

Buying a new home? Make yourself a checklist!



Buying a new home is an exciting but sometimes stressful process. Whilst you can rely on us to guide you through the mortgage process and help with your finances, you may feel overwhelmed by the choice of properties available and unsure of what you're looking for in your ideal home.

Here are a few ideas that make a good starting point for your home-buying checklist.

Location, location, location!

It's a well-used cliché, but whenever you're on the hunt for a new property its location is one of the most important factors to consider – particularly if you have specific priorities.

For instance, parents of school-age children might want to prioritise a particular school's catchment area. Dog owners might want something less urban, and foodie couples might prioritise a cosy country pub within walking distance. When thinking about what's important to you, consider the following.

Schools

Are there good schools within walking distance?

Transport

What are the transport links like? Are you close enough to public transport routes (but not too close to cause too much noise pollution)? Is the property under a flight path or near a busy road?

Shops and local amenities

Is the property close to shops and sports facilities? What about doctors and dentists – are there surgeries nearby that you could register with?

You should also try and visit the property when it's sunny so you can get comfortable with the orientation. Do you want a south-facing garden to make the most of the sun, or are you happier relaxing in the shade?

Everybody needs good neighbours

When you're looking around a new place, a useful tip is to ask the homeowners what their neighbours are like. You should also keep an eye out for things that could cause potential issues in the future, like overhanging trees or shared access and parking.

The state of the property

Ask yourself whether you're happy with the general state of repair. Are you up for a bit of decorating if it's needed, or does your budget allow you to pay someone to do the work for you?

Think about whether your furniture will fit or if you'll need to budget for a new suite. If it's the latter, will the sellers be leaving any items or appliances in the property?

Make sure you check

- Any recent decoration isn't just papering over the cracks
- Missing roof tiles and leaky gutters
- Signs of damp on the interior walls
- The radiators work and the boiler has been serviced recently
- If there's double glazing, are there any manufacturer guarantees available?

Talk to us about your next move

We all have different requirements when buying a home, so make sure you pull together a checklist of what's important to you. And when it comes to arranging the finances to buy your ideal home, talk to us.

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

For this service a fee of £145 in relation to a property purchase and/or £95 in relation to property re-mortgages payable on application.

The most valuable gift you can buy?



Life and Protection Insurance policies (sometimes known as 'Family Protection') offer a financial safety net for you and your loved ones, should the worst happen.

They can provide a regular income or cash payout to ease the financial burden of:

- death
- serious injury or illness
- unemployment (as an additional cover with certain policies)

Which policy is right for you?

Life Insurance can provide financial security to those who depend on your income when you die. It could pay off your mortgage, or provide an income to help cover things like regular household bills.

The most appropriate type of **Life Insurance** will depend on your circumstances

- **Term Insurance** pays out a lump sum if you die within the agreed 'term' (the amount of time you have chosen to be covered for, eg. 20 years).
- **Whole of Life Insurance** pays out a lump sum when you die, whenever that is, as long as you are still paying the premiums.

- **Family Income Benefit Insurance** pays out a regular income, instead of a lump sum, to provide ongoing financial support for those who depend on you.

Critical Illness Insurance pays out a tax-free lump sum on the diagnosis of certain life-threatening or debilitating conditions, like cancer, heart attack or stroke.

You may decide to buy Critical Illness Insurance when taking on a major commitment, like a mortgage or starting a family, but it can be bought at any time to provide peace of mind.

Income Protection Insurance pays out a regular, tax-free income if you become unable to work because of illness, injury or unemployment. It could help you keep up with your mortgage or rent payments, as well as other living costs, until you're able to return to work.

Things change – and so should your cover

You may already have one or more of the above in place, but it's still worth reviewing your current cover levels. Personal circumstances can change regularly so it's important to ensure your level of cover remains appropriate.

Contact us today for a Life and Protection Insurance review.

Are you prepared for a rate rise?



The Bank of England Base Rate remains at 0.5% – its lowest level since the Bank was established in 1694.¹

With commentators adjusting their predictions of a Bank of England Base Rate rise on an almost monthly basis, you may feel unable to make a confident decision about your mortgage. But there are measures you can take to prepare for an interest rate increase.

Take control of your finances

The first step is the most important: consider how an increase could affect you. You may be in a fortunate position, where even an increase of several per cent would not impact your standard of living. However, this is unlikely to be the case for most people.

Research from the Money Advice Service suggests more than half of UK homeowners are not prepared for a rise.²

The research also reveals that three out of four homeowners haven't considered how a 3% interest rate increase would affect their mortgage repayments. This is despite the Bank of England Governor Mark Carney estimating interest rates will rise by 2–3% over the next three years.

Review your mortgage

If you think an increase in your mortgage repayments could have a negative impact on your financial wellbeing, you should consider reviewing your mortgage arrangements. We can help you choose a deal that's right for your needs.

If you want to protect yourself against future interest rate rises, you may want to consider a fixed-rate mortgage. This means your payments are set at a certain level for an agreed period, regardless of whether your lender changes its Standard Variable Rate (SVR). Such an increase typically occurs when the Bank of England Base Rate starts to climb.

A fixed-rate mortgage makes budgeting easier because your payments will stay the same, although it also means you won't benefit if the SVR then goes back down.

Check your bank statement

You may find it useful to take a closer look at your overall finances, and consider if and where you can make savings to prepare for higher repayments, should they materialise.

Looking at your bank statement in detail can help you decide if you need to make cutbacks on your spending. You may be able to easily identify areas where you could make significant monthly savings.

Don't leave it too late

Don't be tempted to wait until rates start increasing. Considering your options now. Acting decisively could pay dividends in the future – even if rates remain static.

If you want help assessing the mortgage deals available to you, please get in touch.

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¹ Bank of England Base rate of 0.5% correct on 30 November 2014

² The Money Advice Service: More than half of UK homeowners not prepared for interest rate rises: 8 October 2014 <https://www.moneyadviceservice.org.uk/en/news/morethanhalfofukhomeownersnotpreparedforinterestrates>

Home insurance top tips

General Insurance is an important part of any financial plan, and you should make sure you review your cover regularly. We've come up with three tips to help knock your insurance into shape.

1 Get on top of things

Make sure you know where your money is going. Many people don't keep track of their direct debits and if you're one of them, you could be paying for insurance policies that you no longer need.

Dig out those certificates of cover and policy documents, and check your cover levels so you know exactly what you're paying for.

2 Ask us to review your cover

We could help you reduce your outgoings, identify instances where your protection could be improved or uncover gaps in your insurance.

We can also help you understand what you're covered for – and what you aren't. While buying home insurance may feel like an expensive chore, it's critical to ensure it meets your needs and expectations. If you don't fully understand your policy excesses (the contribution you are required to pay towards a claim) and policy exclusions (such as accidental damage), your insurance could end up letting you down when you need it most.

Alternatively you may not even realise you actually require specialist insurance. If your home is classed as a 'non-standard construction', or you have high-value contents in the home, it may be appropriate to call in a specialist insurance provider that can meet your needs.

3 Have a backup plan

As part of this process, take the opportunity to review your other insurance arrangements, including your family and income protection.

Research from insurer Legal & General¹ suggests that if you were to lose your regular income, you would – on average – have less than four weeks until your money ran out. Respondents to the same Legal & General survey believed they could last an average of 77 days without an income – almost three times longer than the reality of 29 days.

It can be easy to question the value of insurance – until the day you need it most.

If you've ever been unfortunate enough to make an insurance claim, you'll know just how valuable it can be.

We can help you understand how the right insurance can help protect you, your home and those you care about most.



If you'd like help reviewing your insurance needs, please get in touch.

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