



Let Us Help you with Making an Offer (England & Wales)

Making an offer on a house or flat

When you make an offer on a property, it is more likely to be accepted if it is based on your knowledge of the seller and the local market as well as the house itself. While a bit of haggling is often to be expected, do not offer so little that you enter a lengthy negotiation process, as you might lose the property altogether if someone else makes a higher bid. If there have been other offers on the property, the estate agent cannot legally tell you how much they were for, but they may indicate whether they were close to the asking price, which will also help to inform your own offer.



Comparing properties to calculate a suitable offer

In order to work out what would be a sensible offer for a property, make sure you compare multiple properties in the neighbourhood. Websites such as www.zoopla.co.uk can be very useful.

It is worth writing down the vital statistics for each property you visit - dimensions, condition, number of rooms etc. - in order to get an idea of whether the asking price represents good value.

Making an offer below the asking price

The asking price does not always reflect a property's worth. Be proactive and research the local market to get an accurate picture of what the house or flat should really cost.

Common reasons for offering less than the asking price include:

- A similar property recently sold at a lower price and the market has not changed
- There are some repairs or improvements that would need to be carried out for you to be happy in the home
- The seller has a motive to complete the deal as soon as possible, for example if they need to move quickly due to a pregnancy or job
- The property has been on the market for a while and no one else has made an offer recently.
- It is worth bearing in mind that many people find selling their home very emotional and you risk insulting or upsetting them if you go in too low.
- Before putting in that cheeky offer, think carefully about whether the saving is worth risking losing your dream home over - and whether you're being fair.

When to offer the asking price (or more)

- If the property ticks all the boxes on your 'needs and wishes' list and is not overpriced, it may be worth offering the asking price straight away - especially if you do not intend to move again for several years.
- Those competing with lots of other bidders might even want to consider putting in an offer above the asking price, especially if you're likely to be waiting a while for another property of that type to come on to the market.
- In fact, in thriving property markets where bidding wars are common, it's more than likely you will have to bid above the asking price to land your dream home, so make sure you factor this into your budget.

Making an offer to an estate agent

- When it is time to make your offer, your research into the value of the property, your understanding of the seller's circumstances and being clear about your own position are all invaluable.
- You can make your offer to the agent either over the phone or in person at their offices. Either way, it is worth also putting your offer in writing and agreeing a provisional timescale to work towards for completing the purchase.
- Make sure that the price you are offering is subject to a survey and getting a mortgage, so that after your offer is accepted there is still the opportunity to revise the amount you pay, and also state that it's subject to the property being taken off the market and not being shown to anyone else.

Selling yourself as a prospective buyer.

Before you make an offer

- It is important that you present yourself in the best possible light so the vendor knows you're able to proceed quickly and aren't going to pull out of the purchase.
- Try and get a mortgage agreement in principle before you make your offer, as this will reassure the vendor and the agent that you can afford the property. We will gladly verify your position to a third party on your behalf.
- If you have a home to sell, it is best if you have already accepted an offer on it before making an offer on the property you want to buy. That way, the vendor can be less worried about the chain causing hold-ups.

When you make your offer

- Tell the estate agent that your offer is subject to the house being taken off the market, with no more viewings conducted. Ask them to change the online listing and for sale board to say 'under offer' or 'sold subject to contract'.
- The agent and vendor are not legally obliged to do this, but you should question their reasons if they refuse - it could indicate that the vendor would consider accepting a higher offer from another buyer.

After your offer is accepted

- Speed and preparation are crucial. The longer a sale goes on, the more time you give the vendor to back out.
- Keep chasing things up with your solicitor or conveyancer and the agent, and make sure you read, sign and return forms and paperwork as promptly as possible.
- If you are really worried about gazumping, you can draw up a contract that says both parties will exchange within a particular timeframe. This reduces (but doesn't eradicate) the chance of being gazumped as there will be a smaller window when another offer can be made. Your contract could also stipulate that, if the vendor backs out, they will pay you an agreed amount as compensation.

- Exclusivity agreements are another option: you pay the seller a fee in exchange for sole rights to the house for a set number of weeks. You will need to pay a solicitor to do this for you and it can get complicated. Even worse, there is still a small risk that the seller simply waits until the exclusivity period is up, finds any reason to reject the deal and sells to another buyer later on.

Sealed bids

If more than one person makes an offer on a property, the estate agent will sometimes ask all the interested buyers to submit a bid in a sealed envelope by a set date. This is called a sealed bid.

- This can be daunting but it is not legally binding: either party could potentially back out at any point before contracts are exchanged.
- It's very difficult deciding how much to offer: on the one hand you don't want to pay more than it's worth, but on the other you don't want to lose out.
- You need to be realistic about the property's value, because if you pay over the odds you may struggle to get your money back when you come to sell it. Also, if your mortgage lender decides that it's worth less than you've offered, you may have to stump up the extra cash yourself or pull out altogether.

New-build offers

Getting a mortgage for a new-build home can sometimes be harder than for an older property. You might be restricted to borrowing 85% of the value of a house, or 75% on a flat, while with an older property lenders may be willing to loan a bigger percentage.

Timing can also be an issue. Mortgage offers tend to be valid for six months, which can cause a problem if you're buying a home that hasn't been built yet (see buying off-plan) and the completion date is further in the future. Some lenders will consider extending their offers, but this is often subject to reassessing your application. Please speak to the developer regarding the exchange date prerequisites as it can be as soon as 21 days after making the offer. Our expert Advisers and Admin team will help you through this process.

Pros and cons of buying new-build homes

Advantages of buying new-build homes	Disadvantages of buying new-build homes
Guarantees: new-build homes come with a 10-year NHBC warranty covering structural defects. Most developers also provide their own two-year warranty.	Delays: if there's a hold-up during construction, your mortgage offer could expire.
Specification: new homes are built to the latest specifications, so major repairs should be unnecessary for the first few years. They tend to be more energy-efficient, too, so you could benefit from lower utility bills.	Defects: not all problems will show up in a snagging survey, and some developers have come under fire for poor after-sales service.
Personalisation: if you buy off-plan, you might be able to choose your fixtures and finishes. This is great if you're attracted by the 'blank canvas' element of buying new-build.	Risk: plans and brochures don't always give a clear idea of what the home will actually look like when it's built.
Incentives: the government's Help to Buy equity loan scheme and Starter Homes Initiative are only available on new homes.	Size: the rooms in new-build homes are often smaller than those in older properties, so you will need to make sure your belongings will fit.
Ease of purchase: there's no upward chain to contend with when you buy a new-build home.	Disruption: if you're one of the first to move in, you could find yourself living on a building site while the rest of the work is completed.

Contact Us

For more information about anything relating to your house purchase or move, your mortgage or protection or insurance, please get in touch with your Adviser or

Email: info@swmortgages.com

Call: Bristol office 0117 325 1511, Bath office 01225 584 888 or Exeter office 01392 690 888

Please visit one of our websites

www.bristolmortgagesonline.com

www.bathmortgagesonline.com

www.exetermortgagesonline.com

www.swmortgages.com

Please note that the information provided in this guide is meant as a general guide as we are not authorised nor act in any capacity for any legal, tax, or other service outside the provision for researching mortgages and protection products. We recommend you seek advice from specialist within each field of expertise. The information is correct at the time of production but is subject to change and as such we cannot be held responsible for its content.

Bristol Mortgages Online and Exeter Mortgages Online are appointed representatives of Owen & Associates, which is authorised and regulated by the Financial Conduct Authority.

Bristol & Exeter Mortgages Online are trading names of Worldwide Investment Corporation Limited.

Registered office: Unit 1 Office 1, Tower Lane Business Park, Tower Lane, Warmley, Bristol, BS30 8XT

Registered in England and Wales Registration No: 6090190.

Worldwide Investment Corporation Limited is an appointed representative of Owen & Associates which authorised and regulated by the Financial Conduct Authority.

Bath Mortgages Online is an appointed representative of Owen & Associates, which is authorised and regulated by the Financial Conduct Authority.

Registered office: Unit 1 Office 1, Tower Lane Business Park, Tower Lane, Warmley, Bristol, BS30 8XT

Registered in England and Wales Registration No: 10504703

Not all of the products and services that we offer are regulated by the Financial Conduct Authority.

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