your requirements please speak to

Nightingales Wealth Management Ltd – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.





THINKING ABOUT BUYING YOUR FIRST HOME?

Start your journey today. Let us help you get 'mortgage ready'

Getting onto the property ladder means taking your first big step. If you're a first-time buyer there are mortgages designed specifically for you. To find out what you could borrow, what your payments may be, and your mortgage options – contact one of our mortgage advisers today.

To find out what you could borrow and what your payments may be, contact us today.

Contact Nightingales Wealth Management Ltd

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Buying a home for retirement

Senior living market undergoing rapid growth

THE UK SENIOR LIVING MARKET is undergoing rapid growth, underpinned by demographic shifts that are increasing demand for a wider array of specialist housing to suit the changing needs of older purchasers.

Buying a home for retirement is an increasingly popular choice for those who want to make life easier with a smaller property to run and be among people of a similar mindset.

Rising life expectancy has meant that people are healthier and may not need as much support, or only need care much later in life.

AGEING POPULATION

The number of properties being built specially for retired people is set to increase significantly by 2022 as the demand for this kind of home rises in the UK due to an ageing population, new research suggests^[1].

The research shows that 16 retirees who want to downsize are currently chasing each existing private retirement property, emphasising the dire shortage of homes for retired people.

The retirement housing report says that the private retirement property market will have a value of £44 billion by 2022, up by 50% from its current value.

BUYING A PROPERTY

More importantly, it will have delivered an increase of almost 30% on the number of available properties for sale or rent.

Retirement accommodation is ideal for some people who are looking for an easy life and the option of care being on tap when they might need it. Buying a property in either a retirement village or a retirement housing development will be new for most people and there is much to learn before you start looking.

10 THINGS YOU NEED TO KNOW WHEN BUYING INTO RETIREMENT LIVING

1. RETIREMENT LIVING OR VILLAGE?

There are broadly two types of retirement living options. Retirement homes offer independent living in affordable properties, accompanied by limited provisions and lower running costs. Retirement villages offer the same independence, but within a large community setting that has a ready-made social scene plus a whole load of add-ons, depending on the village you choose. Both offer varying degrees of care.

2. EXPLORE FACILITIES

To reflect the growing number of older people who are increasingly healthy and active, the facilities in retirement villages range from wine-tastings, bridge, yoga classes and good-quality restaurants, to gyms and swimming pools as well as allotment gardening. Housing can also offer a hub of activities, though more limited to what the building can host.

3. LOCATION IS VITAL

The idea of a country postcode may seem great. But when you realise getting out and about could become more difficult and any hospital appointments when you aren't feeling well are miles away, you might feel differently. Try to find somewhere near friends and family and where there is good local transport. Retirement villages are typically close to towns and some developments offer shuttle services to the local shops and amenities.

4. WHAT ABOUT CARE PROVISIONS?

The level of care will differ between developments. Some places come with a simple warden service a few days a week, while others have full round-the-clock care. Some have a mix-and-match scenario so you can take on more care as you need it.

5. ASK ABOUT CHARGES

Get a clear idea on costs at the outset. A big outlay on retirement village homes is the service charges that cover all the facilities. A service charge is made per property to cover expenses such as an emergency 24-hour call service to the on-site care team, ground maintenance, external property maintenance, a mini-bus service to and from shops and events, buildings insurance, access to all activities and events, window cleaning, administration and security. They are typically lower for retirement housing developments.

6. OFF-PLAN OPTIONS

Buying a property before a development is finished is possible and worthwhile for the most in-demand locations. Keep an eye out in your preferred area for development plans.

7. PAY A VISIT

Visit the developments under consideration in person when you have a shortlist. Many places offer potential buyers the chance to meet their neighbours, which can give a better idea of the social life that lies ahead. Taster Days are one way to get a real feel for a retirement village. You usually get to sample the facilities and meet the residents and the staff, as well as having questions answered by their expert adviser.

8. CONSIDER RESALE

People buy their homes rather than pay for rooms and care by the week, as in a residential home. Considering the resale is important for you and your family. As with any other type of property, location is key. Exit fees are sometimes applied when you come to sell, known as a 'deferred management charge'.

9. UPDATE YOUR WILL

Don't forget that any big change in circumstances will give rise to the need to revisit your Will. A new property might prompt you to look at a number of measures to avoid or cut Inheritance Tax.

10. KNOW YOUR OPTIONS

If you'd rather keep the family home, equity release schemes could offer a range of options that may allow you to draw capital or raise income from your home without having to move. ♦

Source data: [1] Knight Frank Senior Living Annual Review 2020.

>> SENIOR LIVING, AN ATTRACTIVE PROPOSITION? <<

Mortgages on retirement properties are available, although only a select few lenders offer these types of mortgage deals. For more information and to discuss your options, contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.





“The number of properties being built specially for retired people is set to increase significantly by 2022 as the demand for this kind of home rises in the UK due to an ageing population, new research suggests^[1].”

LEASEHOLD REFORM

New measures could save you thousands

AT THE BEGINNING of the year, the government announced its plans to reform the leasehold system. If you own a leasehold property in England, the reform would give you the right to extend your lease by up to 990 years, with no ground rent – potentially saving you thousands of pounds.

On 7 January 2021, the Secretary of State for Housing, Communities and Local Government, Robert Jenrick, announced changes to the leasehold system that applies to 4.5 million leasehold homeowners, who own a property where they are required to pay ground rent to the freeholder.

WHAT IS LEASEHOLD?

Property can be owned on either a leasehold or freehold basis. Freehold ownership indicates total ownership of a building and the land it stands on. Leasehold ownership indicates only the right to live in that property for the period of the lease, while the building and land remain under the ownership of the freeholder. When that lease expires, it must be extended.



Leasehold properties are usually flats, where one freeholder owns the entire building and several leaseholders own the right to live in a specific unit.

WHY IS THE LEASEHOLD SYSTEM CHANGING?

Leasehold laws have typically favoured the freeholder, who has been allowed to charge escalating ground rents and restrict lease extensions to as little as 50 years, at a significant cost (typically at least £5,000, and often tens of thousands of pounds, plus legal fees).

This can cause problems for leasehold owners who want to remortgage or sell their property, since lenders will usually only offer a mortgage on a property with at least 80 years remaining on the lease.

WHAT IS CHANGING?

According to the announcement by the Secretary of State for Housing, the leasehold system is to be overhauled and

simplified. At the core of the new system is the leaseholder's right to extend their lease by 990 years, with no ground rent to pay on the new lease.

The cost of the lease extension will be decided by the government, rather than through negotiations between the leaseholder and freeholder. There will be a formula for determining the cost, the details of which have not yet been announced, although the housing secretary indicated that it will be lower than leaseholders are currently paying.

The government is also establishing a Commonhold Council to lead a transition away from leasehold ownership and towards commonhold ownership. Commonhold ownership allows blocks of flats to be owned and managed jointly on a freehold basis.

The leasehold reform legislation provides for three principal different rights:

1. If you own a lease on your



“At the core of the new system is the leaseholder’s right to extend their lease by 990 years, with no ground rent to pay on the new lease.”



- flat, the individual right to extend your existing lease by 90 years at a nil ground rent.
2. If you own a lease on your flat and are in a position to co-operate with other leaseholders in the building, the collective right to buy the freehold of your building.
 3. If you own a lease on your house, the right to buy the freehold.

HOW DO YOU QUALIFY?

In order to qualify, you must have a lease which, when it was granted, was for a term of over 21 years. It does not matter how long now remains. You must have owned this lease for a minimum period of two years. The ‘residence qualification’, that is to say, the requirement to live in the flat as your main home for a minimum period of three years – which existed under previous legislation – has been abolished.

WHO WILL BENEFIT?

If you own a flat, it’s very likely that you’re a leasehold owner. To benefit from these changes, you will need to extend your lease, although you’ll have to wait to do so as it may take months or years for the new system to be implemented.

Under the current law, people paying ground rents, combined with a mortgage, can feel as though they are paying rent on a property they own. Freeholders

can increase the amount of ground rent with little or no benefit seen to those faced with extra charges. It can also lengthen the process and lead to increased costs when buying or selling the property.

These changes will mean that any leaseholder who chooses to extend their lease on their home will no longer pay any ground rent to the freeholder, enabling those who dream of fully owning their home to do so without unnecessary and unfair expenses – which could save them thousands to tens of thousands of pounds.

A cap will also be introduced on ground rent payable when a leaseholder chooses either to extend their lease or become the freeholder.

Further measures will be introduced to protect the elderly. The government has previously committed to restricting ground rents to zero for new leases to make the process fairer for leaseholders. This will also now apply to retirement leasehold properties (homes built specifically for older people), so purchasers of these homes have the same rights as other homeowners and are protected.

Leaseholders will also be able to voluntarily agree to a restriction on the future development of their property to avoid paying ‘development value.’ ♦

>> HOW CAN WE HELP? <<

The new changes certainly make owning a leasehold property more attractive. If you require any further information or advice on the above, please do not hesitate to contact us. To talk to us about your requirements, please contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.



Time to give your garden the wow factor!

First impressions are key when it comes to selling a house

IS YOUR GARDEN LOOKING A LITTLE LACKLUSTRE and in need of more than a little tender loving care? We all know first impressions are key when it comes to selling a house, and the 'kerb appeal' of your property is integral to creating the right response from a viewer.

Front gardens play a large role in this and can have a big impact on how a property is perceived before the buyer even steps through the door. Rear gardens can often be deal breakers, with many prospective buyers turning down otherwise perfect homes because the garden isn't up to scratch.





INCREASE THE WOW FACTOR

Even if you are not planning to sell immediately, upgrading your outdoor space can make a huge difference to your enjoyment of your home. And when it's time to sell, it will not only increase the wow factor but can also add significantly to the value of your property.

When planning your garden design, it's helpful to consider style, function and features. Whether it's a small garden, a patio or a balcony garden, there are plenty of budget garden ideas to boost your outdoor space.

GARDEN STYLES

Your garden style will likely be defined by a mixture of your personal taste, the space you have available and the plants that are suitable for your location.

HERE ARE SOME EXAMPLES

Traditional

Traditional English or cottage gardens are flower-filled and colourful, with lawned areas and flower beds. Features may include fountains or topiary.

Modern

Modern gardens are angular, with green areas as well as paved areas with outdoor furniture. Features may include fire pits or a bar.

Meadow

Meadow or wild gardens include a vast range of plants and flowers, designed to attract bees, birds and butterflies. They may feature a pond or stream.

Vegetable

Vegetable or kitchen gardens are designed to grow fruit, vegetables and herbs for use in cooking. If owners are environmentally minded, they may cut down on green spaces to reduce water consumption.

Mediterranean

Mediterranean gardens incorporate plants from sunnier climates, often playing with



“When planning your garden design, it’s helpful to consider style, function and features. Whether it’s a small garden, a patio or a balcony garden, there are plenty of budget garden ideas to boost your outdoor space.”

proportions and height, or mixing in paving creatively. Other Mediterranean features, such as urns and pillars, may play a role in the design.

Courtyard

A courtyard garden is primarily intended to make the best use of smaller spaces, often for entertaining. It will typically feature garden furniture.

GARDEN FUNCTIONS

It may be helpful to think of your garden design in terms of the function or functions that you want to combine. In small spaces, you might be limited to one function, but if you’re lucky enough to have a lot of outdoor space, you can create several distinct areas with separate functions.

EXAMPLES OF OUTDOOR AREAS

Entertaining

Creating an area for dining and entertaining in your garden effectively increases the amount of liveable space in your home. For this purpose, a patio may be more practical than grass. You’ll want to consider patio furniture, and may think about a bar, barbecue or central design feature, such as a chiminea.

Play

People with children will want to make their garden a place for them to enjoy, perhaps with garden toys, a playhouse or a sand pit. Limiting this to a certain area of the garden, ideally hidden with clever hedging, can ensure that the garden is equally enjoyable for adults.

Growing food

There are various ways to incorporate



space to grow food into gardens of different sizes. Those with plenty of space can dedicate multiple beds to this purpose, while even those with just a courtyard can add pots for small plants such as herbs, tomatoes or chillies.

Visual appeal

While not strictly functional, most people want to introduce elements of visual appeal into their garden, dedicating an amount of space to flower beds or ornamentation.

GARDEN FEATURES

You may also find it helpful to build your garden design around a key feature.

THESE FALL INTO SEVERAL GROUPS

Fire features such as a barbecue, fire pit, patio heaters or a chiminea.

Water features such as a pond, fountain, waterfall, reflecting pool or swimming pool.

Timber features such as a deck, fence, trellis or pergola.

Stone features such as a patio, gravel terrace, pathway or grotto.

Green features such as a hedge, topiary or green wall.

Structures such as a gazebo, summer house, shed, greenhouse or aviary.

When selecting and combining features, you can consider their practical purpose, visual appeal, aural appeal, the maintenance they require, and their potential to add value to your property when you want to sell. ♦

>> MOVING HOUSE OR REMORTGAGING? <<

Whether you’re considering applying for a mortgage or looking to remortgage, it can be difficult to know where to start. To discuss how we can help you through the process, contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.

A woman with voluminous curly hair is sitting on a wooden chair, smiling and talking on a smartphone. She is wearing a light green button-down shirt. The background shows a modern living room with a white sofa, a framed picture on the wall, and a large window. The text 'Property jargon buster' is overlaid in large white letters on the bottom left of the image.

Property jargon buster

Getting confused by waffly terms and property speak?

THOUGH THE WORLD OF MORTGAGES and property is filled with unfamiliar vocabulary, there is no need to be intimidated. Our jargon buster will help you navigate the terms you're likely to encounter.

ACCEPTANCE

A document indicating acceptance of a mortgage provider's offer.

AFFORDABILITY ASSESSMENT

The process which lenders complete to establish if someone can afford to repay the loan repayments over the term of the loan.

AGREEMENT IN PRINCIPLE (AIP)

A statement from a mortgage lender confirming they'll lend a certain amount before the purchase of your property is finalised.

ANNUAL PERCENTAGE RATE (APR)

A numerical value that represents the true cost of a loan or mortgage, taking into account not just the interest rate, but also the other costs, such as arrangement fees and charges.

ARRANGEMENT FEE

A fee paid to your mortgage provider at the start of your mortgage.

ASSIGN

To hand over the rights to a property from one individual to another.



ASSURED SHORTHOLD TENANCY (AST)

A common type of rental agreement in the UK, between a private landlord (or letting agent) and tenant. ASTs are periodic or fixed-term contracts that can be terminated by the landlord without stating a reason.

BASE RATE

An interest rate set by the Bank of England. Mortgage interest rates are often linked to the base rate.

BREAK CLAUSE

A contractual clause in a tenancy agreement that allows either party to terminate the arrangement after a fixed term, for example, six months into a 12-month contract.

BRIDGING LOAN

A short-term loan designed to help the borrower to buy property for a short period, for example, before they have arranged a mortgage, or if they intend to sell the property soon afterwards.

BUILDING INSPECTION

See 'Survey'.

BUY-TO-LET

A property bought with the sole intention of letting it to tenants.

CHAIN

A string of property sales dependent on one another to progress.

COMPLETION

The final stage of a property sale and the point at which a buyer receives the keys and becomes the legal owner.

COMPLETION STATEMENT

A solicitor's record of the transfers and transactions conducted as part of the completion.

CONDITIONS OF SALE

Items in a contract relating to the responsibilities of the various parties involved.

CONTRACT

An agreement and accompanying legal document between two parties. In a property context, these are usually the buyer and seller of a specific property.

CONVEYANCER/ CONVEYANCING

The individual who undertakes

the legal procedures involved in property sales on behalf of the buyer and seller, and the work they undertake.

CREDIT SEARCH REFERENCES

Third-party checks on a tenant's credit history to establish their suitability to rent a particular property.

DECISION IN PRINCIPLE (DIP)

See 'Agreement in Principle (AIP)'.

DEEDS

The legal documents establishing the ownership of a property.

DEPOSIT

A lump sum of money a buyer (mortgage deposit) or renter (tenancy deposit) pays to a property owner to secure the right to own or rent their property.

DEPOSIT PROTECTION SCHEME (DPS)

An authorised scheme to hold and protect a rental tenancy deposit.



DILAPIDATIONS

Items requiring repair or replacement at the end of a tenancy due to damage by the tenant.

DISBURSEMENTS

Costs and expenses incurred and paid during the conveyancing process, such as search fees and stamp duty.

DISCOUNTED-RATE MORTGAGE

A mortgage deal where the interest rate is a set amount less than the mortgage lender's standard variable rate (SVR).

DRAFT CONTRACT

An early version of a contract that may be updated before the contracts are exchanged.

EARLY REPAYMENT CHARGES (ERCS)

Penalty fees charged when someone leaves a mortgage during a specified period, usually the period of the initial deal.

EASEMENT

A right to cross or use an area of land, that may affect a property owned.

ENDOWMENT MORTGAGE

You pay money into a type of investment called an 'endowment' to pay off an interest-only mortgage at the end of the term.

ENERGY PERFORMANCE CERTIFICATE (EPC)

A document that displays a

property's energy efficiency rating and environmental impact. Legally required for the sales and lettings process.

EQUITY

The value of a property owned by an individual (versus the value they are still required to make mortgage repayments on).

EXCHANGE OF CONTRACTS

The moment at which a property sale is final, and the buyer and seller have both signed the contract of sale, which can no longer be amended.

FITTINGS

Items current within a property that do not constitute part of the property and are

not included in the sale, such as furniture.

FIXED-RATE MORTGAGE

The mortgage interest rate stays the same for the initial period of the deal.

FIXTURES

Items attached to the land or property that are included in its sale.

FREEHOLD

A type of property ownership (see also 'Leasehold') that indicates that the land and building is within the ownership of an individual indefinitely.

GAS SAFETY RECORD

A document legally required of all landlords to demonstrate



that all gas appliances have been checked by a qualified engineer and declared safe.

GAZUMPING

An alternative buyer makes a higher offer to buy a property that is already under offer.

GAZUNDERING

When the buyer lowers their offer to buy a property at the last minute, just before contracts are exchanged.

GROUND RENT

A charge paid by a leasehold owner to a freehold owner of a property, usually on an annual basis.

HOMEBUYER REPORT

See 'Survey'.

INTEREST-ONLY MORTGAGE

Interest is paid on the mortgage each month, without repaying any of the capital loan itself.

INVENTORY

A document stating the contents and condition of a property at the start and end of a tenancy period, to record any loss or damage.

LAND REGISTRY

The registry of ownership of land and property in the UK, to which a fee is paid when ownership changes hands.

LEASEHOLD

A type of property ownership (see also 'Freehold') that indicates that an individual has purchased the right to live in

a property for a fixed period, although the land and building belong to a freehold owner.

LISTED BUILDING

A property or structure that appears on a register due to its special historic or architectural interest.

LOAN-TO-VALUE (LTV)

The size of the mortgage as a percentage of the property's value.

MARKET VALUE

The estimated value that a property would sell for at the current time on the open market.

MORTGAGE VALUATION

A report on the value of a property by an independent

surveyor on behalf of the mortgage provider.

NEGATIVE EQUITY

A state in which the owner of a property owes more to their mortgage provider than the total value of the property.

OFFSET MORTGAGE

Mortgage linked with a savings and, sometimes, current account. Credit balances are offset against the mortgage debt so interest is only paid on the difference, while also paying off the capital.

REMORTGAGE

Changing a mortgage without moving property to save money, change to a different type of mortgage or release equity from the property.

REPAYMENT MORTGAGE

Paying off the mortgage interest and part of the capital of the loan each month. Unless any repayments are missed, the mortgage is guaranteed to be paid by the end of the term.

SEARCHES

Checks conducted as part of the conveyancing process before a property sale is made final.

SHARE OF FREEHOLD

A form of property ownership (see also 'Freehold' and 'Leasehold') where several individuals own a portion of the property through a limited company.

SOLE AGENT INSTRUCTION

A sale or tenancy managed by a single estate or letting agent.

STAMP DUTY

A tax paid when buying a property over a certain value (currently £500,000, until 30 June 2021).

STANDARD VARIABLE RATE (SVR)

The default mortgage interest rate a lender will charge after the initial mortgage deal period ends.

SUBJECT TO CONTRACT

A phase of a property sale after an offer has been made and accepted but before

contracts have been signed and exchanged.

SURVEY

A property inspection and report conducted by a qualified surveyor to identify issues or faults with the property that may affect its safety or value.

TENANCY/TENANT

A period in which an individual is granted the right to live in a specified property, subject to a tenancy agreement, and the individual involved.

TRACKER MORTGAGE

The interest rate on the mortgage tracks the Bank of England base rate at a set margin above or below it.

TRANSFER DOCUMENT

The document that legally transfers the rights to a property from one party to another.

UNDER OFFER

A phase of a property sale after an offer has been made.

VALUATION

An appraisal of a property to establish its market value.

VARIABLE-RATE MORTGAGE

Interest rate on the mortgage can go up or down according to the lender's standard variable rate. ♦

>> WANT TO FIND OUT HOW MUCH YOU COULD BORROW? <<

Let us help you find the right mortgage for your home. To discuss your particular situation and find out how much you could borrow, contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.





HOW CAN I GET A MORTGAGE IF I'M SELF-EMPLOYED?

Mortgages shouldn't be complicated just because you're self-employed

We understand that self-employment comes in many shapes and sizes. Whether you're self-employed, a contractor or freelancer, we can match your income to an appropriate lender. Our experienced mortgage advisers will explain the best mortgage options for your self-employed status.

To find out what you could borrow and what your payments may be, contact us today.

Contact Nightingales Wealth Management Ltd

– telephone: **0345 2221177**

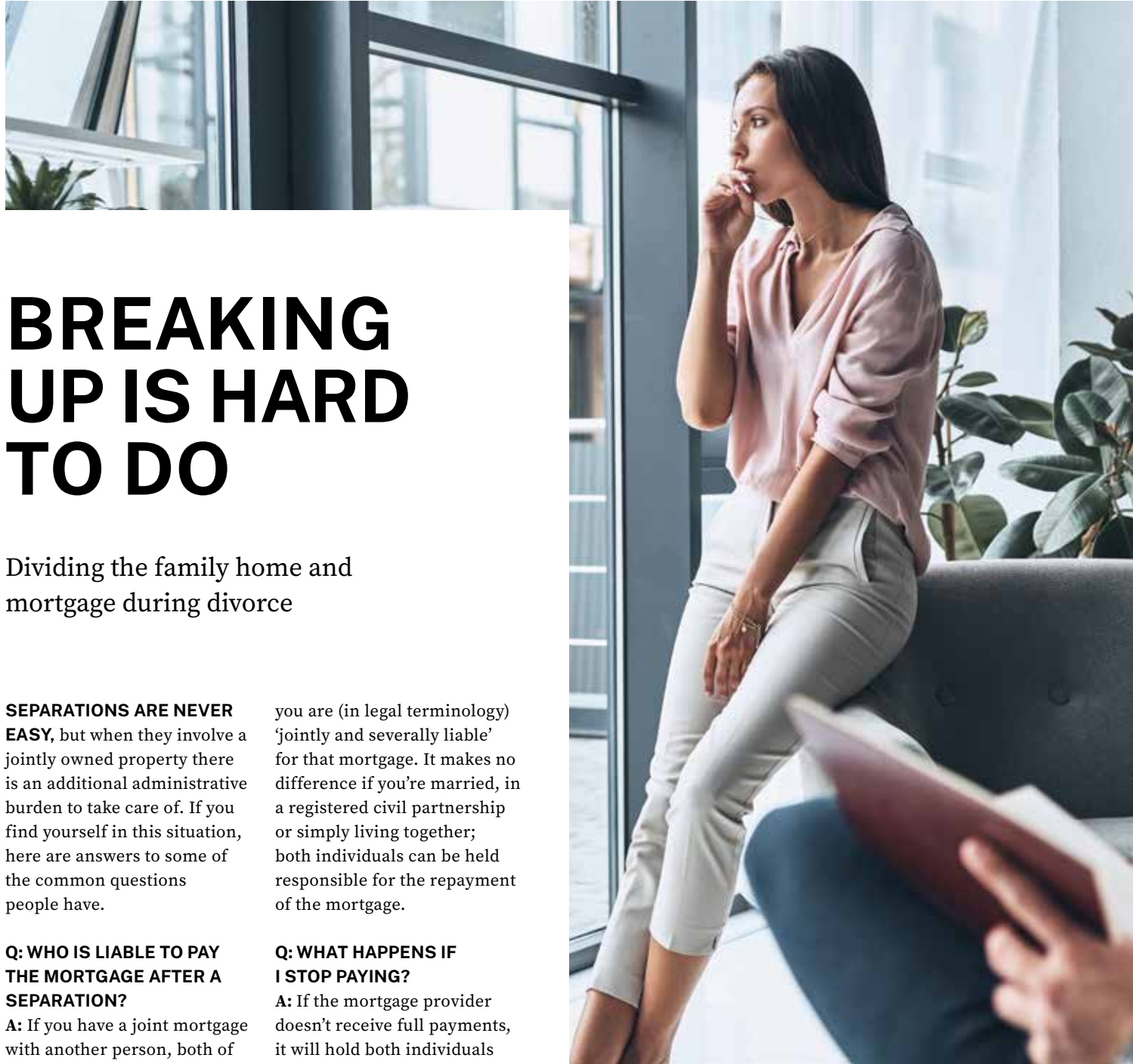
– email: **customer@nightingaleswm.co.uk**


NIGHTINGALES
WEALTH MANAGEMENT

THINK CAREFULLY BEFORE SECURING OTHER DEBTS AGAINST YOUR HOME.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

AUTHORISED AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY.



BREAKING UP IS HARD TO DO

Dividing the family home and mortgage during divorce

SEPARATIONS ARE NEVER EASY, but when they involve a jointly owned property there is an additional administrative burden to take care of. If you find yourself in this situation, here are answers to some of the common questions people have.

Q: WHO IS LIABLE TO PAY THE MORTGAGE AFTER A SEPARATION?

A: If you have a joint mortgage with another person, both of

you are (in legal terminology) 'jointly and severally liable' for that mortgage. It makes no difference if you're married, in a registered civil partnership or simply living together; both individuals can be held responsible for the repayment of the mortgage.

Q: WHAT HAPPENS IF I STOP PAYING?

A: If the mortgage provider doesn't receive full payments, it will hold both individuals

“Separations are never easy, but when they involve a jointly owned property there is an additional administrative burden to take care of.”



responsible and can pursue both or either for repayment.

Q: WHAT HAPPENS IF MY EX-PARTNER STOPS PAYING?

A: The same applies if your partner stops making repayments. The mortgage provider can hold you responsible for missed payments, even if you paid your share.

Q: WILL THIS AFFECT MY CREDIT SCORE?

A: Yes. Any joint debts, including your mortgage, will be recorded on both individuals' credit scores. This may affect your ability to obtain a mortgage or other loan in the future.

Q: HOW CAN I REPAY MY MORTGAGE AFTER SEPARATION OR DIVORCE?

A: You typically have two options:

1. Sell the property and move out to pay off the mortgage, splitting any profits equally (or in proportion to how much you both paid into the property).

2. One partner remains in the property, buying the other partner's share so that they can move into another property. The mortgage will then be in just one person's name.

You'll need to agree on an approach with your ex-partner, and with your mortgage provider. They will need to see evidence that the person who remains on the mortgage can afford the repayments alone.

Q: HOW CAN I AFFORD TO BUY MY EX-PARTNER'S SHARE?

A: There are various ways you can look to buy out your ex-partner to take full ownership of the marital home. You could initially see if you can reach an amicable settlement and pay a lump sum based on the share of the property they have. There may be an option to remortgage the property to free up the cash to buy out your ex-partner. Alternatively, if you can't meet the current mortgage payments alone, see if someone, typically a family member, will act as guarantor for the mortgage.

Q: WHAT IF I DON'T OWN THE PROPERTY

A: If you live in a property that is only in your ex-partner's name, the situation differs depending on your marital status. If you are married, you have a legal right to a share of the property even if they own it alone, which will be negotiated as part of your divorce settlement. If you are in a registered civil partnership or are unmarried, you don't automatically have this right.

Q: HOW CAN UNMARRIED COUPLES PROTECT THEIR ASSETS?

A: Unmarried couples who want to jointly buy a property can sign a cohabitation agreement to outline how their assets will be divided if they separate, including those owned at the start of the relationship and any acquired during the relationship. ♦

>> LOOKING TO BUY OUT A PARTNER ON A MORTGAGE? <<

Separation or divorce is a difficult but sometimes unavoidable situation for some people. If you are the spouse who is wishing to retain the family home in the long-term future, then it is crucial to demonstrate from the outset that you are in a position to take over the mortgage and meet the monthly payments both now and in the long-term future. To discuss your situation, contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.



Keeping your property transaction on track

Avoid gazumping, gazundering and other derailments

BUYING OR SELLING A

HOME is often claimed to be among the most stressful of life experiences. The process can be lengthy, uncertain and carry unexpected costs, especially if the sale collapses. There are a number of reasons why a property sale may fall through.

A total of 306,198 property transactions fell through last year, a 12.26% rise from 2019 when there were 272,768 fall-throughs, according to the residential property data agency TwentyCi.

There are many reasons why some transactions do not proceed. Difficulties in a long chain, where all transactions are dependent on one another; sellers changing their

mind or having a change in circumstances; legal stumbling blocks arising, such as access issues, breaches of covenants or lack of planning or building regulations; buyers being unable to secure mortgage finance; or an adverse survey, are all common causes of failed transactions.

WHAT YOU NEED TO CONSIDER

Be prepared to relist your property for sale in the event that the deal falls through. Many things can happen between the time the offer is accepted and the time the deal completes. It's often wise to accept backup offers in case the deal doesn't make it to completion.

So what can you do to prevent your purchase or sale of a property from falling through? Here are some of the main causes of failed sales and some ways to potentially remedy them.

WHAT CAUSES A TRANSACTION TO FALL THROUGH?

The top cause for a sale falling through is the buyer changing their mind or finding another property. Other causes include another sale falling through in the chain, the buyer withdrawing based on survey results, or the buyer reducing their offer just before exchanging contracts (which is known as 'gazundering').

While these causes can't be avoided entirely, there are steps you can take to reduce the likelihood.

HOW CAN YOU HELP TO KEEP YOUR TRANSACTION ON COURSE?

5 TIPS FOR KEEPING YOUR TRANSACTION MOVING

1. Choose the right buyer

Since many transactions fall through because of the buyer withdrawing or reducing their offer, or because of problems in the chain, many of these issues can be avoided by choosing the right buyer. The main thing to consider when you have received offers is the position of

“The faster you can exchange contracts, the less opportunity there is for gazumping (when the seller accepts a higher offer) or gazundering, both of which can derail your transaction.”

your buyer – are they ready to proceed immediately? There is no point in having a very high offer if the buyer does not have the funds available!

A mortgage application can be declined for all sorts of reasons. The buyer may have a poor credit history or too much debt, or the mortgage valuation on the property itself may come back lower than what the buyer has agreed to pay.

Instead of simply accepting the highest offer, ideally you need to prioritise chain-free buyers (such as first-time buyers) and those with evidence of their budget, in the form of a mortgage Agreement in Principle. Buyers without this may be offering more than they're able to borrow, and so might suddenly reduce their offer based on a lender's assessment.

2. Make yourself an attractive buyer

Equally, you should seek to fulfil your responsibilities as a buyer. Make sure that you're clear on what your budget is and don't make an offer that you're not sure you can afford. It's usually very quick and easy to get a mortgage Agreement in Principle, which many lenders offer immediately after you've completed a short online form.

If possible, you should sell before you buy. Your purchase

is more likely to go ahead without problems if you can keep the chain moving.

3. Appoint a reputable solicitor

You should look for a solicitor at the same time as you start looking at properties, to make sure you can move quickly once you've found the home you want to buy. The registration process can take a little time, so get this out of the way early.

A good solicitor can help you to keep the conveyancing process on track and moving swiftly. Make sure that your appointed solicitor is on the panel of the bank or building society you're using for your mortgage. If they're not, ask them to register with that lender.

Check what previous clients have to say about them as a conveyancer. If a conveyancer has outstanding reviews from people that they have taken through the process you're likely to be in safe hands. Also having a family-recommended solicitor gives you a good idea of what expectations you should have. A reputable conveyancer should always provide a full breakdown of costs so you're in no doubt about the services you're paying for, and hiring someone from your local area puts them at an advantage because they specialise in that location.

4. Move quickly

The property-buying process can be convoluted and confusing, especially if you're a first-time buyer. The faster you can exchange contracts, the less opportunity there is for gazumping (when the seller accepts a higher offer) or gazundering, both of which can derail your transaction.

A conveyancer that communicates with you as the process unfolds is definitely one you should seek out. Chasing solicitors as well as all of the other hassles that come along with buying a property is additional and unneeded stress.

So, communicate regularly with your solicitor, return required paperwork quickly and ask for clarification if you're not sure what is needed from you at any point.

5. Consider a 'pre-sale' contract

Rather than waiting until you've exchanged contracts (the point at which a property transaction

is legally binding and neither party may withdraw without a financial penalty), you can ask your solicitor to draw up a pre-sale contract that locks in both parties as soon as an offer is made. Bear in mind that this will come at an additional cost, and will also prevent you from backing out of the transaction.

INSURING AGAINST ABORTIVE COSTS

You can take out Failed Residential Transaction Insurance against abortive costs for residential property purchases. This usually covers up to around £1,500 for the costs associated with a failed transaction, such as legal fees and search costs. Some policies may also cover mortgage and survey fees. It is important to check the fine print to see whether it is appropriate for you, and the terms under which you can claim. ♦

>> HOW CAN WE HELP? <<

Buying a property and obtaining the right mortgage deal is one of the most challenging and important things you will ever do. Our mortgage service will take care of all the paperwork and progress your mortgage application as quickly as possible. It couldn't be easier. To find out more, contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.

Searching for more living space

How to use your mortgage to help you on your way



IF YOU'VE OUTGROWN YOUR

CURRENT HOME but don't want to leave it, or don't have the option to move, there are various ways you can increase the amount of space available. In order to carry out and pay for home improvements, one option to consider is to release equity in your property by remortgaging.

All mortgage applications are assessed based on your individual circumstances. It is at this point of assessment where the lender will tell you if a remortgage for home improvements is feasible. Here are some of the most popular options for extending your home, converting areas or making better use of your existing space.

CONVERT THE LOFT

Loft conversions can add significant value to your home, particularly if you're able to fit in an additional bedroom. An extra bedroom could add as much as 20% to the value of your property. The space you have available won't necessarily allow for that, but even a mezzanine level for a current bedroom can be a stylish and functional addition.

CONVERT THE BASEMENT

Basements tend to have low ceilings and poor ventilation and lighting.

“If you have a large garden, there’s also the option to add an independent building outside, such as a summer house or garden room.”



These problems can usually be fixed if you have the budget for it, or you can use this space for a function that works well within those limitations, such as a home cinema.

CONVERT THE GARAGE

A third conversion option is your garage if you’re willing to sacrifice the storage and parking space. How you use the conversion will depend on your needs and the existing layout of your property, for example, it could be a playroom, a home office or a bedroom. Since it’s on the ground floor it could be very practical for an elderly relative or someone with limited mobility.

ADD A SIDE RETURN EXTENSION

Many period properties, particularly Victorian terraces, feature a ‘side return’, or alley running alongside the building that leads to the garden. This is a great opportunity for extending without sacrificing too much valuable garden space. While it probably won’t add an extra room to your property, it will give you more usable space and potentially more layout options.

ADD A REAR EXTENSION

Though this option will use more of your

current outdoor space, you might be willing to make that sacrifice (especially if you have a large garden). This will give you more flexibility and options for the layout of your ground floor.

ADD A SECOND-STOREY EXTENSION

If your home already has a side return extension or rear extension, you still have the opportunity to add an extra level. Depending on the space available, this might allow you to expand the master bedroom, add an en suite bathroom or walk-in wardrobe, or perhaps a nursery.

ADD A CONSERVATORY

Another popular extension option is a conservatory. While you will have to give up some of your garden space to make room for this, it can act as a transitional area between indoors and outdoors and will help to keep light flowing through your ground floor living space.

ADD A SUMMER HOUSE

If you have a large garden, there’s also the option to add an independent building outside, such as a summer house or garden room. This could become your home office or a relaxation space away from the main house.

SWITCH TO AN OPEN-PLAN LAYOUT

While it won’t add square footage to your property, another idea is to remove some of the internal walls to increase the amount of usable space. For example, it’s popular these days to open up the ground floor of a home into one large living space, sacrificing rooms that get little use such as utility rooms, hallways or hall closets. ♦

>> FUNDING YOUR HOME IMPROVEMENTS <<

Are you looking to add an extension, convert your loft or even dig beneath your property to create more space? There is a lot to consider when calculating the amount of money you will need for home improvement. Arrange your remortgaging advice consultation now. To discuss how we could help, contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.



Conveyancing

What are the different stages when purchasing your property?

CONVEYANCING IS AN ESSENTIAL STAGE of purchasing a property. It is the term for the legal and administrative process that comes with buying, selling or mortgaging a property or piece of land.

There is a lot to organise and co-ordinate, including legal matters, financial arrangements and regulations to comply with. While the conveyancing process is fairly similar for each transaction, each transaction will be different.

On average, the conveyancing process takes two to three months between instructing a conveyancer and completion of the purchase. It's important to note, however, that the length of the process depends on individual circumstances and the number of people involved in the chain.

Here's our step-by-step guide through the process.

“On average, the conveyancing process takes two to three months between instructing a conveyancer and completion of the purchase.”

STEP 1: SOLICITOR INSTRUCTION

First, as soon as you decide to sell or purchase a property you should instruct a solicitor to begin the conveyancing process. This involves choosing your preferred solicitor (perhaps based on a recommendation from a friend), getting in contact, reviewing their terms of business and signing a contract with them.

You might want to appoint your solicitor before you've found the property you want to buy. Then, once you've found the property and are ready to purchase, your solicitor will likely require either full payment or a deposit to proceed.

STEP 2: CONFIRMATION OF IDENTITY

Your solicitor will conduct identity checks to be sure that you're a UK citizen eligible to buy the property. You'll need to provide ID documents, such as your passport, proof of address and your National Insurance number.

STEP 3: MORTGAGE APPLICATION

You should already have a mortgage Agreement in Principle but, at this stage, you'll need to make a full application with your chosen lender.

STEP 4: SURVEYS

Next, you should appoint a surveyor to carry out the required surveys of the property. At a similar time, your lender will likely be carrying out a mortgage valuation survey. However, the two are different. You might never see the results of the mortgage valuation survey, so if you'd like to know in advance about any structural issues that affect the property's value, you'll need your own surveyor.

STEP 5: MEMORANDUM OF SALE CIRCULATION

Your estate agent will share the Memorandum of Sale with both parties. This document indicates that the sale has been agreed and documents your intent to

buy, along with the seller's terms of sale. It is not legally binding, so at this stage, either party can still withdraw.

STEP 6: DOCUMENT PROVISION

The seller will complete a Property Information Form and a Fittings and Contents Form, to give you details about the property. These will be sent to your solicitor, with various other contracts and papers specific to the property. Your solicitor may make enquiries if any of the details are unusual or unexpected.

STEP 7: SEARCHES

Your solicitor will order various searches to ascertain any risks that might be involved in purchasing the property, which may include ground stability, flood risk and drainage searches. These must be undertaken thoroughly, so this may take several weeks.

If you're in a chain, you'll need to wait for searches to be conducted for all properties before the sale can move ahead.

STEP 8: ENQUIRIES

If the searches have uncovered anything surprising, your solicitor will make enquiries with the seller's solicitor to find out more.

STEP 9: ISA CLOSURE

If you're buying with the help of the old Help to Buy Individual Savings Account (ISA) or the current Lifetime ISA, your solicitor will go through the necessary steps to withdraw the money from this account, claim any bonuses that are due, and close the account. There will be some forms you'll need to fill out to approve this.

STEP 10: BUILDINGS INSURANCE APPLICATION

Before contracts are exchanged, you will need to secure insurance on the property you are buying, since you are liable for any problems that occur later in the process.

STEP 11: EXCHANGE OF CONTRACTS

Your solicitor and the seller's solicitor will each prepare identical contracts and will exchange the two. A completion date will be agreed among all parties in the buying chain, around two to four weeks after the exchange of contracts.

At this point, the deposit is paid to the seller.

STEP 12: SIGNING OF MORTGAGE DEED

You must sign your mortgage deed and agree with your mortgage provider to send the full loan to your solicitor.

STEP 13: COMPLETION

On completion day, the full balance of the sales price will be paid to the seller, and ownership is transferred to the buyer through the signing of a Transfer of Property document, prepared by your solicitor.

You'll receive the key to the property.

STEP 14: POST-COMPLETION

Your solicitor must now report the sale to HM Revenue & Customs and make the payment of any stamp duty. They can then register you as the owner of the property in the Land Registry.

Though the time taken by this entire process varies, you should typically allow between three to four months. ♦

>> HELPING YOU EVERY STEP OF THE WAY <<

Whether you're a first-time buyer, an investor or someone looking to sell your home and move up the property ladder, we can help guide you through every step of the process. Contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.





FREEHOLD VERSUS LEASEHOLD

Understanding the different
types of property ownership

**IF YOU'RE THINKING OF
PURCHASING A NEW HOME,**
you may have heard the terms
'freehold' and 'leasehold'.
These refer to whether you
own just the flat or house, or
the land as well.

Before you purchase your
home, you need to determine

whether the property is
leasehold or freehold.
Once you understand what
type of property it is, you will
also be able to find out your
rights and responsibilities
regarding the ownership
of that property.

WHAT IS FREEHOLD OWNERSHIP?

Freehold ownership allows you to enjoy full ownership of the property and the land on which the property resides. This ownership comes along with the personal responsibility of maintaining and servicing your property and land. You are responsible for the management of your property and any other area on your land, such as garden, fences, walls, trees and pavements.

Responsibility for maintaining both the property and land beneath it:

- you own both the building and the land it's on
- there's no time limit on how long you own these for
- you don't have to keep track of when a lease will run out
- you're your own landlord, so you can make the changes and repairs that you think best
- you don't have to pay ground rent or other charges to a landlord

Most houses are freehold properties and very few flats.

WHAT IS LEASEHOLD OWNERSHIP?

If you own a property on a leasehold basis, you own the building for an agreed amount of time, as stated in the lease. This is usually around 90-120 years but could be up to 999 years. You do not own the land the property is built on, which you must rent from the freeholder. Most flats are leasehold properties, as well as a small number of houses.

If your lease is expiring and

you wish to stay in the property, you will need to pay to extend the lease or offer to buy the freehold from the current owner. Otherwise, ownership of the property will be returned to the freeholder. In some circumstances you might also be eligible, either individually or collectively with all the other property owners under the lease, to buy the freehold and own your property outright.

Under the terms of your lease, the freeholder may well have a responsibility for the upkeep and repair of certain parts of the property as well as the common areas such as hallways, landings and gardens.

Even while you are the leasehold owner of the property, the freeholder will have some control over how you use it.

Depending on the terms of your lease, you may be obliged to pay:

- maintenance fees
- service charges
- your share of the buildings insurance

CONSIDERATIONS WHEN BUYING A LEASEHOLD PROPERTY

While leasehold ownership is more complex than freehold ownership, this shouldn't put you off buying a leasehold property. But before you do, consider the following:

Lease duration Properties with short leases remaining will be difficult to mortgage and difficult to sell later. You should look for a lease of at least 90 years and aim to extend a short lease when you can.

Extending your lease After two

years of ownership, you can request to extend your lease.

You will need to negotiate with the seller to determine the cost and how long you can extend for.

Ground rent You will need to pay rent to the freeholder for the land your home is built on. In most cases this is just a low annual fee (around £50-£100) but, in rare cases, your contract can specify higher amounts or rapidly increasing amounts.

Service charges You will need to pay a service charge to the freeholder for repairs and maintenance. Check how much this is and add it together with your mortgage payments to

see if you can afford these monthly outgoings.

FUTURE CHANGES TO THE LEASEHOLD SYSTEM

In January this year, the government outlined planned reforms to England's leasehold system. As a result of the changes, both house and flat leaseholders would be able to extend their lease to a new standard 990 years with a ground rent set at zero.

Once the planned reforms become law, any leaseholder who decides to extend their lease on their home will no longer have to pay any ground rent to the freeholder,



something which could save some leaseholders tens of thousands of pounds.

A cap will be set on the ground rent payable when a leaseholder chooses either to extend their lease or become the freeholder. The government is also encouraging uptake of Commonhold agreements, which offer an alternative to leasehold ownership. Under a Commonhold agreement, owners of multiple flats in the same building can share freehold ownership rather than a single freeholder. ♦

>> TIME TO DISCOVER A GREAT MORTGAGE DEAL? <<

When it comes to mortgages, we understand how valuable it is to receive the right advice. We're here to help you on your mortgage journey. No matter what stage you are at, discussing your mortgage or re-mortgage options with a professional adviser will help you feel confident moving forward. Contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.





Escape to the country

Urbanites of all ages moving to a rural way of life

THE CORONAVIRUS (COVID-19) PANDEMIC OUTBREAK has, for some people, triggered a reappraisal of urban living. The lockdown restrictions have been difficult for many, especially in urban areas where access to outdoor space is limited.

Previously the trend had been to have a main base in the city and a holiday home in the country, but now there has been a reversal. Keeping a bolt-hole in the city but moving a principal residence to the country could be the new normal.

Coronavirus has meant more people are working from home, while lockdown has made them realise they want more space. Many are now looking to escape

crowded cities and big towns by moving to the country in search of a more peaceful and sustainable lifestyle.

So, if you're dreaming of a move to the countryside, here's what you need to consider to make that dream a reality.

MAKING YOUR COUNTRY LIVING DREAM COME TRUE

PLAN AND PRIORITISE

The first stage is to determine what you want from your move and the things that are most important to you. You could start by listing the things you like and dislike about your current living situation. So then you can decide which aspects you want to keep, which you'd like to change and which aren't important to you.

For example, it might be very important to you to maintain the quality of your phone signal and broadband speed, but you'd like a property with a lot more outdoor space. Or, you might need to remain within an hour's commute of your office, but want to be involved in a small, local community.

RESEARCH

Before starting your search, you'll need to narrow down the locations you're looking in. And, unless you're moving back to a part of the country where you have roots, many city dwellers have only a vague idea of what different rural areas are like to live in.

Visiting numerous areas would be challenging at the

best of times but is particularly inadvisable given the current lockdown, so instead, research digitally using property listing sites, forums, blogs, Facebook groups and search engines. You could start to plan a research trip for later in the year as government guidelines allow.

Covid-19 has fundamentally changed the way many view cities. The population of London could fall in 2021 for the first time in more than 30 years, according to new research from PwC.

START VIEWINGS

Register with several estate agents in your desired area, and you can start to view properties online. Not only is this more sensible in lockdown, but it's

“Coronavirus has meant more people are working from home, while lockdown has made them realise they want more space.”



also more practical if you're searching for homes a long way from your current location.

Take your time looking for the right property, as the market tends to move more slowly in the country than in urban areas. Even if you're feeling an urgency to leave the city, rushing your decision could be an expensive mistake and it's worth waiting for the right home.

DO YOUR MATHS

Many people assume that living in the countryside will automatically be cheaper, but that's not the case. Areas with good transport links into cities tend to attract premium prices for property, as do areas of natural beauty. Besides property prices, some of your living expenses might increase, such as the cost of commuting, the cost of heating a larger property and the cost of maintenance of large grounds.

Larger properties don't just cost more to run, they tend to involve a lot more work, so you must also be ready to take on that responsibility.

CONSIDER RENTING

Renting a countryside property might not be within your budget and can be disruptive to your lifestyle, so it's not for everyone.

However, there are several advantages to renting in the countryside before buying. For one, you could move more quickly without making quite such a big commitment. First-hand experience of country life will give you a better idea of what your needs are, and any drawbacks that you might not be aware of from online research. Since you won't be in a chain, it also puts you in a stronger position when you make an offer to buy a home. ♦

>> DO YOU HAVE A RENEWED DESIRE FOR THE COUNTRYSIDE? <<

Are you an urban home owner who has benefited from strong house price growth over the years, and now want to sell up and move out to the country? Let us guide you through the process to secure your new place in the country. To discuss your options, contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.

Calculating the cost of buying your home

Knowing what to expect and how to go about it the right way is crucial



WHEN MULLING OVER

the things to consider when buying a home, the process can become increasingly daunting. There are, after all, a lot of things to consider.

Beyond the purchase price, there are a number of additional costs to buying your property which can add more than 10% to the total bill. Knowing what to expect and how to go about it the right way is crucial.

DEPOSITS

When it comes to putting down a deposit to buy a property, the more you can save up, the better. But saving up a deposit for a mortgage is one of the biggest hurdles property hunters face. Prior to the mortgage guarantee scheme being announced by the UK government on 3 March as part of the 2021 Budget, to secure a mortgage you were likely to need a minimum deposit of between 10-15%, which would mean you're borrowing at least 85-90% of the purchase price from a lender.

The new mortgage guarantee scheme provides support for banking institutions to offer new 91% - 95% LTV residential mortgages up to a maximum property value of £600,000. The scheme will initially run to 31 December 2022, although this will be reviewed before the end date.

Mortgages issued under the scheme are backed by the UK

government. This means, if you were unable to pay back what you borrow, the government would financially support the lender to help mitigate any losses.

But the bigger your deposit, the more likely it is that you'll be able to get a large mortgage and a lower interest rate. A larger deposit can also mean your mortgage repayments are lower, depending on your repayment term. It's worth saving up as much as possible towards your deposit to give you a better chance at securing a good deal.

STAMP DUTY

Stamp duty is a tax paid by the buyer of a UK residential property. During the 2021 Budget, the Chancellor announced that the nil-rate stamp duty on sales up to £500,000 will be removed at the end of June 2021. He acknowledged, however, that buyers still needed help because of substantial house price rises over the last year, and confirmed that there would be a tapered end to the scheme.

Up until 30 June 2021, stamp duty is paid when the purchase price exceeds £500,000. On 1 July 2021, the threshold will reduce to £250,000 until 30 September 2021 and then from 1 October 2021, the threshold will revert to £125,000.

The current stamp duty holiday enables first-time and next-time buyers to purchase homes without facing any stamp duty tax on properties

under £500,000. This could save an average of up to £15,000 per transaction.

SOLICITOR AND CONVEYANCING FEES

Conveyancing is the name given to all the legal formalities and paperwork involved when you buy, sell, remortgage or transfer equity from a property or piece of land. This is carried out by a qualified conveyancer (property lawyer) or solicitor, and the charges for these services are known as 'conveyancing fees'.

No two transactions are the same and fees will reflect the particular details of a sale and purchase. For example, dealing with the purchase of a flat with a short lease or buying a property in a brand new development will often involve much more work than buying a freehold terraced house.

You will also be required to pay disbursements for a number of required legal searches, such as electronic ID verification, bankruptcy searches and local authority searches.

To give you a general idea, here are some of the typical conveyancing and/or solicitor costs that could be included in your final bill:

- Solicitors' fees
- Surveyors' fees
- Lenders' fees
- Stamp Duty Land Tax (in England, Land Transaction Tax in Wales)
- Land Registry fees

- Local Authority Searches
- Electronic bank transfer fee
- Management pack for leasehold properties
- Estate agent costs
- Removal costs
- VAT at 20%

Buying a property for the first time, moving home or adding a property to your portfolio can all be equally stressful and exciting. It's a big move with huge financial consequences, and you need to know that you have an experienced professional working for you, properly handling all the legal issues.

MORTGAGE FEES

When you apply for a mortgage, you will incur some costs. Mortgage fees often include:

- **Arrangement fee** A fee you pay for the lender to set up your mortgage. You can usually choose between paying upfront or adding it to the mortgage, but it will ultimately cost more to do the latter as you will pay interest on it. Some arrangement fees are charged as a percentage of the loan, rather than a flat fee.
- **Higher lending charge (HLC)** Commonly charged on mortgages that cover a particularly high proportion of the purchase price (known as a loan to value – or LTV). Since the amount you have deposited is only small, this covers the lender if your property falls in value after you buy it.

- **Missed payment fee** Lenders might charge a fee or fees if your account is in arrears. The penalty for missed payments depends on each lender's rules.

- **Early Repayment Charge** If you come out of a mortgage deal before it ends, you will have to pay an Early Repayment Charge which, in most cases, is charged as a percentage of the loan.

- **Exit or closure fee** This is charged for closing your mortgage account, for example, if you switch to another lender or remortgage to another deal with the same lender. But it can also be charged when you just finish paying off your mortgage.

SURVEYS

A survey and a mortgage valuation are not the same. A mortgage valuation is for the mortgage lender and shows the lender that the property is worth what you're paying for it. It will not find structural

problems with the property. A survey is for you, the buyer, and will confirm the structure is sound and highlight any potential problems.

The survey you need usually depends on the type and age of the property you want to buy. There are various types of survey, each with their own benefits, and they are organised by level. The higher the level, the more in-depth the survey is.

In England, Wales and Northern Ireland, you would get a survey when you're a buyer considering a property. In Scotland, you get a survey (a Scottish Home Report) before you put the property on the market.

Property surveys are carried out by Chartered Surveyors, who should be accredited by RICS (Royal Institution of Chartered Surveyors) as then you'll know they'll have expert training and are up to date with any changes in the industry.

WHAT TYPES OF HOUSE SURVEY ARE THERE?

RICS OFFERS THREE TYPES OF SURVEY:

RICS CONDITION REPORT (SURVEY LEVEL 1)

The RICS Condition Report (survey level 1) describes the condition of the property. It looks for any risks and potential legal issues and highlights any urgent issues. It covers 'traffic light' ratings. This shows the condition of key parts of the property, such as the roof, windows or plumbing. A Condition Report is for newer homes and standard properties in a good condition.

RICS HOMEBUYER REPORT (SURVEY LEVEL 2)

A HomeBuyer Report (survey level 2) is more detailed and will typically be the most appropriate for the majority of properties. The RICS Homebuyer Report gives you more detailed information

about the property. You can choose between either a survey or a survey and valuation. A Homebuyer Report is suitable for standard properties in reasonable condition.

RICS BUILDING SURVEY (SURVEY LEVEL 3)

A Building Survey (survey level 3) will usually be required if you're buying an older property, one that's had significant building work, or one you plan to do building work on. A RICS Building Survey is the most detailed report. It gives you in-depth analysis of the property's condition, as well as advice on defects, repairs and maintenance options.

REMOVALS

Moving house can be an expensive task and it's easy to sometimes overlook the costs involved.

Unless you live in a small house or flat, it's always worth hiring a professional removals company to help you move.



Your overall moving expenses certainly increase with the scale of the move and depend on a number of different factors. The amount of goods being transported is a key consideration, but the distance travelled, size of crew and speed of packing will also play a role in deciding the total cost.

Use a company with a good reputation within the industry, which generally comes by being affiliated with the Removals Industry Ombudsman Scheme. Check that they have insurance, otherwise your possessions could be at risk. ♦



>> IT'S GOOD TO TALK. HOW CAN WE HELP YOU? <<

Buying a new home is a costly business and before you move there will be extra one-off charges and fees you'll come up against. When working out your budget, we can help make sure you fully understand the costs involved. To discuss how we can help, speak to **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.

BUYING A LISTED BUILDING

Understanding what a building's listed status means for you



LISTED PROPERTIES ARE UNIQUE

and full of character and period charm. But owning a listed property comes with responsibilities, one of which is making sure it's properly maintained.

If you want your own piece of history, then a listed home may be at the top of your wish list. But there are a few things you need to consider before buying.

Buying and living in an older building can be extremely rewarding. However, it's important to bear in mind that older buildings do differ from modern ones.

EXTRA PLANNING REGULATION TO MAKE ALTERATIONS

In addition to the research you would normally do when buying a property, you need to think about planning regulation. Is it listed or in a conservation area? Are any associated trees protected? These questions can be answered by the local authority.

Advance knowledge of extra planning regulation can help to avoid delays when planning any work. If you are buying a property and want to make alterations, you should contact the local authority as soon as possible to discuss your plans.

MAINTAINING OR WORKING ON YOUR BUILDING

What materials is the property built from? What condition is it in? A full structural survey will provide information on the building's materials, its general condition and any causes for concern.

This information will be invaluable when maintaining or working on your building.

It's important to remember that if the current owner has carried out any unauthorised works or modifications, then the liability to remedy the situation will pass to the new owner.

Listed buildings are ranked according to their architectural and historic importance.

LISTED BUILDINGS IN ENGLAND AND WALES

Grade II – buildings of special architectural or historical interest. This the most likely grade of listing for homeowners.

Grade II* – these buildings are particularly important and deemed to be of more than special interest.

Grade I – these buildings are of exceptional interest.

LISTED BUILDINGS IN SCOTLAND

Category A – of national or international architectural importance, or a fine example of some particular period.

Category B – of regional importance, or a major example of some particular period or style which may have been altered.

Category C – buildings of local importance, or a lesser example of any period or style, as originally constructed or moderately altered; and traditional buildings.

LISTED BUILDINGS IN NORTHERN IRELAND

Grade A – buildings of great architectural importance, and the least altered examples of a particular style or period.

Grade B+ – a building that may merit grade A because of exceptional features, interiors or environmental qualities but has an incomplete design.

Grade B – buildings of local importance and good examples of a particular period or style, where a degree of

alteration or imperfection is acceptable.

Grade B2 – a building of special interest, which needs to be preserved.

BUYING A LISTED BUILDING

DURING THE VIEWING

- Look for evidence of alterations, extensions, loft conversion etc.
- Does any part of the property look out of keeping? For example, PVC double-glazed windows. Windows are a major part of a property's aesthetic. To preserve this aesthetic, local authorities often refuse double glazing applications.

IF PRESENT, ASK THE SELLER:

- If they have made (or are aware of previous owners having made) any alterations to the property
- If the appropriate consents were obtained
- what the cost of buildings insurance is and are there any aspects of the building that the insurer will not cover
- if there have been any other issues relating to the building's listed status

PRE-OFFER

- Obtain a few buildings insurance quotes and make sure that the full listed building rebuild cost (to the exacting conservation officer's standards) are covered
- Contact the Listed Building Owners Club (LPOC). The LPOC is an advice service dedicated to helping the owners of listed buildings. The LPOC will also provide a list of insurers that specialise in listed buildings
- Some of the LPOC insurers can even offer protection against undiscovered unauthorised work through specialist insurance policies
- Double-check that your lender is prepared to lend on a listed building

POST-OFFER

- Don't try and save costs by buying without a survey – listed buildings tend to be older (all buildings built pre-1700 are listed). They may be built out of traditional or unique materials that can be very expensive to repair or replace
- Instruct a Royal Institution of Chartered Surveyors (RICS) chartered surveyor for the survey
- If you plan to alter the property, you could have an outline conversation with an architect with experience in pleasing the local planning and conservation officer
- Tell your conveyancer that the property is listed at the outset

Not everyone will be prepared to take on the responsibility of owning a listed building, but many people see it as a privilege that is worth the extra effort. ♦

>> DO YOU NEED MORTGAGE ADVICE? <<

Whatever type of property you are looking to buy, it's essential to ensure you have the right mortgage advice. We offer comprehensive mortgage advice, including a range of deals to suit your needs. To discuss your requirements, contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.

Second home demand boom

Stamp duty holiday extension tempts buyers to own a holiday home

THE PANDEMIC-INDUCED lifestyle shift, combined with a stamp duty holiday, has sparked a boom in demand for second homes. People are being tempted by the idea of owning a holiday home, perhaps a cottage in the countryside or a flat overlooking the beach.

Around 20,000 second homes were bought in Great Britain last year, according to Hamptons. While buyers looking for a city-based pied-à-terre or perhaps a bolt hole further afield only made up 2% of all sales agreed in 2020, the annual figure masks a rise in demand since the introduction of the stamp duty holiday.

The ten local authorities recording the highest share of second-home purchases in 2020 have all increased their share from 2019. This has been driven by a shift from urban to rural, underpinned by Londoners accounting for a larger proportion of second-home purchasers outside the capital.



TOP 15 SECOND HOME HOTSPOTS

LOCAL AUTHORITY	REGION	SALES TO SECOND-HOMERS	AVERAGE SECOND HOME PRICE	
Scarborough	Yorkshire & Humber	41%	£	280,000
Great Yarmouth	East of England	33%	£	190,000
South Norfolk	East of England	32%	£	215,000
Isle of Anglesey	Wales	31%	£	318,300
Gwynedd	Wales	27%	£	263,700
Torbay	South West	24%	£	132,200
Norwich	East of England	21%	£	227,000
North Norfolk	East of England	13%	£	258,300
Cornwall	South West	13%	£	315,900
Exeter	South West	13%	£	128,300
King's Lynn & West Norfolk	East of England	12%	£	287,300
Thanet	South East	11%	£	185,000
Rossendale	North West	10%	£	89,000
Argyll & Bute	Scotland	9%	£	109,200
Hambleton	Yorkshire & Humber	8%	£	281,700

Source: Hamptons

The renowned seaside resort of Scarborough tops the list. Here 41% of homes were bought by a second-home buyer last year, costing £280,000 on average. Great Yarmouth, another popular seaside town in the East of England, comes second on the list, with one in three homes bought by a second-home buyer in 2020. Unsurprisingly, the classic bolt holes in Cornwall, Devon and Norfolk rank highly too.

With staycations high on the agenda for the foreseeable future, the option to receive a regular rental income is also an attractive perk. And with working from home more often likely to become the norm for some workers, this trend could be here to stay. ♦

>> THINKING OF BUYING AN ADDITIONAL PROPERTY? <<

There are a few differences in the way you purchase a second home in the UK compared with how you bought your first property, mainly to do with tax and mortgages. Tell us about you and the home you're looking to buy. To discuss how we can help, contact **Nightingales Wealth Management Ltd** - telephone **0345 2221177** - email **Customer@nightingaleswm.co.uk**.

'Bounce back'

Confidence in UK housing market grows

CONSUMER CONFIDENCE

in the outlook for the housing market has bounced back.

March's Budget sparked a surge in consumer confidence in the housing market, according to the latest research from the Building Societies Association (BSA)^[1].

Over a third of people (37%) agree now is a good time to buy a property in the UK, compared to 27% in December, with just 17% disagreeing that now is a good time to buy, down from 23% in December.

GROWING EXPECTATION

There is also growing expectation that house prices will rise, with almost four in 10 people (39%) anticipating an increase over the next 12 months, a big jump from 25% three months ago.

It's clear that the Chancellor's Budget announcements earlier this month have stimulated the boost in confidence. 59% of first-time buyers said the mortgage guarantee scheme, which requires just a 5% deposit, has made them feel

more positive about buying a property in the UK.

BUILDING CONFIDENCE

The extension to the stamp duty holiday has also led to 40% of people feeling more positive about buying a property, with the furlough extension building confidence in buying a property for a third of people (33%).

In the midst of the coronavirus pandemic, lack of job security has been perceived as the biggest barrier to buying property and it remains so at 59%; however, it is steadily declining as a reason for not purchasing.

INCREASED OPTIMISM

Even though the housing market is seeing increased optimism, the level of confidence differs by region. In Wales, almost half (48%) of the people are expecting house prices to rise in the next 12 months, compared to a third (33%) in London and the East Midlands.

Almost half (45%) the people in the North East think now is

a good time to buy a property, with less than a third (29%) agreeing in Scotland. Lack of job security as a barrier to buying a property (at 59%) belies a North/South divide, with 65% in Yorkshire and Humberside citing this as a barrier, compared to just half (50%) of those in London.

MORTGAGE GUARANTEE

The vaccination rollout and the publication of the government roadmap for easing COVID-19 restrictions are likely to have impacted this, but it's also clear that some measures announced in the Budget, including the government-backed mortgage guarantee for those with small deposits and the stamp duty holiday extension, have been significant contributors to the growing optimism.

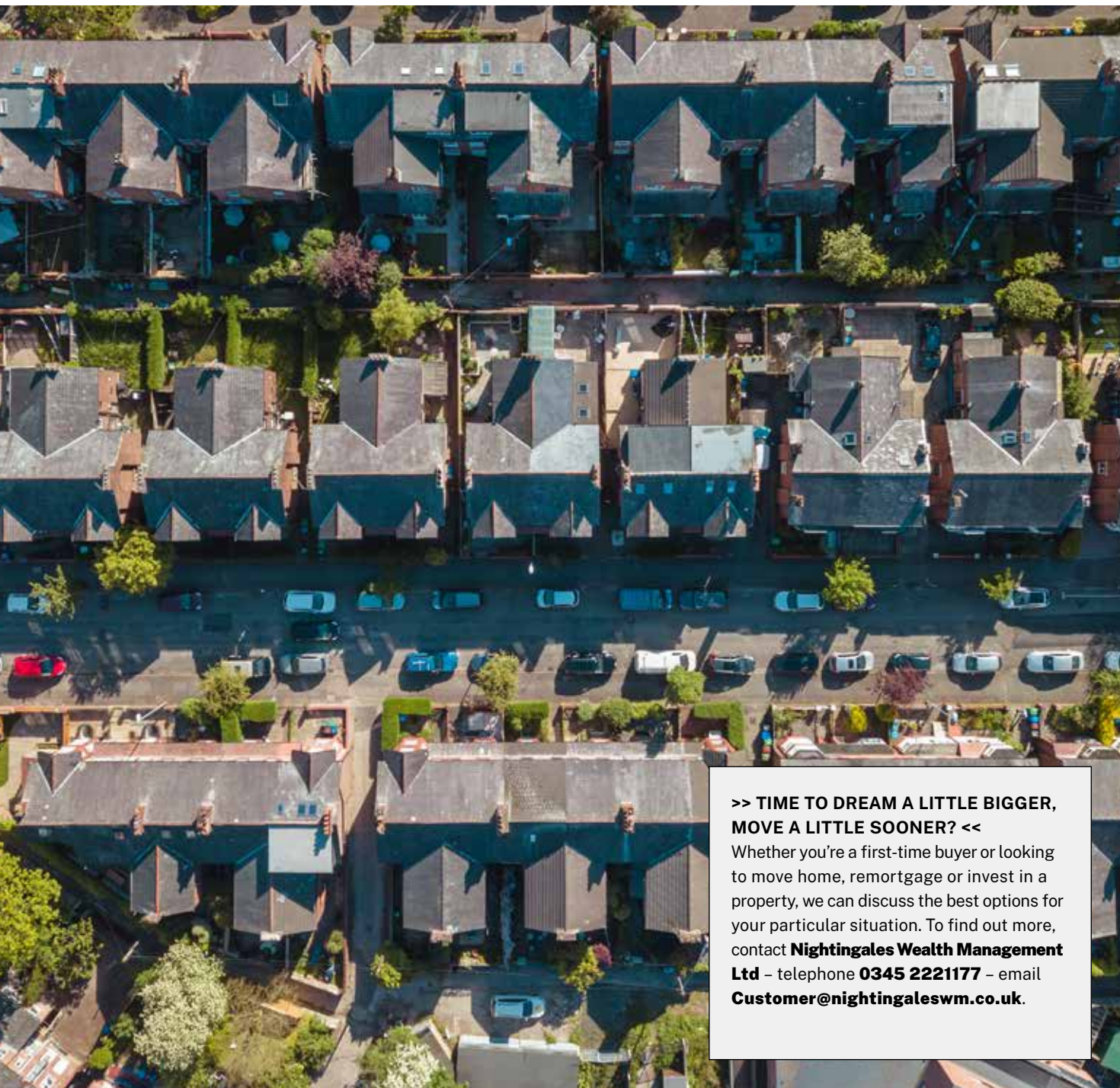
The extension to the furlough scheme has also stimulated confidence and many people are no longer citing losing their jobs as a barrier to purchasing a home. ♦



Source data:

[1] All figures, unless otherwise stated, are from YouGov Plc. March research – Total sample size was 2,158 adults. Fieldwork was undertaken between 8-9 March 2021. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+). November research – Total sample size was 2,026 adults. Fieldwork was undertaken between 27-30 November 2020. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+).

“The extension to the furlough scheme has also stimulated confidence and many people are no longer citing losing their jobs as a barrier to purchasing a home.”



**>> TIME TO DREAM A LITTLE BIGGER,
MOVE A LITTLE SOONER? <<**

Whether you're a first-time buyer or looking to move home, remortgage or invest in a property, we can discuss the best options for your particular situation. To find out more, contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.

Eco-friendly moving

Limiting the environmental cost and making it greener



“When moving to a new home, many people take the opportunity to declutter and get rid of belongings they no longer need.”

IT'S NOT ALWAYS THE FIRST THING we keep in mind when moving properties. But if you like to live as sustainably as possible, moving home can be a cause for concern. There are challenges presented at every stage, from decluttering to packing and transportation.

ARE YOU WORRIED ABOUT YOUR CARBON FOOTPRINT?

If you are concerned about your carbon footprint and planning a house move soon or in the future, take a look through our tips below to keep a lid on your environmental impact.

DECLUTTERING

When moving to a new home, many people take the opportunity to declutter and get rid of belongings they no longer need. While this can be good for the environment – for one thing, you'll cut your carbon emissions by reducing how much you move – you'll need to dispose of your possessions responsibly.

- Donate old furniture to charity or advertise it on a free listings

site for people from your local area to pick up

- Gift items to friends or swap them for items you do need. You could create a Facebook group for this purpose to get others involved
- Find out if a local school, youth club or community scheme has any need for household supplies such as leftover paint or gardening materials

PACKING

A great source of waste in the process of moving to a new house is the packing materials, which may only be used once before being thrown away. But there are many different options to get more use from them or dispose of them sustainably.

- Consider how you can use items you already own, such as suitcases and storage containers, to pack your belongings
- Instead of bubble wrap, used balled-up newspaper, or wrap your fragile items in towels or clothing
- Save the boxes that your online orders are packed in to

reuse when you're moving

- Look on local listings sites or enquire at local grocers and supermarkets for second-hand packing boxes
- List your own boxes on a local listings site or Facebook group for reuse after you've finished with them
- You'll likely need to buy certain packing materials, such as sticky tape, but you can opt for compostable or recyclable options

TRANSPORTATION

Most people rely on a diesel-powered van or truck for the move itself, but you have several options to reduce your carbon footprint.

- Find a carbon-neutral removal company or make a donation to offset the carbon used to transport your belongings
- For smaller moves, hire an electric car or van to transport everything yourself
- If your moving vehicle isn't full, consider how you can use the extra space to reduce the total number of trips the vehicle needs to make. You could pair up with someone in the local area who is also moving. Otherwise, ask neighbours if they have any deliveries they need to make that could be combined with your route. ♦

>> CHOOSING THE RIGHT MORTGAGE OPTION <<

A mortgage is probably the biggest financial commitment you will ever make. We'll tailor the right mortgage option for you, and ensure the process is hassle free. Talk to us today. For more information, contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.

UK 2020 HOUSE PRICE INDEX

Property market enjoys a mini surge

THE UK PROPERTY MARKET has been enjoying a mini surge of late, and the recent extension to the stamp duty holiday could see prices continue to rise in the coming months.

UK average house prices increased by 8.5% over the year to December 2020, up from 7.1% in November 2020, to stand at a record high of £252,000; this is the highest annual growth rate the UK has seen since October 2014.

ANNUAL GROWTH

Average house prices increased over the year in England to £269,000 (8.5%); in Wales to £184,000 (10.7%); in Scotland to £163,000 (8.4%); and in Northern Ireland to £148,000 (5.3%). The North West was the English region to see the highest annual growth in average house prices (11.2%), while London saw the lowest (3.5%).

The recent price increases may reflect a range of factors, including pent-up demand, some possible changes in housing preferences since the pandemic and a response to the changes made to property transaction taxes across the nations.

REGIONAL VARIATIONS

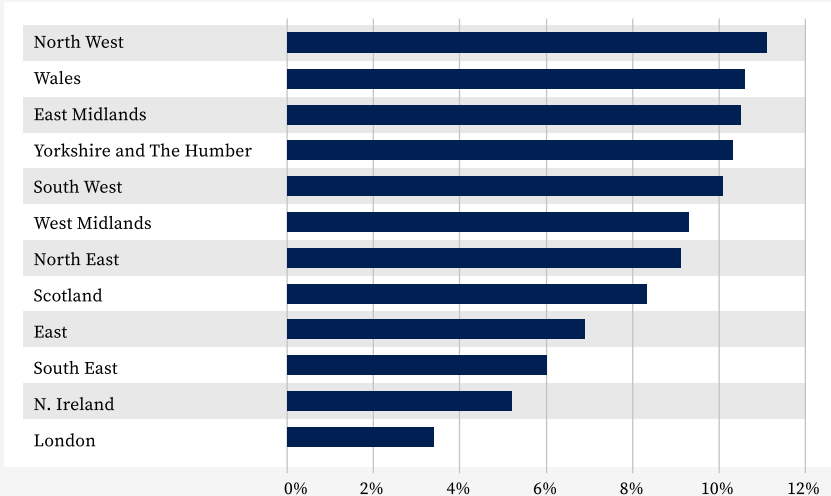
The UK housing market is made up of lots of local markets, with different factors affecting property prices, such as the performance of schools and the availability of jobs. The ONS figures are based on sale completions.

Although average London prices were up by 3.5% over last year, prices fell in the capital by £5,000 between November and December, despite a UK-wide price increase of 1.2% over the month.

“UK average house prices increased by 8.5% over the year to December 2020, up from 7.1% in November 2020.”

HOW HOUSE PRICES HAVE CHANGED IN YOUR REGION

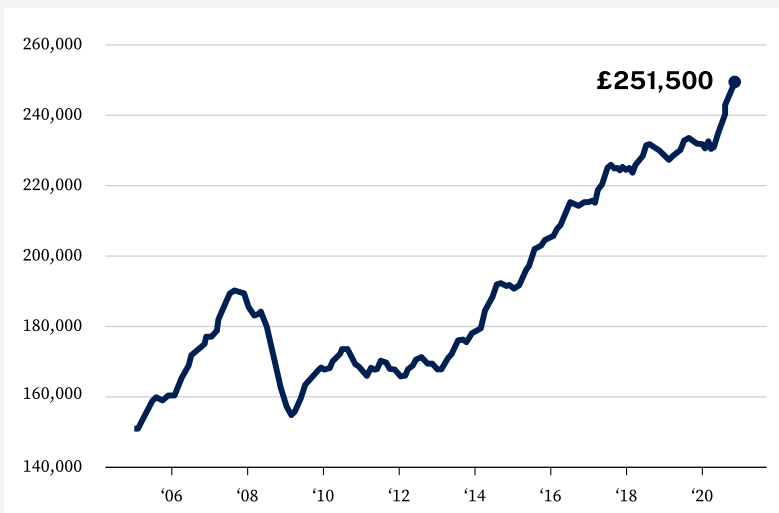
Annual Percentage Change



Source: Office for National Statistics, HM Land Registry

AVERAGE UK HOUSE PRICE

Figures in £



Source: Office for National Statistics, HM Land Registry

TRADITIONAL SPRING SELLING SEASON

When you consider the challenges facing the UK economy, the property market has performed admirably in 2020.

By extending both the stamp duty holiday and the furlough scheme in Budget 2021, the Chancellor has significantly reduced the downside risks in the mid-year, while a recovering economy should support price growth towards the year end.

Further price rises are expected during the traditional spring selling season. ♦

>> FIND THE RIGHT MORTGAGE TO SUIT YOUR NEEDS <<

With so many mortgages to choose from, it can be difficult to understand which one is right for you. Our mortgage experts will take that confusion away. To get the property you want, we'll research the mortgage deals that are right for you. Contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.



Property investing is more than just bricks and mortar

Creating an action plan and what you need to consider

ARE YOU CONSIDERING investing in the UK property market? Investing in bricks and mortar has been a long-held tradition, and for very good reason. With low interest rates and stock markets in constant fluctuation, buy-to-let properties are an attractive option for those looking to invest.

The residential property market, overall, has one of the most stable growth patterns in the investment markets. It's important to

note that when you become a landlord, you're essentially running your own business. As a form of investment, buy-to-let allows you to invest your money, while remaining totally in control of your monthly output.

Of course there are risks involved in becoming a landlord, along with strict compliance that both you and your property must adhere to. Here are some tips to help you get started.

“When you become a landlord, you’re essentially running your own business. As a form of investment, buy-to-let allows you to invest your money, while remaining totally in control of your monthly output.”

SPOT THE RIGHT AREA

Your first important decision to make is which location you want to invest in. Think carefully about this choice, which is more complicated than it first appears. Spotting the nice part of town is straightforward, and it doesn't take an expert to do it.

But it may not be wise to invest there as property prices are already relatively high. Investors and developers need to be skilled at spotting small pockets of cheaper property on the outskirts of this area, which can be absorbed into it over time, leading property prices to rise.

START SEARCHING IMMEDIATELY

Even if you're not yet ready to buy, it's helpful to be aware of properties coming onto the market, how long they remain on sale, and what price they sell at. Start to track this online, using property sales websites. You might want to set up email alerts for suitable properties so that you're the first to see them.

But don't just look online. If you find a potential property that's been listed on a major website, a lot of other buyers will have found it there too. You'll be in a stronger negotiating position if you have less competition, so work a little harder to find a property. If you see one in real life that interests you, make an enquiry. It won't always get you anywhere, but if it does, you'll be the only buyer in the running.

MOVE QUICKLY ON AN OPPORTUNITY

You should be ready to buy at any time, as some of the best investment opportunities come out of the blue. You might get a bargain by buying a property at auction. Or you might find a seller who's willing to drop their asking price if you can move quickly, perhaps because they're in financial difficulties or are selling an inherited property.

So, it's crucial to have your finances lined up in advance. If you're buying with a mortgage, have an Agreement in Principle for the amount you're able to borrow, and have your deposit ready in a cash account. If you're buying with the help of other financing, such as a bridging loan, a broker can help you prepare.

ALWAYS PRIORITISE PROFIT

An eye for detail is essential. If there's anything that could reduce the resale value of the property, be it Japanese knotweed, noisy neighbours or encumbrances, you need to spot it and be prepared to walk away.

It's important not to let your personal feelings dictate your

investments. Unlike buyers purchasing their own home, you should never offer over market value because you've fallen in love with a property. Buying below market value gives you the best chance of recouping your investment even if the market falls. Remember also to budget for stamp duty, estate agent fees, surveys and conveyancing, as these can eat into your profit margin.

MAXIMUM INVESTMENT RETURN

So, you've bought your first investment house, and you want to flip it quickly and easily. How do you make sure that you can get maximum return on your investment?

'Flipping' is when you buy a property at one price, perhaps do some work to improve it, and then sell it at a higher price, banking the difference in value as profit. The key to successful flipping is looking for property in 'up-and-coming' areas, or those that require a bit of work, but not too much.

You should also look for properties that have potential, have at least two bedrooms and have space to carry out work or extensions. The money you make can then be used to purchase a bigger or more expensive property, allowing you to invest more and reap more when it's flipped.

BUY-TO-LET INCOME

Due to the coronavirus pandemic, some people have been looking for different ways to generate a second source of income. The idea with buy-to-let investments is that you purchase a property, rent it out and then profit from the monthly rent that is paid to you as the landlord. You can either purchase the property outright or benefit from a buy-to-let mortgage.

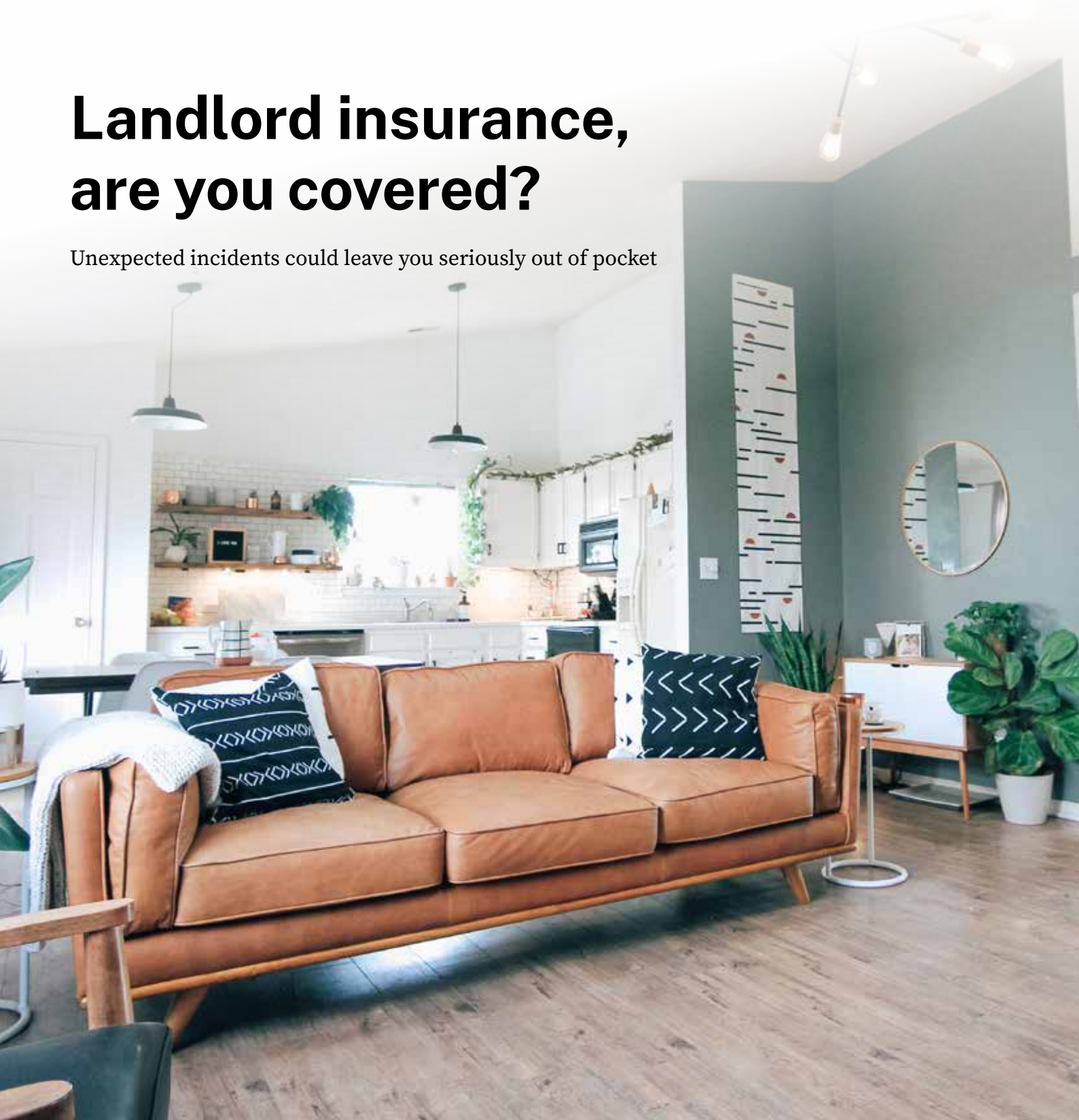
To make a profit when purchasing a buy-to-let property, it's important that you consider location, safety of the neighbourhood, proximity to schools or (if you're looking to rent to students) universities and proximity to transport links, as well as whether the home has a garden, attic and space to park the car. All of these allow you to set a higher rent. ♦

>> LOOKING FOR A BUY-TO-LET MORTGAGE? <<

Buy-to-let is a popular investment, even during the pandemic. If you are considering purchasing a property to let, or are investing for the longer term, we can help you take the next step to becoming a landlord. To discuss how we can help you, contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.

Landlord insurance, are you covered?

Unexpected incidents could leave you seriously out of pocket



“If you own more than one buy-to-let property, you may be able to get one policy to cover them all.”

IF YOU'RE PLANNING to buy-to-let, you'll need special landlord insurance. Buy-to-let properties aren't covered by normal home insurance, since they carry more and different risks. Therefore you will need a special type of insurance designed for landlords.

A buy-to-let policy covers your legal liabilities and protects your investment from the risks you may face when letting or leasing a property that standard home insurance may not cover.

PROTECTION FROM HEFTY REPAIR BILLS

If there is major damage to your property, like a burst pipe or a fire, the onus is on you to pay the bill. Repairs for a burst pipe could run into thousands of pounds and a fire could destroy your property. Having insurance would protect you from hefty repair bills.

Buy-to-let policies include property owners' liability cover, employers' liability insurance and buildings insurance. They also include loss of rent cover, which will protect you if your property suffers damage and becomes uninhabitable as a result.

RENTING OUT PROPERTY CAN BE A RISKY BUSINESS

If you're a buy-to-let landlord, you'll need more than just home insurance to protect your property. Renting out property can be a risky business, so while you're not legally required to have landlord insurance for your buy-to-let property, you'll need to be properly covered if anything goes



wrong. Without the right cover, unexpected incidents could leave you seriously out of pocket.

You can also choose from several optional covers, for example, accidental damage, loss of rent, employers' liability, landlord emergency and legal expenses cover which covers the costs and expenses in dealing with a range of legal matters such as contract disputes, tax and VAT investigations, repossession and eviction of squatters.

DECIDE HOW MUCH YOU CHOOSE TO PROTECT

If you own more than one buy-to-let property, you may be able to get one policy to cover them all, which can be much easier to manage. One policy can cover as many as 15 properties initially, and you may be able to add more during the term of your policy.

The cost of your landlord insurance will depend on the property itself, the types of tenants you'll be renting it to and how much you choose to protect. Naturally it will be more expensive if you go for the maximum cover level with the minimum excess option. ♦

>> STILL GOT QUESTIONS ABOUT BUY-TO-LET INSURANCE? <<

If you're an existing landlord of a residential property, or are looking to buy your first investment property and need more information, to discuss how we can help you, contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.

Landlord responsibilities

New regulations, tax changes and other reforms



COVID-19, BREXIT, the stamp duty holiday extensions, and now the government-backed 95% mortgage guarantee scheme, have all been shaping the property investment market lately.

Investing in the property market is complex and, as we've seen over the previous twelve months, there are many variables to take into account. After a difficult last year, we're getting into the swing of 2021. Here are upcoming changes to rules and regulations affecting landlords, and what they mean.

EVICCTIONS

2021 may be the year of the abolition of the Section 21 notice. Currently, Section 21 allows landlords of Assured Shorthold Tenancies to get possession of their property either at the end of a fixed-term tenancy or during a tenancy with no fixed end date. Part of the government's planned Renters' Reform Bill,

the abolition of Section 21 would essentially mean that all evictions would need to go through the courts.

Work on the Renters' Reform Bill will resume when parliamentary time allows, once the urgencies of responding to the pandemic have passed. A Section 21 notice must give at least six months' notice at the moment. Landlords can only apply to court after the notice period ends. The courts are open but some hearings may be held remotely. There is a backlog of cases and the eviction process takes time. Bailiffs can't carry out Section 21 evictions until after 31 May due to the lockdown.

FIRE SAFETY REQUIREMENTS

From February, new legislation in Scotland requires landlords to install a heat alarm in every kitchen and a smoke alarm in every living room, hallway, landing or other circulation

space. These alarms must be ceiling mounted and interlinked. Carbon monoxide alarms must be fitted where there are appliances such as wood burners or boilers.

STAMP DUTY

Landlords have been given

a boost after the Chancellor announced an extension to the stamp duty holiday in his latest March Budget. Rishi Sunak confirmed the extension of the tax holiday until the end of June. Until then, the stamp duty holiday will continue to apply to the first £500,000 of a home's



purchase price. It will then taper off, applying to the first £250,000 until the end of September, before returning to £125,000 at the beginning of October.

Landlords will continue to benefit from this holiday and potentially thousands of pounds in savings if they're expanding their property portfolios in the coming months. Property investors will still have to pay the 3% stamp duty surcharge on second homes and buy-to-let properties.

ELECTRICAL SAFETY REQUIREMENTS

By 1 April 2021, you are required to have an Electrical Installation Condition Report (EICR) for every property you own and let. This is already a requirement for new tenancies but will now be required for existing tenancies also.

To obtain the EICR, you'll need a qualified electrician to test all of the property's electrical installations (wiring, sockets, etc.) This testing must be undertaken once every five years, with a copy of the report given to the tenant within 28 days.

CLIENT MONEY PROTECTION

Letting agents are required to join a client money protection scheme by 1 April 2021, into which they must place any money collected from landlords or tenants from that date onwards. They must display a certificate in their office to show which scheme they are a member of.

As a landlord, you are not required to make any changes. You should simply be aware of this requirement of the agents you work with so that you can



“Under the Right to Rent scheme, it is the landlord’s responsibility to check a tenant’s legal right to rent a property in the UK, including their immigration status.”

ensure your money, and your tenants’ money, is protected.

RIGHT TO RENT

Under the Right to Rent scheme, it is the landlord’s responsibility to check a tenant’s legal right to rent a property in the UK, including their immigration status.

Now that the Brexit transition period has come to an end, the UK is operating on a new points-based immigration system. This will bring changes to the process for Right to Rent checks. It’s not yet defined what these changes will be, but they are due in the spring.

PETS

Most good tenancy agreements will have a pet clause, but what it stipulates can vary from contract to contract. ‘No pets’ clauses in tenancy agreements could become a thing of the past if the Dogs and Domestic Animals Bill is approved by the government. The bill had its second reading in February, with several subsequent stages,

so any changes will take some time to be introduced.

RENTERS’ REFORM BILL

The Renters’ Reform Bill is currently paused, to be resumed at an unspecified date in the future. This is likely to be at some point in 2021 but could be later. The bill includes various reforms, such as changes to eviction processes and deposit protection.

MAKING TAX DIGITAL FOR VAT AND INCOME TAX

The government’s Making Tax Digital scheme is gradually digitising the process of submitting tax returns, and it’s

wise for landlords to know the key dates.

Landlords with VAT-registered businesses with a turnover of £85,000 a year or more are already required to keep digital records and use software to submit VAT returns. From April 2022, this will apply to all VAT-registered businesses, regardless of turnover.

From April 2023, landlords with a property income of £10,000 or more will be required to keep digital records and use software to submit income tax updates instead of filing a Self Assessment tax return. Corporation tax will be digitised from 2026. ♦

>> BUILDING UP YOUR PROPERTY INVESTMENT PORTFOLIO? <<

We’ll help you make a success of your investment, whether you’re a first-time buyer or building up your property investment portfolio. If you’re looking for a buy-to-let mortgage, please get in touch with our mortgage experts.

Contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.

Presenting your property to tenants

8 'must-dos' for successful viewings



“Today’s tenants are spoilt for choice when it comes to rental properties, so you need to ensure your property stands out.”

PREPARING YOUR RENTAL property for a viewing will, in some regards, be similar to presenting the property for sale. The property needs to be clean, outstanding repairs should be completed and freshly decorated properties may be more appealing to some tenants.

When potential tenants come to view your property, it is usually one of several they are visiting. They will be creating an image of your property in their head, imagining themselves living within those four walls, long before they pass through the front door.

Today’s tenants are spoilt for choice when it comes to rental properties, so you need to ensure your property stands out. To make yours stand out for the right reasons, here’s what to consider.

1. DECLUTTER

Your potential tenants need to see that there is plenty of space in the property for their belongings. Even if you’re offering the space furnished, make sure it is not overcrowded. This also applies to any common areas that they will pass through to view the property, even if these aren’t your responsibility.

2. REPAINT

This simple DIY task will make the entire property seem brighter and better looked after, giving your potential tenants a good first impression. Choose a light, neutral colour, and remember to ventilate the property so the smell of fresh paint doesn’t linger.

3. COMPLETE REPAIRS

While you might be in a hurry to fill a vacant property, it’s worth waiting to show it until you’ve fixed anything that needed repair after the last tenancy. New tenants don’t like to see a work in progress and might not have faith that the repairs will be completed.



4. CLEAN

However minor it might seem, a little dust on surfaces or grime in the kitchen can be extremely off-putting to potential tenants. A freshly cleaned property will usually be filled faster.

5. REMOVE ODOURS

Similarly, a fresh-smelling property is far more attractive to potential tenants than one with smells of cigarette smoke, food, pets, troublesome sewers or garbage. Tackle the source of the odour and remove lingering smells with air fresheners.

6. CHECK APPLIANCES

Your potential tenants will likely check to see if any small appliances currently in the property are working, such as the toaster, microwave, kettle and lamps. Repair or replace any that are faulty.

7. CHECK THE WATER PRESSURE

Another thing that potential tenants will sometimes test is the water pressure in the shower. Before you show the property, you

can improve the water pressure by cleaning the shower head, checking the flow restrictor and fully opening the valve.

8. TIDY THE GARDEN

If your property has a garden, it shouldn’t be overgrown or badly maintained. As well as giving a bad visual impression, it suggests that it will be hard work for the tenant to take on. Mow the lawn, weed the beds and trim back the bushes. ♦

>> TAKING YOUR NEXT STEP INTO THE WORLD OF PROPERTY INVESTMENT? <<

If you’re thinking about property as a future investment or an additional income stream, buy-to-let could be the answer. We’ll help you find the right buy-to-let mortgage deal to suit your needs. Contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.



Who are Britain's landlords?

Clear generational split identified from new research

IT IS ESTIMATED that there are now over 1.5 million landlords in the UK. But who are Britain's landlords? Research based in the UK^[1] identified that, for 91% of these landlords, taking charge of tenants was a part-time venture – but there is a clear generational split.

Younger people (between 18-34 years old) were more likely to be full-time landlords than those over the age of 55 (20% vs 7% respectively). Perhaps unsurprisingly, income is the biggest motivator for landlords across the UK. Being able to get onto the property ladder (16%), tax deductions (8%) and becoming

friends with tenants (3%) were also cited as common benefits of running a buy-to-let property.

ACCIDENTAL LANDLORDS

A quarter inherited a property, then subsequently seized the opportunity to make an additional income by renting it out. Despite this group of 'accidental landlords', retirement plans were by far the biggest driver. Around half of landlords (49%) entered the profession as a pension investment.

Among younger investors, becoming a landlord frequently isn't a solo venture,

with a fifth of 18-34-year-olds buying with another person, and nearly a quarter (22%) relying on friends or family to fund their purchase.

FULL-TIME LANDLORDS

More than one in ten (13%) landlords admitted to not having landlord insurance on their properties, while a further 2% said they didn't know if their policy was specialist or not. This means more than £600 million of expenses are coming straight out of their collective pockets instead of being reimbursed through insurance. Thankfully, the vast majority

(85%) had some kind of landlord insurance in place.

Time and money are the biggest challenges that landlords in the UK face, with around two-fifths (41%) considering selling their property because of these issues. With just 9% of respondents identifying themselves as being full-time landlords, it's clear that having spare time when managing a property is also a priority.

that may challenge perceptions, the same key areas remain a priority and even a deal-breaker for some.

Finding the right tenant is a key obstacle for anyone renting out a property, and the time and money spent on managing buy-to-lets is enough to make landlords reconsider their profession. However, with £600 million being paid directly by landlords that could be being reimbursed by insurance

policies, it may be that accessing more support could help alleviate the pressure. ♦

Source data: [1] Research of 755 UK residential landlords conducted by Opinionium and commissioned by LV=, carried out between 8 May to 15 May 2019.

“It is estimated that there are now over 1.5 million landlords in the UK – but there is a clear generational split.”

MAINTAINING PROPERTIES

Some 52% of those surveyed outsource management to a letting agent to take the pressure off, but with a large number of landlords considering leaving the profession because of time constraints, it appears that getting support from third-parties isn't enough.

On average, landlords spend three days a month maintaining their properties. But around 6.5% of those surveyed spend 10 to 20 days each month looking after their buy-to-let portfolio.

CHALLENGING ASPECT

Finding the right tenants for buy-to-let properties remains one of the main headaches for landlords, with more than a third (34%) citing this as the most challenging aspect of renting out properties. However, it seems that many are happy with the ones they've found.

Nearly half of all landlords are extremely satisfied with their current tenants, but it is a strictly professional relationship for most, with three-quarters saying they don't consider their tenants friends.

KEY OBSTACLE

Although the landscape of British landlords may be changing, and there are findings

>> LOOKING TO INVEST YOUR CAPITAL INTO PROPERTY? <<

Instead of letting your hard-earned money sit in a savings account and erode due to inflation, if you are considering investing your capital into property, to discuss how we can guide you through the process, contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.



LETTING YOUR PROPERTY TO TENANTS

Should you offer a furnished or unfurnished let?



BEFORE LISTING A PROPERTY to let, a landlord must decide whether it is offered furnished or unfurnished. There are advantages and disadvantages to either approach. Plus, there's a lesser-known option of part-furnishing that could offer a compromise. Here are some things to think about.

LETTING A FURNISHED PROPERTY

Although furnishing a property has an upfront cost to the landlord, you can aim to recoup this cost over time, as furnished properties tend to achieve monthly rent at around 10% higher than unfurnished properties.

If you are furnishing a property, it would be wise to take out insurance to cover the contents. You should also take an inventory at the start of every tenancy, noting the condition of the existing furnishings. Tenants can be charged for damage to the furnishings, but not for wear and tear.

ADVANTAGES OF LETTING A FURNISHED PROPERTY:

1. The pool of tenants looking for furnished properties is larger than for unfurnished properties, so you may find it easier and quicker to find a suitable tenant.
2. Furnished properties are more desirable for certain target tenants, especially students and young professionals.
3. Furnishings are an investment that you can use for future tenancies or properties or sell later when they are no longer needed.
4. The cost of furnishings is tax-deductible.

DISADVANTAGES OF LETTING A FURNISHED PROPERTY:

1. While tenants must cover the cost of damage to furnishings during the tenancy, the work of repairing or replacing damaged items will usually fall to you.
2. Even undamaged furnishings will need to be replaced periodically due to wear and tear.

3. Electrical appliances should be regularly tested for safety – though this is not a legal requirement.

LETTING AN UNFURNISHED PROPERTY

You can save a little time and the upfront cost of furnishings by letting an unfurnished property. There is a pool of tenants who prefer unfurnished properties, though it is smaller than the pool of tenants looking for furnished properties.

ADVANTAGES OF LETTING AN UNFURNISHED PROPERTY:

1. Unfurnished properties attract long-term tenants who have already invested in their own furniture. Lower turnover of tenants can help you to save on administration costs and avoid periods of vacancy.
2. Tenants with their own furniture tend to be more self-sufficient and so report fewer problems to you.
3. As the landlord, you have no responsibility for the furniture brought to the property by the tenant and do not need to insure it or worry about wear and tear.

DISADVANTAGES OF LETTING AN UNFURNISHED PROPERTY:

1. It may take longer to initially find a suitable tenant to fill the vacant property.

LETTING A PART-FURNISHED PROPERTY

A third option is to offer your property with only minimal

furnishings. Which you include is up to you. A common choice is to offer items of large furniture, such as beds, but not smaller items, which many tenants accumulate over years of renting.

ADVANTAGES OF LETTING A PART-FURNISHED PROPERTY:

1. By only purchasing essential items you can limit your upfront costs.
2. Your ongoing costs, such as insurance and replacing older furnishings, will also be reduced compared to a fully furnished property.
3. You can offer flexibility to tenants if you give them the opportunity to request additional furniture as needed.

DISADVANTAGES OF LETTING A PART-FURNISHED PROPERTY:

1. If there is ambiguity around what comes included with the property, it may be off-putting to tenants.
2. Your pool of potential tenants could be significantly reduced if they are expected to bring some, but not all, furniture with them.
3. If you add or remove furnishings as needed, you may sometimes have storage costs to cover for unused furniture.

Ultimately, there is no one right answer, and the decision is yours. ♦



>> LOOKING TO FIND A BUY-TO-LET MORTGAGE THAT WORKS FOR YOU? <<

Whether you're looking to purchase a new buy-to-let property, want to remortgage or need to borrow more, for further information contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.

Staycation boom is coming

What is the one investment opportunity that is sometimes overlooked?





Boats moored in Mousehole Harbour, a picturesque Cornish fishing village near Penzance in Cornwall, England



ONCE LOCKDOWN RESTRICTIONS are eased, UK staycations are likely to undergo another boom. Due to the coronavirus (COVID-19) pandemic, a surge in bookings for short-term holiday lets is forecast. After being advised to stay at home, many of us will be looking forward to getting away.

More and more landlords are buying property specifically for holiday lets. Holiday lets are a small market, but one that is expanding quickly.

STRICTER RULES

The tapering of mortgage interest relief, second-home stamp duty surcharge and more stringent affordability checks have all dented the profitability of buy-to-let investments.

Regulatory changes regarding everything from letting fees and tenant deposits to licensing and minimum space requirements have had the same effect.

Airbnb, meanwhile, used to offer lucrative short-term lets but users are facing stricter rules to do with tax, compliance with local laws and mortgage terms and conditions.

TAX ADVANTAGES

By comparison with buy-to-let, furnished holiday lets (FHL) offer many advantages for potential investors. HM Revenue & Customs views holiday homes as small businesses, making them liable to pay business rates instead of council tax.

But the current tax loophole enables many to avoid paying. This is because owners are entitled to relief on 100% of the business rates payable if their properties have a rateable value of less than £12,000.

RATEABLE VALUE

For properties with a rateable value of £12,001 to £15,000, the rate of relief will go down gradually from 100% to 0%. For

example, if your rateable value is £13,500, you'll get 50% off your bill. If your rateable value is £14,000, you'll get 33% off.

The level of financial return on any property will depend on several factors, such as the initial amount invested in the property, the location and market demand.

If you are thinking of investing in a property for a furnished holiday let, here are some of the main things you need to consider:

COSTS

Will your incomings cover your outgoings and provide an income? It's vital to ensure the income from letting your property covers your outgoings.

Example costs include accounting, legal advice, valuation, VAT, cleaning, repairs, utilities, insurance and monthly mortgage payments. Do you have any contingency

“More and more landlords are buying property specifically for holiday lets.”

savings or disposable monthly income should you need to support the business in leaner times?

FINANCE

Typically, lenders for holiday let mortgages require a minimum of 25% deposit. Consider how you will raise the required capital along with the additional costs outlined above.

MARKET

Do your research. If your chosen location is popular for a specific type of staycationer, that's a good foundation for starting your business. Equally, check what local amenities and facilities there are, as this will help you to market your property.

COMPETITION

Identify the local competition and their

strengths and weaknesses, price points and features. Perhaps even book an overnight stay to gain a thorough understanding of how you might differentiate yourself.

MANAGEMENT

There are advantages and disadvantages of working with an agency to manage the property. For example, an agency can free up your time as your bookings are managed by them. They can also help with your marketing. However, agency fees will add to your ongoing costs.

PLANNING

What are your business goals? A simple SWOT (strengths, weaknesses, opportunities and threats) analysis can be a helpful tool to help you to plan your approach, and to think about contingency planning to deal with any potential threats.

You could ask yourself questions like: What opportunities are there in the market, or with a particular property? Can I foresee any threats to the investment, and what can I do to help mitigate these?

BULLETPROOF

Holiday let owners will tell you the significant impact COVID-19 has had on their business, and while the British staycation market looks as though it will flourish as lockdowns are lifted, there were some challenging times they had to overcome first. As such, will you be in a position to bulletproof the business and activate robust contingency plans for quieter seasons of the year, or should the UK enter another lockdown, for example? ♦



>> BUYING A HOLIDAY LET INVESTMENT PROPERTY? <<

If you are interested in investing in holiday lets, then we can help you find the right mortgage deal. To see how we could help, contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.

Mortgage deals for first-time landlords

How and why you might invest in property

BUY-TO-LET PROPERTIES are an increasingly popular investment in the UK. Unlike buying a residential property however, investment properties come with their own challenges from choosing a property and mortgage, to understanding your tax liabilities and legal responsibilities to tenants.

Despite uncertainty about how quickly the UK economy is set to recover this year, and how that might affect the housing market, there are currently plenty of opportunities for investors to take their first steps into the world of property investment.

Buy-to-let mortgages are assessed differently from residential mortgages. They are mostly based on the profitability of the property, in particular, how much rent can be generated from it, unlike a residential mortgage which depends on your own financial circumstances.

OPPORTUNITIES FOR FIRST-TIME LANDLORDS

Interest rates are currently historically low, meaning that you'll get very little in return for keeping your savings in a cash account. Most savers with significant amounts will be looking elsewhere to protect the value of their savings from inflation and for the chance to grow their wealth. But many have concerns about investing in the stock markets, which are unpredictable and volatile.

An alternative is to invest in property, for example, by buying a buy-to-let property and becoming a landlord. Low interest rates are an advantage with this type of investment, as you can secure a great rate on your mortgage.

MORTGAGES FOR FIRST-TIME LANDLORDS

While the number of buy-to-let mortgages available has fallen slightly over the last year, the proportion of those deals that are available to first-time buy-to-let landlords has increased by 4%, new research shows^[1].

This gives first-time landlords more than 1,500 deals to choose from – an almost overwhelming number to compare. These are typically interest-only mortgages with a maximum loan-to-value of 60%, meaning you'll need a 40% deposit. However, there are also mortgages available on different terms.

HOW TO CHOOSE A MORTGAGE AS A FIRST-TIME LANDLORD

Once you have found a suitable buy-to-let property, you'll need to work out how you're going to fund the purchase and unless you're a cash buyer you'll need a mortgage. You'll need to ensure that the rent you charge will cover your mortgage payments and decide



whether you want an interest only or capital repayment mortgage on a fixed or variable rate.

First-time landlords should be cautious about choosing a deal based on the rate alone. There are a number of other costs involved, such as arrangement fees and exit fees, and these can mean that the mortgage with the best advertised rate will actually cost you more in the long run. ♦

Source data: [1] <https://moneyfacts.co.uk/news/mortgages/mortgage-choice-for-first-time-landlords-increases/>

>> LOOKING FOR EXPERT MORTGAGE ADVICE? <<

Whether you're already active in the sector or would like to get started, if you're considering becoming a buy-to-let landlord, now is a good time to talk to us. For further information, contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.



BUYING BUSINESS PROPERTY?

We take time to get to know you and understand your business

Whether it's for office, industrial or mixed-use premises, our experienced mortgage advisers will advise on mortgages that are tailored to your individual needs. We know property can be a big cost for many businesses, that's why we help you manage that investment wisely.

To find out what you could borrow and what your payments may be, contact us today.

Contact Nightingales Wealth Management Ltd

– telephone: **0345 2221177**

– email: **customer@nightingaleswm.co.uk**


NIGHTINGALES
WEALTH MANAGEMENT

THINK CAREFULLY BEFORE SECURING OTHER DEBTS AGAINST YOUR HOME.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

AUTHORISED AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY.



One of the most lucrative ways to make money

Top tips when investing in property in 2021 and beyond

SINCE THE ADVENT of the buy-to-let mortgage in the 1990s, many thousands of people have invested in a property to rent out. Some have gone on to acquire multiple units and become professional landlords.

Others find themselves becoming accidental landlords – as when a temporary job move takes place and the family home needs to be let for a period of time, or when an inheritance results in a property becoming available to hold as an investment.

BUYING AN INVESTMENT PROPERTY – NOT THE SAME AS BUYING A HOME

The criteria for buying a property to let are considerably different from those you might apply if buying a place in which you would live. For example, as a long-term owner-occupier you might have very personal tastes in strong decorations or would choose somewhere with a big garden.

Many tenants will prefer a property with neutral decoration and a small garden that won't take much maintenance. An investment

in rental property should be ruled by the head rather than the heart and be treated as an unemotional business decision.

WHERE TO INVEST IN PROPERTY – FIND THE BEST LOCATIONS

If you are considering buying an investment property, assess locations that are most popular with renters. Ask the local letting agents which areas are sought-after, and why. Tenants are often attracted by locations with plenty of employment opportunities or good communications for commuting to nearby towns and cities.

University students are ready-made tenants and the correct type of accommodation near to their faculty should always let well. Students often share properties and these 'houses in multiple occupation' (or HMOs) are sometimes subject to special legal requirements, including licensing, registration and inspection by the local authority.

Make enquiries before proceeding. Keep an eye open for local news that could affect the demand for rental properties – such as

“Ask if there is a shortage of a particular type of popular rental property and go looking for one to buy – it should then let quickly.”

big company relocations bringing lots of new potential tenants, or the opening of a motorway or rail link that will increase the popularity of an area.

CHOOSING THE PROPERTY – MEET THE DEMAND

Talk to local letting agents about what type of properties are most popular with tenants. It could be family homes, flats or student accommodation.

Ask if there is a shortage of a particular type of popular rental property and go looking for one to buy – it should then let quickly.

Look out for new housing developments being built in your chosen area. They could bring a glut of rental properties onto the market and potentially cause a supply surplus that might affect future rents.

As with purchasing a home, buy the best rental property you can afford, in the best area for demand and future growth.

RENTAL REWARDS – CALCULATING THE YIELD

Firstly, you need to consider the 3% stamp duty surcharge. Secondly, you are buying a property for the purpose of generating an income from the rent to be paid by a tenant. This rate of return is called the ‘yield’ and is calculated by dividing the annual rent by the capital value of the property (the amount you paid for it). Yield is the vital measure of the success of your investment. If a property costs £80,000 and the annual rental income is £8,000, the gross yield is 10%.

However, you will have some costs during the year – including

repairs to the property. This will reduce the rental income and result in a ‘net yield’.

In our example, if these costs amounted to £2,000 you would be left with an income of £6,000 and this would be a net yield of 7.5%. The figure can be compared to the yields available from other types of investment.

PROPERTY VALUES CHANGE – FACTOR THIS IN

As well as the rental income, you should also factor in possible changes in the sale value of the property.

If you buy a property, let it out for a period of time and then sell it, the value is very likely to have altered. The difference will add or subtract to the overall yield on the investment.

BE A SCEPTIC – ANTICIPATE PERIODS WITHOUT INCOME

The majority of rental investments are successful but it is wise to err on the side of caution in calculating yields and in deciding what you can afford to buy.

It may take longer than expected to find a tenant, the rental figure may be lower than anticipated and there may be ‘void’ periods between tenancies. All these can reduce the return on your investment and put pressure on your cash flow.

DON'T GET CAUGHT OUT – COMPLY WITH THE LAW

When a property is rented out, it is a requirement that the tenant is given a copy of the Energy Performance Certificate, a gas safety certificate and an electrical safety certificate.





Private landlords must ensure every electrical installation in their residential premises is inspected and tested at intervals of no more than five years by a qualified and competent person.

If any furniture is supplied, it must comply with fire safety legislation. While it is not a legal requirement, it is good practice to fit smoke and carbon monoxide detectors.

CHOOSING THE AGENT – PICK A PROFESSIONAL

The relationship between landlord and letting agent is rather different from the relationship between a home seller and an estate agent – although many of the criteria for choosing one are the same.

The relationship is likely to be long-term, so it pays to choose wisely. An effective and professional letting agent can be an invaluable asset and will be especially helpful to new landlords finding their way in the market.

They will deal with everything from finding the tenant, taking up references, creating the inventory, dealing with deposits, complying with legislation,

handling maintenance issues and making sure the property is looked after.

SERVICE LEVELS – DECIDE WHAT YOU NEED

Letting agents generally offer three levels of service. Tenant-find only means that the landlord will be undertaking the day-to-day management of the letting. Tenant-find and rent collection means the agent will find the tenant and collect the rent but all other matters will be dealt with by the landlord.

Full management means the agent takes care of everything to do with the letting from start to finish and will only involve the landlord if something out of the ordinary needs their decision.

Unless you are an experienced landlord who is used to managing rental property – and won't necessarily mind a tenant phoning in the middle of the night to report a leaking tap – it's worthwhile using a full management service from a reputable letting agent.

It costs a little more than the other service levels but will relieve you of having

to deal with the time-consuming details of the letting.

THE ASSURED SHORTHOLD TENANCY – GETTING IT RIGHT

The Assured Shorthold Tenancy is the most common form of tenancy agreement for properties. It specifies all the details of landlord and tenant obligations, the rent to be paid and the period of the rental.

There are strict legal rules governing assured shortholds and your letting agent will advise you on any matters that affect you as the landlord.

Most importantly, a professional letting agent will draw up the Assured Shorthold Tenancy agreement and ensure it complies with the law – something that is particularly vital when the tenancy comes to an end and possession of the property is to smoothly revert to the owner.

TENANT DEPOSIT – MUST BE REGISTERED

The tenant will pay a security deposit that is held for the duration of the tenancy and must be registered with one of the

government-approved Tenancy Deposit Schemes. At the end of the tenancy, the deposit will be used to pay for any dilapidations caused by the tenant outside of 'fair wear and tear'.

Tenancy Deposit Scheme (TDS) has launched a Code of Recommended Practice. This Code of Practice sets out the recommended requirements that letting agents and landlords should meet as members of the TDS.

AVOID ARGUMENTS – USE AN INVENTORY

A comprehensive inventory of the property should be made by the agent before the tenancy commences. It will provide a record of the condition of the property and items in it and can be used at the end of the tenancy to determine whether dilapidations are payable. It is very important that the tenant confirms agreement with the inventory.

GET COVERED

– CHECK YOUR INSURANCE

Standard buildings and contents insurances do not usually cover rental property. Check to see if you will need to arrange specific policies.

BUY-TO-LET MORTGAGES

– TAKE PROFESSIONAL ADVICE

A buy-to-let mortgage is specifically for a property that is being bought to be rented out to tenants. As the purchaser, you won't be living in the property yourself. Typically, you'll need 25% or more of the property's purchase price as a deposit for a buy-to-let mortgage. However, some lenders may accept a lower deposit.

Remember that the size of your deposit (among other things) affects how much you'll pay each month – typically, a larger deposit means smaller monthly payments. Most buy-to-let mortgages are interest-only, meaning you only pay the interest on the mortgage each month. Then, at the end of the mortgage term, you repay the loan in full.

Your lender may need to see evidence of your ability to pay off the full amount at the end of the term – this is usually based on

how much you can earn and save in rent.

If you are already the owner-occupier of the property and it is subject to a normal mortgage, the lender will need to know that you are intending to let it out and this may affect the level of your repayments.

TAX – REDUCE YOUR TAX BILL

As of April 2020, you are no longer able to deduct any of your mortgage expenses from rental income to reduce your tax bill. Instead, you'll receive a tax-credit, based on 20% of your mortgage interest payments. This is less generous for higher rate taxpayers, who effectively received 40% tax relief on mortgage payments under the old rules. The new system is being phased in over several years

N.B. Scotland has specific rules governing rental property. For example, landlords must register with the local council. Properties must be kept in good condition, to what is known as the 'Repairing Standard', and a tenant can apply to a Private Rented Housing Panel (PRHP) if a

landlord fails to carry out essential repairs. The PRHP will also deal with rent disputes. ♦

>> MORTGAGES FOR LANDLORDS – TIME TO TALK? <<

We'll help you arrange the finance for your new buy-to-let property – or to remortgage an existing one, taking the hassle away so you can focus on planning your new venture. To discuss your options or for more information, contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.



Green comes in many shades

Spotting property investment potential based on EV adoption



PROPERTY INVESTORS USE a wide variety of indicators to help them spot an area with investment potential: council development plans, future infrastructure improvements, and proximity to schools and conveniences. But now there's one more to add to the list – electric vehicle adoption.

POPULARITY OF ELECTRIC VEHICLES

While electric vehicles (EVs) or ultra-low emission vehicles (ULEVs) currently comprise less than 1% of all new vehicle registrations, the total number of new registrations doubled in the period from September 2019 to September 2020. That number is sure to keep rising, especially as the UK government has pledged that all new cars will be ULEVs from 2030 onwards.

ELECTRIC VEHICLES AS STATUS SYMBOLS

Currently, the higher production cost of EVs and ULEVs compared with traditional motor vehicles means that they carry a much higher price tag and are seen by some as status symbols. Ownership of EVs and ULEVs is statistically linked to higher income, and that means it's also linked to the housing market.



“Local authorities with an average house price of over £500,000 see levels of ULEV ownership at a rate four times higher than in local authorities with an average house price of under £200,000^[1].”

ELECTRIC VEHICLES AND HOUSE PRICES

Recent research shows that local authorities with an average house price of over £500,000 see levels of ULEV ownership at a rate four times higher than in local authorities with an average house price of under £200,000^[1].

Concentration of electric vehicles is highest in areas with the highest property prices. In London boroughs where the average house price is over £1 million, ULEVs account for 1 in 27 privately registered vehicles (or nearly 4%). Concentration of ULEV ownership is similarly linked to high property prices in affluent areas outside of London, such as Harrogate and Stratford-upon-Avon.

Investors may not be interested in investing in areas that are already among the most populated with electric vehicles (since there is less room for growth in house prices), but it would be interesting to spot the areas where electric vehicle adoption is quickly rising.

MONITORING EV INFRASTRUCTURE

As the adoption of ULEVs and fully electric vehicles increases, property investors may want to keep an eye on the roll-out of

EV infrastructure. For example, a rise in the number of public charging facilities could well be linked to a rise in future property prices (though, of course, there are no guarantees and multiple other factors to consider).

We are not suggesting that investment decisions should be based on ULEV registrations alone, but it is fascinating to see this theme develop. ♦

Source data:

[1] Zoopla survey of over 2,000 home movers, 6 July 2020

>> NEED A MORTGAGE? WE'VE GOT YOU COVERED <<

There's a lot to think about when you're looking for a mortgage. Whether you are a first-time buyer, looking to move home, investing in a rental property or seeking a remortgage, let us help you. Contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.



PEACE OF MIND FOR YOUR HOME

Protecting a repayment mortgage against the unexpected

“Take time to consider how much your loved ones might need to cover your mortgage or mortgage repayments if you were to pass away.”

FOR ANYONE BUYING a property using a repayment mortgage, decreasing-term insurance cover can be used to help cover the mortgage should the worst happen and you or your spouse or registered civil partner die prematurely before the end of the mortgage term.

The way it works makes it particularly suitable for protecting a repayment mortgage. The amount of insurance reduces over time roughly in line with the way a repayment mortgage decreases. It's usually purchased to help clear a specific debt – such as a repayment mortgage. As this debt decreases over time, so will the amount of insurance.

YOUR PROPERTY MAY HAVE TO BE SOLD

Essentially, on death, the policy is designed to help make sure the repayment mortgage is settled. The amount paid is reflective of how long has passed since the policy was bought. If there isn't any insurance, or if there was a second mortgage not covered by insurance, the property may have to be sold.

Take, as an example, a policy taken out to cover the cost of a repayment mortgage at £200,000. After monthly repayments, the total owed on the mortgage after the first year is £188,000. The insurance on the policy decreases roughly in line with the mortgage and so has also reduced.

**42% OF MORTGAGE HOLDERS
DON'T HAVE LIFE INSURANCE.^[1]**

OUTSTANDING MORTGAGE OWED

If you were to die during the policy length, depending on how long you have had the policy a final settlement figure would be paid. The final settlement figure would reflect that the amount of insurance had decreased over time.

It's important to note that your policy may not completely pay off your outstanding mortgage owed. You'll need to make sure your amount of insurance is adjusted to match any new mortgage arrangements.

DURATION OF YOUR MORTGAGE TERM

You must also check that the length of the policy is long enough to cover the duration of your mortgage term and that the interest rate applied to your mortgage doesn't become higher than the interest rate applied to your policy.

Your payments stay the same throughout the length of your policy unless you change your policy. ♦

Source data:

[1] Aviva-funded study carried out by YouGov plc. Total sample size was 2,057 adults, of which 608 were adults who have a mortgage/part-own their home. Fieldwork was undertaken between 25 and 26 June 2019. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+).

>> HOW MUCH LIFE INSURANCE COVER DO YOUR LOVED ONES NEED? <<

If you have a mortgage but not life insurance in place, the type of cover that is right for you depends on your circumstances. Take time to consider how much your loved ones might need to cover your mortgage or mortgage repayments if you were to pass away. Speak to us today. Contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.



Critical factor

Could you afford to repay your mortgage if you became seriously ill?

IF THERE'S ONE thing we know, it's that life is full of surprises. If you are off work as a result of a serious illness, critical illness cover enables you to pay off your mortgage, or gives you a valuable cash boost at a time when you need it most. It provides you and your loved ones with financial support should the unexpected happen. As we've seen from the coronavirus (COVID-19) pandemic, any of us can become ill at any age.

Critical illness cover can help to minimise the financial impact on you and your loved ones. For example, if you needed to give up work to recover or if you passed away during the length of the policy, the money could be used to help fund the mortgage or rent, everyday bills or even simple things like the weekly food shop – giving you and/or your family some peace of mind when you need it most.

**OVER 1.4 MILLION PEOPLE ARE ALIVE
IN THE UK TODAY AFTER SURVIVING A
HEART ATTACK.^[1]**

1 IN 2 PEOPLE WILL DEVELOP SOME FORM OF CANCER DURING THEIR LIFETIME. THERE ARE AROUND 367,000 NEW CANCER CASES IN THE UK EVERY YEAR – THAT'S AROUND 1,000 EVERY DAY.^[2]

SURVIVING FINANCIAL HARDSHIP

After surviving a critical illness, you may not be able to return to work straight away (or ever), or you may need home modifications or private therapeutic care. It is sad to contemplate a situation where someone survives a serious illness but fails to survive the ensuing financial hardship.

Preparing for the worst is not something we want to think about when feeling fit and healthy, but you never know what life is going to throw at you next. Critical illness cover protects you against a wide range of specified serious conditions. If you become ill, you'll receive a tax-free lump sum on diagnosis which can be put towards whatever you choose.

REPAY YOUR OUTSTANDING MORTGAGE LOAN

Some people choose to use the proceeds to fully repay their outstanding mortgage, other use it to supplement their loss of income or to cover medical bills, or to upgrade their home. If you decide that you need critical illness cover, you should consider your personal circumstances, how much you can afford to pay in premiums each month and how long you're prepared to pay for it.

A more comprehensive policy will cover many more serious conditions, including loss of sight, permanent loss of hearing and a total and permanent disability that stops you from working. Some policies also provide cover against the loss of limbs. But not all conditions are necessarily covered, which is why you should always obtain professional financial advice.

MUCH-NEEDED FINANCIAL SUPPORT

None of us know when we might become critically ill, so by taking out critical illness cover, you're paying for the peace of mind of knowing that should the worst happen, you'll be covered.

Even if you are single with no dependants, critical illness cover can be used to pay off your mortgage, which means that you would have fewer bills or a lump sum to use if you became very unwell. And if you are part of a couple, it can provide much-needed financial support at a time of emotional stress. ♦

Source data:

[1] British Heart Foundation 2020

[2] NHS September 2019

>> DON'T LEAVE IT TO CHANCE, CONTACT US TODAY <<

Whether or not you need critical illness cover depends entirely on your individual circumstances. If you would like to discuss your requirements, contact **Nightingales Wealth Management Ltd** – telephone **0345 2221177** – email **Customer@nightingaleswm.co.uk**.





LOOKING FOR EXPERT MORTGAGE ADVICE?

Let us arrange the perfect mortgage for you

Whether you're investing in a buy-to-let property or looking to buy your first home, we can help. Our expert professional mortgage advice will find you the best mortgage deal whether you're buying a property investment or home.

Your dedicated mortgage adviser will learn about your situation and needs before narrowing down your mortgage options.

To find out what you could borrow and what your payments may be, contact us today.

Contact Nightingales Wealth Management Ltd

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NIGHTINGALES
WEALTH MANAGEMENT

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