

THE MORTGAGE & PROPERTY MAGAZINE

ISSUE 17 - WINTER 2025

2025 PROPERTY MARKET PREDICTIONS

A valuable insight into the UK's home-selling and mortgage markets

IS NOW THE RIGHT TIME TO REMORTGAGE?

Why many homeowners will be re-evaluating their mortgage options

UPCOMING STAMP DUTY CHANGES SET TO IMPACT BUYERS

Planning to buy your first home or move up the property ladder?

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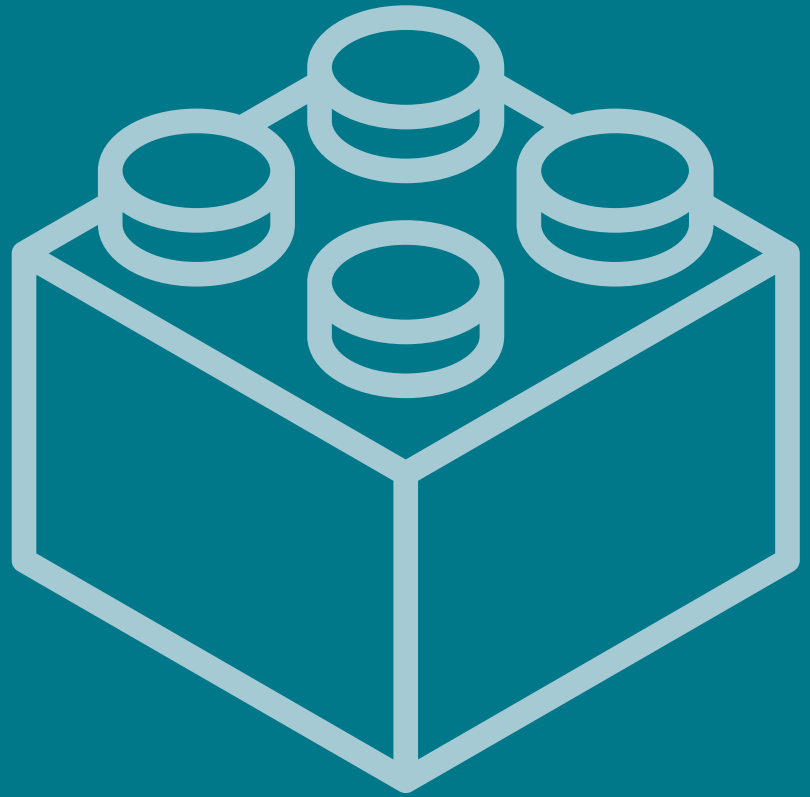
Protecting your investment, safeguarding your family, and preserving your peace of mind

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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

WELCOME TO the Winter 2025 quarterly issue of *The Mortgage & Property Magazine* from HFMC Wealth.

This year's key market trends and analysis offer valuable insights into the UK's home-selling and mortgage markets. Rightmove's forecast for 2025 highlights a dynamic picture shaped by affordability, competitive pricing, and increased market activity. With an estimated 1.15 million property transactions predicted for 2025, buyers are poised to benefit from an increasingly favourable market. Read the full article on page 77.

One of the first steps when buying a home is determining exactly how much you can afford to borrow for a mortgage. Many buyers aim to purchase the biggest house they can afford without compromising their ability to meet monthly expenses. On page 30, we look at how finding the right balance requires careful consideration of several factors.

With UK mortgage rates stabilising and forecasts suggesting potential reductions, many homeowners will be re-evaluating their mortgage options. Could this be the moment to act and remortgage? On page 13, we consider why, for some, remortgaging could lead to substantial savings, potentially amounting to thousands of pounds annually.

Significant changes to stamp duty will take effect in April 2025, potentially raising bills for first-time buyers and home movers. First-time buyers will be most affected, with their costs potentially rising by thousands of pounds. On page 66, we explain why some commentators are especially urging first-time buyers to get their property purchase completed before the end of March 2025 to avoid these substantial new charges.

A complete list of the articles appears on pages 03 to 05.

ARE YOU READY TO FIND THE RIGHT MORTGAGE OR INSURANCE DEAL?

Whether you are buying your first home, planning a move, refinancing, growing your property portfolio, or need insurance, our team of experts are here to help. We'll guide you through every step, providing tailored advice to meet your needs. Contact us today and start a conversation. We look forward to hearing from you! ♦

Eli Kosiner, Head of Mortgages

THE MORTGAGE & PROPERTY MAGAZINE

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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.



PORTING A MORTGAGE

Transferring the terms of your existing mortgage to a new property



MOVING HOME IS an exciting prospect, but it brings an array of financial decisions. One of the most critical is what to do with your existing mortgage. You have two main options: take your current mortgage with you or apply for a new one. Transferring your current mortgage to a new property is known as porting. While straightforward, several factors should be considered before taking this route.

When you port your mortgage, you retain the same interest rate and features, which technically counts as a new mortgage. This means you will need to submit a fresh mortgage application and meet your lender's current requirements. Not all mortgages are portable, so don't assume it will be guaranteed.

UNDERSTANDING HOW PORTING WORKS

Porting means transferring the terms of your existing mortgage to a new property. However, it's important to recognise that the rate and mortgage deal are portable, not the original loan itself. To complete the process, you'll need to reapply for the mortgage. This involves asking your lender to lend you the money required for your new property.

Your financial situation plays a key role in whether your application will be approved or not. Changes in circumstances, such as becoming self-employed, could affect a lender's decision to allow you to port. Lenders will also scrutinise your income and household finances to ensure you meet their latest lending criteria.

PROPERTY SUITABILITY AND LENDING CRITERIA

Another factor to consider is whether the property you intend to buy meets your

lender's requirements. Some lenders hesitate to approve loans on certain types of properties, such as those with non-standard construction. They will also conduct a valuation of your new property to ensure it holds adequate security for the loan.

It's important to note that a mortgage valuation survey is not the same as a full property survey. The valuation is for the lender's benefit, not yours, so you might still need a professional survey to check the condition of the new home.

BORROWING MORE OR LESS WHEN PORTING

If you're upgrading to a more expensive property, you may need to borrow additional funds. Unfortunately, this extra borrowing won't simply be added to your existing loan. Lenders usually require a separate application for the additional amount, often at a different interest rate. This effectively means you'll end up with two loans under different terms.

On the other hand, if you're downsizing and require a smaller mortgage, you may face early repayment charges on the part of the loan you're not transferring. These charges could offset any financial benefit of moving to a cheaper home, so it's wise to weigh up your options carefully.

LIMITATIONS OF PORTING A MORTGAGE

Porting a mortgage can tie you to one lender, leaving you unable to shop around for potentially better deals. If you opt for additional borrowing, you may also face extra fees, such as arrangement costs for the second mortgage. Even if your new property is cheaper, lenders will reassess affordability and may not allow you to exceed certain loan-to-value ratios.



Another challenge arises if the sale of your current home and the purchase of your new one don't happen simultaneously. Many lenders offer a grace period – often up to 30 days – to allow for minor delays. However, if the delay extends beyond this, you may be unable to port your existing deal.

WHAT IF YOU CAN'T PORT YOUR MORTGAGE?

If your lender declines your application to port your mortgage, there are other options to explore. Start by speaking with your lender to understand their reasoning. If you feel they haven't treated you fairly, you can contact the Financial Conduct Authority or the Financial Ombudsman Service for further advice.

You might also consider remortgaging with a new lender. Before doing this, though, calculate the costs involved, including early repayment charges, exit fees, and any fees for arranging the new mortgage. Sometimes, the expenses of remortgaging may outweigh the benefits, in which case staying put until your current mortgage deal ends may be the most practical option.

PREPARING TO PORT YOUR MORTGAGE

Just as with a new mortgage, a successful porting application relies on your financial profile. Your lender will conduct a credit check, so ensure your credit report is accurate and free of errors. Taking steps to improve your credit score can also work in your favour during the application process.

If porting is approved, the time it takes to complete the transfer typically ranges from 1-3 months. During this time, you'll need to carefully plan the sale and purchase to avoid complications and ensure the process moves as seamlessly as possible.

WEIGHING UP COSTS AND ALTERNATIVES

Before deciding to port, consider all potential costs, such as early repayment charges and additional fees related to new borrowing. Compare your lender's deal with other mortgage products on the market. Could you find a better deal by starting afresh with a new lender? Are you confident you still meet your current lender's affordability criteria? These are critical questions to answer before proceeding.

Even if you're eligible to port, switching to a new deal with a better interest rate might save you money in the long run. However, proceed with caution – early repayment charges could cancel out any potential savings. Choosing whether to port your mortgage is a decision that requires careful thought. It's not always black and white, as the best option often depends on your financial circumstances and property goals. ♦

>> NEED HELP ASSAYING THE RIGHT MORTGAGE OPTION FOR YOU? <<

If you're considering porting your mortgage or exploring alternatives that may work better for you, don't worry – you don't have to figure this out on your own. We can help assess your options, compare deals across the market, and provide personalised advice tailored to your needs. Speak to the team at **HFMC Wealth** – telephone **020 740 4700** – email mortgages@hfmwealth.com.

Is now the right time to remortgage?

Why many homeowners will be re-evaluating their mortgage options



WITH UK MORTGAGE rates stabilising and forecasts suggesting potential reductions, many homeowners will be re-evaluating their mortgage options. Could this be the moment to act and remortgage? For some, remortgaging could lead to substantial savings, potentially amounting to thousands of pounds annually.

If your current mortgage deal is set to expire within the next six months, now is the time to consider starting the remortgage process. Acting early means you could lock in a favourable rate now while maintaining the flexibility to pivot to a more competitive deal should mortgage rates improve further before you make your choice.

REVIEW YOUR OPTIONS IF YOU'RE ON AN SVR

The situation may feel more urgent for those currently on a lender's standard variable rate (SVR). SVR rates are typically

“If you're currently enjoying a cheap fixed-rate mortgage that runs until 2025, you may be bracing for increased costs.”

much higher than the competitive remortgage deals available on the market. By not acting, you may be losing out on significant financial savings each month.

But saving money isn't the only reason to consider remortgaging. Many homeowners remortgage to access additional funds, which can be used for home improvements or consolidating high-interest debt. The flexibility to adapt your finances to suit your needs is one of the key advantages of remortgaging today.

PLANNING FOR 2025 AND BEYOND

If you're currently enjoying a cheap fixed-rate mortgage that runs until 2025, you may be bracing for increased costs. Even the most competitive mortgage rates in the current climate are higher than the deals many homeowners have secured in recent years. However, remortgaging remains a potential money-saver. Staying on your lender's SVR after your fixed rate ends could cost far more than opting to remortgage for a new fixed term.

Remortgaging can also give you certainty over your monthly outgoings if you fix your rate. This stability ensures your repayment amount won't change during your fixed term, making budgeting easier. That said, fixing your mortgage means you won't benefit from falling rates if the Bank of England cuts the base rate further.

CHOOSING BETWEEN 2, 5, OR 10-YEAR FIXED TERM DEALS

Deciding the length of your fixed-term deal can be tricky. A 2-year deal might seem appealing if you expect mortgage rates to improve in the near future, allowing you to remortgage onto a cheaper rate when the term ends. However, shorter fixed terms often come with higher rates compared to 5-year fixed mortgages.

For those seeking long-term stability, a 5-year fixed term can offer peace of mind and protection against potential rate increases. Alternatively, a 10-year fixed term may suit homeowners who value consistency and wish to avoid repeated arrangement fees over the coming years. The additional benefit of such an



extended fixed term is protection against tighter lending criteria that could make remortgaging harder in the future.

TRADE-OFFS OF LONG-TERM FIXES

While a 10-year or longer fixed mortgage offers predictability, it's not without its risks. Opting for a long-term fix could mean you miss out on better deals if rates drop significantly during your term. Additionally, consider how it could limit your flexibility if you wish to move home. Some mortgage deals are portable, allowing you to transfer them to a new property without penalty, but this isn't guaranteed.

Before committing, think carefully about your long-term plans and how they align with the terms of your mortgage. This will help ensure your decision remains advantageous for the years to come.

COMPARING TRACKER AND VARIABLE RATE MORTGAGES

While fixed-rate mortgages are favoured

for their predictability, tracker and variable rate mortgages offer an alternative worth exploring. A tracker mortgage adjusts in line with the Bank of England base rate—so if interest rates fall, your monthly repayments will decrease accordingly.

On the other hand, discounted variable rate mortgages follow the lender's SVR but apply a discounted rate for an agreed period. Beware, though—your payments are still subject to fluctuations as the lender amends their SVR. The advantage of certain variable rate deals is the lack of early repayment charges, giving you the freedom to switch to another deal later with minimal financial impact.

TAKING THE NEXT STEP

Navigating the mortgage market can feel complex, particularly when rates are in flux and your financial needs evolve. Whether you're motivated by potential savings, the prospect of financial flexibility, or the security of fixing your repayments,

remortgaging can be an opportunity to reassess your financial priorities. ♦

>> DO YOU REQUIRE EXPERT ADVICE ON A MORTGAGE TAILORED TO YOUR CIRCUMSTANCES? <<

If you're considering remortgaging and require expert advice tailored to your circumstances, don't hesitate to contact our team. We are here to help you explore the right deals on the market and provide guidance every step of the way. Contact us today to get started. Speak to **HFMC Wealth** – telephone **020 740 4700** – email mortgages@hfmwealth.com.

How to lower mortgage payments and manage costs effectively

Discover if there's likely a solution that could ease your financial burden



WITH MORTGAGE RATES currently at higher levels than in recent years, many homeowners face challenges in managing their monthly payments. The uncertainty regarding when mortgage rates might decrease only adds to the pressure. Evaluating your current mortgage situation and exploring ways to reduce your monthly payments has never been more important.

Below, we'll outline some ways to help you lower your mortgage payments. Whether you're looking to refinance, adjust your payment structure, or trim related expenses, there's likely a solution that could ease your financial burden.

REVIEW YOUR CURRENT MORTGAGE RATE

One of the most common and costly mistakes mortgage borrowers make is staying on their lender's standard variable rate (SVR) after their initial deal expires. Whether you previously had a fixed or tracker introductory rate, allowing it to roll over to the SVR can lead to unnecessarily high payments. This is because lenders use the high interest charged on SVRs to offset the cost of offering attractive introductory mortgage deals.

If you're currently on your lender's SVR, one of the simplest ways to cut your mortgage payments is to refinance to a better deal. However, keep in mind that the rates and deals you can access will be influenced by your specific circumstances,



which is why consulting a professional mortgage broker may be a wise move.

CONSIDER AN INTEREST-ONLY MORTGAGE

For homeowners who don't have consistent monthly income but expect to receive a significant lump sum in the future, switching to an interest-only mortgage could be an option to explore. With this type of mortgage, borrowers only pay the interest portion each month, significantly reducing their payments in the short term. However, there are pitfalls to this method.

Interest-only mortgages aren't as widely available as they once were, and lenders impose stringent criteria, including high-income requirements and considerable home equity. Additionally, these mortgages still require repayment of the principal at

“It’s always worth checking to see if there are cheaper mortgage products available.”

the end of the term, so you'll need a well-defined plan to ensure you can pay off the balance. Without such a plan, you could be forced to sell your home to cover the debt.

EXTEND YOUR MORTGAGE TERM

Another way to reduce your monthly outgoings is by extending the term of your mortgage. By spreading your repayment period over more years, the monthly amount you owe decreases. This is a simple and effective way to make payments more manageable, particularly if short-term affordability is your primary concern.

The downside, however, is that an extended term means you'll pay more in total interest over the life of your mortgage. Before committing to this option, carefully consider the long-term financial impact.

SHOP AROUND FOR A BETTER DEAL

It's always worth checking to see if there are cheaper mortgage products available. Mortgage rates and deals vary widely between providers, so switching to a different lender could potentially save you thousands over the course of your loan.

Similarly, you might be able to cut costs further by reassessing your mortgage protection insurance, along with your buildings and contents insurance. Switching to more competitive policies could free up extra cash while maintaining peace of mind.

OVERPAY WHEN YOU CAN

If your financial situation allows, making overpayments on your mortgage is an impactful way to save money in the long term. Reducing the principal accelerates your path to being mortgage-free while

cutting the amount of interest you'll pay overall.

Bear in mind, however, that many lenders impose limits on how much you can overpay each year without incurring penalties, so it's crucial to check the terms of your mortgage agreement. Also, ensure any spare funds aren't better used to address expensive debts or to build an emergency savings fund.

EXPLORE OFFSET MORTGAGES

Offset mortgages are an attractive option for those with savings they wish to retain access to. These link a savings account to your mortgage, and the balance reduces the interest charged on the loan.

This allows your savings to work harder without locking the funds into your property. However, offset mortgages aren't

as widely available and often have slightly higher interest rates than traditional deals, so they may not work for everyone.

IMPROVE YOUR LOAN-TO-VALUE RATIO

Your loan-to-value (LTV) ratio – the percentage of your property's value that you've borrowed – plays a pivotal role in determining the mortgage rates available to you. Lower LTV ratios are viewed as lower risk, often resulting in lenders offering better deals.

If you're close to a new LTV threshold, like 80% or 85%, making small overpayments to reduce your principal could unlock cheaper options when you come to remortgage.

KEEP YOUR CREDIT SCORE HEALTHY

When assessing your mortgage application, lenders place significant importance on your credit score. A higher credit score enhances your chances of being approved for the most competitive products, which could save you substantial sums in interest payments over the life of your mortgage.

Maintaining a strong credit score means paying bills on time, reducing existing debt, and limiting new credit applications. Regularly checking your credit report can also help you spot any inaccuracies that might be lowering your score. ♦



“Offset mortgages are an attractive option for those with savings they wish to retain access to. These link a savings account to your mortgage, and the balance reduces the interest charged on the loan.”

>> TIME TO TAKE CHARGE OF YOUR MORTGAGE? <<

Lowering your mortgage payments requires effort, planning, and a willingness to explore your options. Don't hesitate to contact our team for tailored advice or further information. Their expertise could help you identify the most suitable solutions for your circumstances and guide you towards long-term financial stability. Contact **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.



What potential 2025 interest rate cuts could mean for your mortgage

BOE Governor suggests the UK could be in for four quarter-point interest rate cuts this year

WILL INTEREST RATES drop in 2025, bringing some intriguing possibilities? Bank of England Governor Andrew Bailey commented during an interview with The Financial Times on December 4. He suggested the UK could be in for four quarter-point interest rate cuts this year. If this happens, the current base rate of 4.75% (18 December 2024) could drop to 3.75%.

However, economic predictions aren't set in stone. While these rate cuts are hopeful, their likelihood depends on various factors. Inflation, a major driver in the Bank's decisions, could alter the path forward. Unforeseen events might also sway decision-making. And even if rates do fall as expected, the ripple effects on your mortgage could vary greatly depending on what type of deal you're locked into.

INTEREST RATES IMPACT ON YOUR MORTGAGE

The Bank of England's base rate acts as a financial compass, especially for homeowners. It's the benchmark for borrowing costs across the country. When the base rate falls, mortgage rates generally follow—but not always evenly across all mortgage types.

HERE'S HOW DIFFERENT TYPES OF MORTGAGES MIGHT RESPOND TO A 2025 RATE CUT

NEW MORTGAGES

If you plan to take out a mortgage for a new home or consider remortgaging in 2025, falling interest rates could make your options more favourable. Lower rates might reduce the overall cost of borrowing. However, there's no guarantee that banks and lenders will pass on the full rate cut to borrowers.

TRACKER MORTGAGES

For homeowners currently on tracker

mortgage deals, a drop in the base rate would translate directly to lower monthly payments. Tracker rates are tied to the Bank of England's base rate, so when this benchmark dips, your mortgage rate will immediately reflect the reduction.

DISCOUNTED VARIABLE RATE MORTGAGES

With a discounted variable rate mortgage, you pay a rate slightly lower than your lender's Standard Variable Rate (SVR). While a base rate cut could lead to cheaper rates on these deals, lenders are not required to pass on the full rate reduction—or any reduction at all.

STANDARD VARIABLE RATES

If you're on a lender's Standard Variable Rate, your payments might decrease in response to interest rate cuts—but as with discounted variable rates, the size of the reduction (if any) lies at your lender's discretion. SVRs are some of the most expensive mortgage options, so if you're on one, now's a good time to review your mortgage deal anyway. With better options potentially opening up in 2025, you could stand to save by remortgaging.

OPPORTUNITIES FOR SAVINGS AS MONTHLY PAYMENTS SHRINK

Falling interest rates can bring opportunities for savings as monthly payments shrink for certain kinds of mortgages. It might be a golden chance for new borrowers or those looking to switch deals to lock in lower rates. However, it's crucial to remember that benefits aren't guaranteed. Lenders won't always pass on reductions uniformly, so some mortgage types stand to gain more than others.

Additionally, while lower rates may sound highly appealing, they can signal an economy facing challenges—such as low growth or other persistent issues.

MANAGING YOUR MORTGAGE IN 2025

If you're on a high-interest Standard Variable Rate, start comparing mortgage products now. Even before rates fall, locking into a good fixed-rate deal could offer peace of mind.

Don't assume your current lender will provide the best options. We can review offers from various lenders.

If you think you'll be remortgaging, prepare the paperwork, review your credit score, and monitor the market. Doing everything early can help you snag the best rates.

While no one can predict the future with certainty, preparing for potential rate cuts in advance can help you make the most of what 2025 may bring. Whether you're tightening your budget or exploring new borrowing options, understanding how interest rates interact with your mortgage is key to staying ahead of the curve. Stay informed, stay prepared, and you'll be better equipped to make smart financial moves. ♦

>> ARE YOUR HOMEOWNERSHIP DREAMS WITHIN REACH? <<

Whether you're exploring your options, need expert advice, or want guidance every step of the way, our team is ready to provide personalised support tailored to your unique situation. Don't wait—contact us today, and let's take the next step together on your path to owning a home! Contact **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.

MANAGING YOUR MORTGAGE DURING HARD FINANCIAL TIMES

Taking control now could make all the difference during this period of rising living costs



IF YOUR MONTHLY mortgage repayments are becoming a struggle during this period of rising living costs, there may be steps you can take to ease the burden. One potential option is applying for a mortgage payment holiday.

A mortgage payment holiday also called a payment holiday, is an arrangement between you and your lender that temporarily allows you to pause or reduce your mortgage repayments. Depending on your lender, you may be eligible for a break of up to six months, subject to meeting specific criteria.

UNDERSTANDING THE IMPACTS OF A MORTGAGE HOLIDAY

It's important to note that while a mortgage holiday may provide short-term relief, it won't save you money in the long term. Interest will continue to accrue on your outstanding mortgage balance during the payment break, which could increase your overall debt. However, for many, this measure can offer vital breathing room when faced with financial difficulties.

Another advantage is that an officially arranged mortgage holiday will not be recorded as a missed payment on your credit file. This means your credit report won't show a negative impact from the payment break. That said, it must be a formal agreement with your lender; stopping payments without their approval could severely damage your credit score and affect your ability to borrow in the future.

CONSIDERING LONG-TERM IMPLICATIONS

Although a payment holiday will not directly harm your credit score, lenders may still consider it in their decision-making process for future loans. For instance, gaps in payment history might suggest to some lenders that you experienced financial struggles, even if the holiday itself isn't flagged on your credit file.

It's also worth noting that restarting your repayments after the holiday will often result in higher monthly payments as the deferred amount, along with accrued interest, will need to be repaid.

DO YOU MEET THE CRITERIA?

Eligibility for a mortgage holiday will depend on the terms and conditions of your specific mortgage deal. Lenders may consider several common factors when assessing your application, including your financial circumstances and payment history.

For some, having a history of overpayments might work to their advantage. If you've previously paid more than your agreed monthly repayments, you may have built up enough of a payment buffer to cover a short repayment break. Similarly, most lenders require that you've made payments on your mortgage for at least 12 months before granting a holiday.

EXPLORING ALTERNATIVES IF YOU DON'T QUALIFY

You won't typically qualify for a mortgage holiday if you're behind on your mortgage repayments. However, that shouldn't deter



you from contacting your lender. They may offer other solutions, such as temporarily reducing your repayments or agreeing to an interest-only payment arrangement.

Your lender may also consider extending the duration of your loan, which could reduce your monthly payments. It's vital to approach your lender if you're faced with difficulties, as they are often able to offer tailored options that work for your specific situation.

PRACTICAL STEPS TO TAKE

When contacting your lender about a mortgage holiday, make sure you have all the relevant information to hand, including your mortgage number, monthly income, household expenses, and details of any debts you currently owe. These details will help you present a clear picture of your financial situation.

Before the end of your holiday, your lender will usually notify you of when payments will resume and what your new monthly amount will be. If you're likely to struggle to meet these payments, contact your lender before the holiday ends to explore additional support options.

WEIGHING UP THE COSTS

It's important to remember that a mortgage holiday isn't a cost-free option. Although you may pause your repayments, interest continues to build up on the outstanding balance. This means you will still owe the same principal amount to the lender, with the added cost of accrued interest. Over time, the total cost of your mortgage could increase, making it vital to assess whether this option is truly right for you.

Consider partially paying your mortgage during the holiday to minimise the impact on your debt. Many lenders are open to such arrangements if you communicate your needs clearly.

EXPLORING OTHER OPTIONS

If a mortgage holiday doesn't suit your circumstances, you may wish to explore alternatives. Remortgaging is one such option, allowing many homeowners to secure a lower interest rate or switch to a deal with better terms. This could, if applicable, help significantly reduce monthly repayments.

Another option is switching to an interest-only mortgage, which would lower the monthly repayment amount. Additionally, extending your mortgage term or temporarily reducing payments may be options worth discussing with your lender.

Don't wait to act if you're struggling to meet your monthly mortgage repayments. Speak to your lender as soon as possible to explore the available support. Remember to weigh up all options, considering both the short- and long-term implications. ♦

“It's important to note that while a mortgage holiday may provide short-term relief, it won't save you money in the long term.”

>> TIME TO ACT NOW AND TAKE CONTROL? <<

Taking control of your mortgage now could make all the difference in navigating through challenging times. For personalised advice or further guidance on your mortgage options, speak to **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.

YOUR COMPLETE GUIDE TO GETTING A MORTGAGE

Understanding the steps involved can significantly ease
the path to securing your dream home



NAVIGATING THE MORTGAGE application process can seem daunting, whether you're a first-time buyer or returning to the housing market after years away. Understanding the steps involved can significantly ease the path to securing your dream home. Preparation is key, from knowing what lenders look for to how you can increase your chances of success and avoid unnecessary delays.

HOW MUCH DEPOSIT DO YOU NEED?

When working out how much deposit you'll need, it's worth noting that most lenders require a minimum of 5%. However, the larger your deposit, the cheaper your mortgage rate will likely be. This makes exploring how you can save and maximise your deposit in the run-up to applying for a mortgage worthwhile. A gifted deposit can be helpful if you're fortunate enough to have a supportive family willing to assist.

Another resource to consider if you're aged 18-39 and buying a home for the first time is the Lifetime ISA (LISA). With a LISA, you can save up to £4,000 each tax year, and the government will top up your savings with a 25% bonus – up to £1,000 annually. Alternatively, schemes like shared ownership can make homeownership accessible with a smaller deposit. Guarantor mortgages are another viable solution, allowing loved ones to help by putting up security rather than offering money outright.

PREPARING FOR YOUR MORTGAGE APPLICATION

The six months before applying for your mortgage are crucial. Use this time to get 'mortgage ready' by addressing key areas of your financial health. Start by checking your credit rating. If there are any errors on your report, ensure they are corrected quickly, as they could raise issues with lenders.

Additionally, ensure you're registered to vote. Being on the electoral roll is vital; lenders use this information to verify your identity and prevent fraud. If you're not eligible to vote, you can include a notice of correction with proof of address to avoid difficulties. Keeping your bills up to date is

also essential—set up Direct Debits wherever possible to avoid missed payments, which could impact your credit score.

BOOSTING YOUR FINANCIAL PROFILE

Steering clear of overdrafts in the months before your application is another important step, as some lenders view recent overdraft use as a red flag. Similarly, avoid applying for new lines of credit in this period, as frequent credit searches can raise concerns with lenders.

Reducing your spending will also work in your favour. Lenders will scrutinise your outgoing expenses through your bank statements, so demonstrating a disciplined approach to your finances can increase your chances of approval. Cutting back not only boosts your credibility with lenders but can provide you with additional financial breathing room during the property-buying process.

HOW LENDERS ASSESS YOUR APPLICATION

Lenders will carefully examine your household income, regular expenditures, and any outstanding debts when deciding how much they are willing to lend you. They need to ensure you can comfortably afford the monthly payments on your mortgage. Your credit history is equally important. Lenders will analyse your credit report to gain a clear picture of your financial habits and reliability.

It's also worth thinking ahead about the required documentation.

Compile essential documents early, such as identification (passport or driving licence), your last three months' payslips, and your most recent P60. If you're self-employed, you'll need statements covering two to three years of accounts. Lenders will likely also request your current account bank statements from the last three to six months and details of your regular expenses, including loans, childcare costs, and general living expenses.

SECURING A MORTGAGE IN PRINCIPLE

One step many prospective home buyers overlook is obtaining a mortgage in principle

(also called an agreement in principle or decision in principle). This is essentially a statement from a lender stating how much they could lend you based on your income and outgoings. While not a guarantee of a mortgage, it shows you're serious and prepared when bidding on a property.

It's wise to get a mortgage in principle as early as possible, even before you start house-hunting. Once you've found your desired property and your offer has been accepted, you can move on to the formal mortgage application process, which involves a full credit check and property valuation.

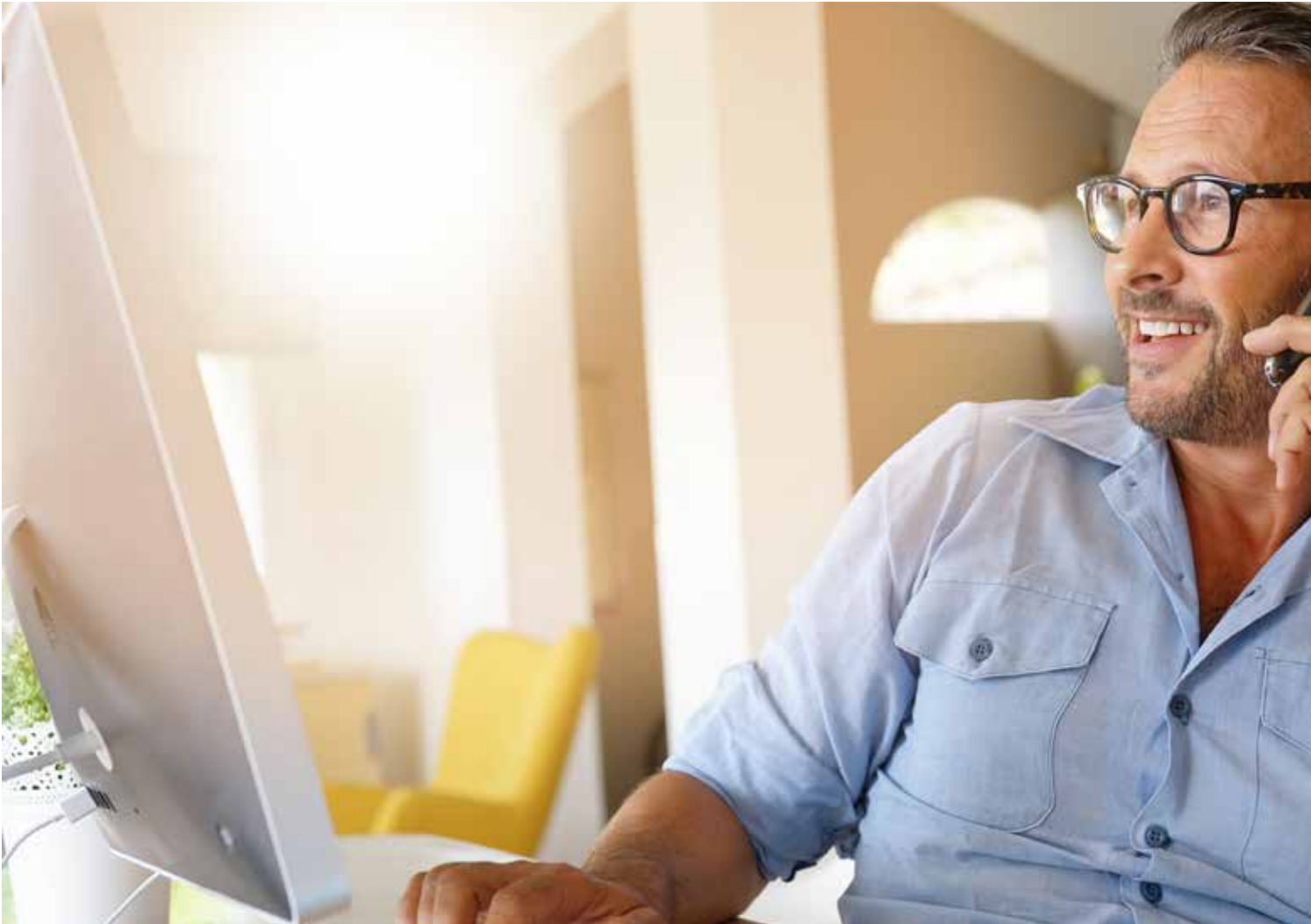
MOVING FROM APPLICATION TO COMPLETION

After submitting your formal application, lenders will assess all the provided information, conduct additional checks, and, if satisfied, issue a formal mortgage offer. Once your solicitor informs them of your completion date, the lender will transfer the agreed loan amount to fund your purchase.

At this stage, it's essential to remain responsive and proactive, ensuring there are no unnecessary delays. With all the moving parts coming together, you'll soon be ready to take ownership of your new home. ♦

>> NEED MORE GUIDANCE ON GETTING MORTGAGE READY? <<

The mortgage process doesn't have to be overwhelming. By preparing thoroughly and seeking professional advice, you can make informed decisions throughout your home-buying journey. For expert-tailored support or further information, we're here to help make your dream of homeownership a reality! Contact **HFCM Wealth** – telephone **020 740 4700** – email mortgages@hfcwealth.com.



NAVIGATING MORTGAGES OVER THE AGE OF 50

Preparation is key to improving your chances of success



“If you’re aged 50 or older and are looking to secure a mortgage or remortgage into your retirement years, be prepared for potential hurdles.”

AGE MIGHT BE a number, as the old saying goes, but when it comes to securing a mortgage, it can play a critical role. If you’re aged 50 or older and are looking to secure a mortgage or remortgage into your retirement years, be prepared for potential hurdles. Many lenders impose strict age limits that could make it harder for you to secure the loan you need.

Upper age restrictions are a common feature of mortgage agreements. These limits often prevent new applicants over the age of 65 to 70 from taking out a loan, while repayment cut-offs usually fall between 70 and 85. Lending institutions such as banks and building societies are typically cautious about approving loans that extend beyond standard retirement ages, as they anticipate a drop in income during this phase of life.

WHY LENDERS ARE EXTRA CAUTIOUS

Even though many people plan to continue working well into their retirement years or have alternative sources of income through savings or investments, lenders often hesitate. For instance, if you’re 50 and planning to retire at 60, your options might be limited. Even if you secure a mortgage, lenders may require you to pay it off by 70, leading to a shorter mortgage term.

A reduced term often translates into steeper monthly repayments, which can place more pressure on your finances as you enter retirement. This can be particularly challenging if you’re on the verge of a fixed or potentially lower post-retirement income.

EXPLORING NICHE LENDERS

While mainstream banks may present challenges, smaller banks and building societies often adopt a more flexible approach. Many of these lenders are willing to consider applications from borrowers over the age of 75, assessing them on a case-by-case basis. This personalised approach can open up opportunities that may otherwise seem out of reach.

Another alternative option for older borrowers is a retirement interest-only mortgage. Specifically designed for those who struggle to meet the typical age-related criteria of conventional loans, this type of financing may prove a practical alternative.

IMPORTANCE OF FORWARD PLANNING

If you’re over 50 and considering a mortgage, preparation is key to improving your chances of success. Start by developing a clear repayment plan. Understanding your budget, monthly outgoings, and how you’ll manage payments is essential. This demonstrates to lenders that you’re financially prepared and capable of handling the commitment.

Your credit score also plays a pivotal role. By checking your credit report and making efforts to improve your score in advance of your application, you’ll position yourself as a more attractive candidate to lenders.

PROVING YOUR INCOME AND FINANCIAL STABILITY

Lenders will need assurance that you have



the income to cover payments, even after you retire. Be prepared to provide bank statements, pension payment records, or proof of any income you'll receive. Your regular expenditure will also be scrutinised to calculate how much you can afford to borrow.

If retirement is on the horizon, lenders may request income forecasts to verify financial stability. Those further away from retirement may only need to demonstrate that they are actively contributing to a pension scheme. It's also vital to gather records of all past pension schemes from previous employers to ensure no potential income sources are overlooked.

MOVING HOME? PREPARE TO REAPPLY

If you're planning to move house and port your existing mortgage, you'll likely need to go through the application process again. This means your lender will reassess your financial circumstances as if you were applying for the loan for the first time. Even if your financial situation hasn't changed, stricter criteria or revised age caps could lead to rejection.

Additionally, if porting isn't approved, you may face early repayment charges. However, rejection from one lender doesn't mean you are out of options. Some specialist and mainstream lenders offer mortgage solutions specifically designed for over-50s borrowers.

ALTERNATIVE OPTIONS FOR OVER-50S BORROWERS

Alternative solutions exist for those unable to secure a traditional mortgage. Lifetime mortgages, a form of equity release, allow you to take out a long-term loan secured against your property. While you pay off the loan and interest when your home is sold, these loans tend to have higher interest rates than conventional mortgages.

Another viable choice may be a retirement interest-only mortgage. This option requires borrowers to pay only the interest on their loan, which can make repayments more affordable. Additionally, the affordability tests on this type of mortgage are less stringent, as you only need to demonstrate your ability to cover interest payments. ♦

>> LOOKING FOR A MORTGAGE IN LATER LIFE? <<

Securing a mortgage in later life can feel daunting, but with the right guidance and preparation, finding a solution that works for your financial circumstances could be possible.

If you're considering a mortgage or remortgage and need further advice, our experts are here to help you every step of the way. Speak to **HFMC**

Wealth – telephone **020 740 4700**
– email mortgages@hfmwealth.com.



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 HFMC Wealth

– telephone 020 740 4700

– email mortgages@hfmwealth.com

– website hfmcmortgages.com

– address 29 St John's Lane,
Clerkenwell, London, EC1M 4NA



THINK CAREFULLY BEFORE SECURING OTHER DEBTS AGAINST YOUR HOME.

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

Guarantor mortgages

Opening the door to homeownership for individuals who might otherwise struggle to meet conventional lending criteria



TAKING OUT A guarantor mortgage can provide borrowers with an alternative means of securing a home loan, especially when traditional options may not be viable. Fundamentally, a guarantor mortgage involves an individual – typically a parent or close relative – agreeing to take on some of the risk associated with the loan. This is usually done by offering their savings or property as security against the mortgage and committing to cover payments if the borrower defaults.

One distinct feature of guarantor mortgages is that the guarantor has no legal ownership of the property. Therefore, they aren't listed on the title deeds and hold no financial stake in the house. Despite this, the primary benefit lies in the borrower's ability to secure a larger mortgage or, in some cases, obtain 100% of the property's value without needing a deposit.

OPENING THE DOOR TO HOMEOWNERSHIP

Guarantor mortgages can open the door to homeownership for individuals who might otherwise struggle to meet conventional lending criteria. This could range from low earners, who might need additional support to secure a larger loan, to those without savings for a deposit. By applying with a guarantor, borrowers can access deals that allow them to finance up to 100% of the property's value. For context, traditional mortgage products often cap at 95% Loan-To-Value (LTV).

However, the risks for guarantors should

not be overlooked. If the borrower fails to meet their repayment obligations, there can be serious repercussions. Guarantors may lose their savings or, in extreme cases, their home if it was used as security. Therefore, this arrangement carries a level of financial risk that requires careful consideration.

WHO COULD BENEFIT FROM A GUARANTOR MORTGAGE?

Guarantor mortgages can cater to diverse needs. Applicants with minimal or no deposit, poor credit scores, or little credit history might all find these mortgages a helpful option. For instance, individuals with low credit scores often face challenges securing loans under conventional terms. Similarly, even those without any credit history – due to never having borrowed money before – may find guarantor mortgages more attainable due to the added reassurance of a guarantor's financial backing.

Some first-time buyers, in particular, may find guarantor mortgages appealing. Lenders consider the additional security from a guarantor, which can help first-time borrowers access the housing market with competitive options. However, it's worth noting that not every lender uses the term "guarantor mortgage," so some products with different names might fall under this category.

DIFFERENT TYPES OF GUARANTOR MORTGAGES

Guarantor mortgages typically fall into

two categories, linked either to savings or property. For savings-based guarantor mortgages, the guarantor places a portion of their savings – often 5%-20% of the property's value – into a separate account connected to the mortgage. This cash is held for a specific duration or until the balance of the mortgage falls below a certain threshold. While the guarantor can earn interest on these savings, the interest rate may be lower than other savings accounts.

For property-based guarantor mortgages, a legal charge is placed against the guarantor's home. For example, a lender might require 20% of the loan's value to be secured against the guarantor's property. Typically, the guarantor must have significant equity in their property, or it should be owned outright. This type might appeal to guarantors without sufficient savings but harbours considerable risk, as repossession of the guarantor's home is possible if the borrower defaults.

WHAT DOES IT TAKE TO BE A GUARANTOR?

Becoming a guarantor involves meeting specific requirements. Guarantors generally need to have sufficient savings or property to offer as security. Depending on the mortgage, the guarantor may need to lock funds away for several years or utilise equity in their home. A strong credit rating is also essential, as it reassures lenders that the guarantor can handle their financial responsibilities.

Additionally, some lenders require guarantors to seek independent legal advice. This precaution ensures they fully understand the risks associated with guaranteeing a mortgage, including the potential loss of savings or property. Even if legal advice isn't mandated, it's highly advisable to safeguard the guarantor's interests and clarify any uncertainties.

REALISTIC EVALUATION OF AFFORDABILITY

For guarantors, the stakes are significant and should not be underestimated. The



guarantor could face severe repercussions if the borrower encounters financial difficulties and misses payments. For savings-backed mortgages, the lender might extend the period during which savings remain inaccessible or, in worst-case scenarios, retain the funds permanently. Property-backed guarantees carry even greater risks, as lenders could repossess and sell the guarantor's home to recover any shortfall.

Borrowers, too, must understand that having a guarantor doesn't mean they can borrow limitless amounts. Lenders will still assess both the borrower's and guarantor's ability to meet monthly payments. While guarantor mortgages can provide access to larger loans, a realistic evaluation of affordability remains vital.

SECURING THE RIGHT ADVICE

Guarantor mortgages can be a lifeline for those facing challenges in accessing

traditional mortgage options. However, the potential risks to guarantors mean careful planning and expert advice are crucial. Lenders often have differing criteria for guarantor mortgages, so having someone knowledgeable to guide you through the process can make all the difference. ♦

>> NEED FURTHER GUIDANCE ABOUT GUARANTOR MORTGAGE OPTIONS? <<

If you'd like personalised advice on your options or wish to learn more about guarantor mortgages, we're here to help you understand your options and find the right solution. Contact **HFC Wealth** – telephone **020 740 4700** – email mortgages@hfcwealth.com.



Understanding what you can afford to borrow for a mortgage

Finding the right balance requires careful consideration of
several factors

ONE OF THE first steps when buying a home is determining exactly how much you can afford to borrow for a mortgage. Many buyers aim to purchase the biggest house they can afford without compromising their ability to meet monthly expenses. Finding the right balance requires careful consideration of several factors.

You'll need to evaluate your income, job stability, and prospects for pay rises. Additionally, costs such as moving, potential renovations, and monthly living expenses must be included in your calculations. Your expectations about property prices and mortgage rates will also play a role, as will your financial safety net, which could include savings or family assistance. Importantly, you should consider how much risk and debt you're comfortable taking on.

BREAKING DOWN AFFORDABILITY

By addressing these critical points, you can forecast the extra costs of moving, the funds needed to maintain your lifestyle, and how financially stretched you're willing to be. Mortgage lenders generally allow borrowers to secure loans worth between 4.5 to 5.5 times their salary. However, they also conduct detailed affordability assessments that consider both your income and your outgoings.

Lenders will analyse a range of income sources, including basic salary, bonuses, pensions, additional jobs, and even child maintenance payments. To confirm your financial standing, they'll require documentation such as payslips or bank statements. Self-employed applicants often need to provide two or three years' worth of tax returns and business accounts to show income stability.

OUTGOINGS AND CREDIT SCORES

Your outgoings are equally critical to lenders. Monthly expenses such as council tax, energy bills, and childcare costs, along with loan repayments and even grocery spending, will be scrutinised. They'll also check your credit score, a vital factor in determining how much you can borrow and at what interest rate.

Lenders may also conduct a 'stress test' to assess whether you can handle repayments

if circumstances change. This could include interest rate hikes or changes in income. This level of scrutiny ensures that you don't end up overextending yourself financially.

IMPORTANCE OF YOUR DEPOSIT

Most homebuyers will be required to save a deposit, typically at least 5% of the property's value. However, having more than the minimum deposit often opens up a wider range of mortgage options and increases access to more competitive interest rates, lowering monthly payments. For instance, lenders may prefer a 10% deposit, and larger contributions which can make a real difference to affordability.

If saving for a deposit, it helps to create a household budget and explore options like Lifetime ISAs, family support, or selling existing assets. Once you've calculated your deposit amount, don't forget to factor in costs like fees for solicitors and surveys, as well as moving and set-up expenses.

ADDITIONAL COSTS TO CONSIDER

Buying a home doesn't stop at the deposit. Don't overlook expenses such as stamp duty, conveyancing fees, survey costs, and mortgage application fees, which could collectively add about 7% to the total purchase price. If you're selling your current property, estate agent fees will also apply.

There may also be unforeseen costs, such as urgent renovations or essential repairs. For example, you might need to replace a broken boiler or update areas like the kitchen soon after purchasing your home. It's crucial to set aside some funds for these possibilities.

BALANCING AMBITIONS WITH REALITY

Knowing how much you can afford doesn't just mean calculating the deposit or your borrowing potential. Your total home-buying budget should include all the above-mentioned costs. If your ambitions exceed your budget, you may need to re-evaluate and scale back or find alternative ways to increase your funds.

Bear in mind that buying a house is only the first financial hurdle. Safeguarding your ability to live in and maintain your home is just as

important. Mortgage affordability stretches far beyond the initial purchase price.

EVALUATING ONGOING MORTGAGE PAYMENTS

Once you have an idea of how much you'd like to borrow, investigate the likely monthly repayment costs for different mortgage types. Ask yourself whether the payment fits comfortably within your budget. A common guideline is to ensure your repayments don't exceed 35% of your post-tax income.

If the mortgage is higher than your current rent and you're already struggling to pay rent, it's worth reconsidering. Also, remember to account for property-related bills such as council tax and insurance, which often come as surprises to first-time buyers. Stress test your finances against scenarios like interest rate increases or temporary income reductions.

EXPERT ADVICE AND THE NEXT STEPS

Navigating the mortgage process can be complex. Instead of relying solely on your bank, seek guidance from our mortgage specialists, who can find the right deal that suits your unique needs.

Our expert team will guide you, helping you secure a mortgage in principle (AiP) tailored to your circumstances. This preliminary offer identifies how much a lender is willing to loan based on your financial profile. When your property offer is accepted, we'll then assist you in progressing to a full mortgage application. ♦

>> READY TO EXPLORE YOUR MORTGAGE AFFORDABILITY OPTIONS? <<

If you're ready to take the step in securing your mortgage or need help understanding your options, our expert mortgage team is here to assist. Speak to us today for tailored advice designed to make your home-buying dream a reality. Contact **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.

Bridging loans

An invaluable financial lifeline for individuals navigating challenging property transactions



BRIDGING LOANS CAN be an invaluable financial lifeline for individuals navigating challenging property transactions. Whether you're trying to secure a home amid a broken chain, keen to downsize but eager to acquire a new property before selling your current one or have a deadline to meet after an auction purchase, a bridging loan might be the solution.

These loans are designed for short-term borrowing and offer the flexibility to act quickly in competitive markets where timing is crucial. Unlike traditional mortgages, bridging loans can be arranged at speed, allowing homeowners and investors to proceed with property deals that might otherwise fall through. However, it's crucial to understand how these loans work and their implications, as they function differently from standard borrowing methods.

POPULAR USES OF BRIDGING LOANS

Homebuyers often turn to bridging loans when problems arise during the sale of their property, enabling them to press on with their purchase. Bridging finance is also a popular choice for those buying at auction, where tight deadlines demand readily available funding. Similarly, buy-to-let investors may use these loans to acquire properties requiring substantial renovations before they become eligible for a traditional mortgage.

However, bridging loans are secured loans, meaning borrowers must provide an asset—usually a property—as collateral. This makes them a potentially risky option, as failure to

repay could result in the loss of the secured asset. Consequently, they're sometimes referred to as a "loan of last resort." It's thus essential to weigh up the potential rewards and risks before proceeding.

TYPES OF BRIDGING LOANS EXPLAINED

Bridging loans generally fall into two categories—first-charge and second-charge loans. When a property is owned outright and has no mortgage, the bridging loan is referred to as a first-charge loan. Here, the lender is the primary party to be repaid once the property is sold or the loan is settled.

Second-charge bridging loans, on the other hand, apply when an existing mortgage or loan is registered against the property. These loans require permission from the first charge lender to proceed, and since they carry additional risk for lenders, they are typically more expensive than their first charge counterparts.

FIXED VS. VARIABLE INTEREST RATES

Interest rates on bridging loans can be tailored to individual preferences and circumstances. Borrowers can choose between fixed or variable rate options. With a fixed rate, you lock in a specific interest rate for the duration of the loan term, offering predictability and ease of budgeting. Conversely, variable rates can fluctuate depending on changes in the Bank of England's base interest rates, which means your repayments may increase or decrease over time.

Understanding these rate structures is imperative when considering a bridging loan, as they can significantly impact overall costs. Always assess whether stability or potential long-term savings better suit your financial goals.

OPEN AND CLOSED BRIDGING LOANS

Bridging loans can also be categorised as either open or closed, each offering distinct repayment mechanisms. Open bridging loans do not have a fixed repayment date,

“Homebuyers often turn to bridging loans when problems arise during the sale of their property, enabling them to press on with their purchase.”

giving borrowers the flexibility to settle the debt when funds become available. Despite this advantage, lenders generally expect repayment within a year, though some may extend terms under certain conditions.

Closed bridging loans, in contrast, have a fixed repayment date, often coinciding with the expected sale or refinance of a property. Because the repayment timeline is defined, closed bridging loans tend to be a less costly option than open loans, making them an appealing choice for those with a clear exit strategy.

WAYS INTEREST IS CHARGED ON BRIDGING LOANS

When it comes to interest payments, bridging loans offer three main options. With the monthly payment method, similar to an interest-only mortgage, borrowers pay the interest each month during the loan term. The rolled-up interest option involves adding interest to the loan, with the total amount payable once the bridging loan is repaid. This can relieve immediate financial pressures but increases the loan's overall cost.

Lastly, retained interest allows borrowers to secure upfront funds for a defined period. Unused portions of this interest are later refunded once the loan is repaid. Choosing the right interest structure depends on individual circumstances, so it's essential to discuss these options with our expert mortgage team to ensure you make an informed decision.

INVALUABLE FLEXIBILITY IN URGENT SITUATIONS

While bridging loans offer invaluable flexibility in urgent situations, they are not without risks. Their secured nature means your property could be at stake if repayments aren't met. Additionally, due to higher interest rates compared to traditional mortgages, they are generally a more expensive form of finance. However, for those navigating time-sensitive property transactions or unexpected challenges, the benefits often outweigh these risks, provided they have a clear exit strategy in place. ♦

>> DO YOU REQUIRE FURTHER DETAILS ABOUT BRIDGING LOANS OR ASSISTANCE FINDING THE RIGHT FINANCIAL PRODUCT FOR YOUR NEEDS? <<

If you're considering a bridging loan, it's crucial to understand how this type of finance works fully. For further details about bridging loans or assistance in finding the right financial product for your needs, we'll guide you through the process and help ensure that your decision is informed and suitable for your unique circumstances. Speak to **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.



Buying leasehold vs freehold properties

One of the most crucial distinctions you'll come across when buying a property

WHEN PURCHASING PROPERTY in the UK, one of the most crucial distinctions you'll come across is whether the property is leasehold or freehold. A freehold property means you own both the home and the land it is built on outright. On the other hand, a leasehold property grants you ownership of the property for a specified time period, as outlined in the lease agreement.

Lease lengths can vary significantly, from as few as 40 years to over 900 years, though most typically fall between 90 and 120 years. However, the length of the lease can significantly impact the terms of purchase, especially if you are relying on a mortgage.

IMPACT OF LEASE LENGTH ON MORTGAGES

The duration of the lease plays a pivotal role for individuals buying a leasehold property. Mortgage lenders are generally cautious about short leases, and most will not lend on properties with fewer than 70 years remaining. Even if a lender is willing to consider it, they typically require the lease to last at least 40 years beyond the mortgage term to protect the property's resale value.

Short leases not only make mortgages more difficult to secure but also lead to a sharp decline in the property's value over time. Lenders scrutinise details such as ground rent clauses, unchecked estate charges, and cladding issues requiring an EWS1 form. These factors can lead to applications being declined or demand higher deposits.

ADDRESSING ABSENT FREEHOLDERS AND SPECIAL POLICIES

Obtaining a mortgage can become even trickier if a leasehold property has an absent freeholder. Many lenders require an Absent Landlord Indemnity Policy to protect their investment, but this does not guarantee approval. Each lender sets its own criteria, and some may reject such applications outright, even if the policy is provided.

Another consideration is how leasehold properties often impose different mortgage terms. Mortgage rates for these properties

may be less competitive, particularly where the lease length is limited. Additionally, the loan-to-value (LTV) ratio, which shows how much you borrow compared to the property's value, is often less favourable for leasehold properties.

HIGHER COSTS AND ONGOING EXPENSES

Purchasing a leasehold property often involves higher conveyancing costs due to the added legal complexities. This is because solicitors need to examine and address the lease details, which naturally increases the workload and fees.

Leasehold properties usually come with ongoing expenses like ground rent and service charges. These costs vary depending on the property but can be substantial, particularly on flats with shared amenities or extensive communal areas. Additionally, lease extension expenses can climb sharply if the lease has fewer than 80 years left.

EXTENDING YOUR LEASE – WHY TIMING MATTERS

Extending a lease is always an option, but it may not be simple or inexpensive, especially for shorter leases. When the lease falls below 80 years, the cost of extending includes paying 50% of the property's marriage value, defined as the added value created by the lease extension.

If you choose to purchase a leasehold property, it might make sense to explore extension options early. Once you've owned the property for two years, you're entitled to extend the lease under statutory provisions. Alternatively, you can pursue an informal agreement with the freeholder to avoid the wait. Buyers can even start the lease extension process during the sale via a statutory notice issued by the seller. This notice can be transferred to the buyer upon completion.

BUYING THE FREEHOLD – IS IT POSSIBLE?

Another route leasehold property owners sometimes take is buying the freehold. While this can simplify property ownership, it's

not always straightforward. Developers, estate management companies, or third-party investment companies typically hold freeholds. These third parties may inflate prices for quick profits, making freehold purchases costly.

To discover who owns the freehold of a property, you can search the title register through the Land Registry. However, even if the freehold purchase is viable, it's essential to factor in all costs, ongoing responsibilities, and potential negotiation delays.

THE PERFECT HOME IN THE IDEAL LOCATION

Leasehold properties can appeal to many buyers, especially when it's the perfect home in the ideal location. That said, it's critical to approach the process with full awareness. Take time to estimate the cost of lease extensions, research service charge obligations, and examine any planned maintenance in communal areas.

Most importantly, ask the estate agent and vendor upfront about the length of the lease. This will influence not only your mortgage options but also your future costs and responsibilities. Sometimes, opting for a comparable freehold property might result in a more straightforward transaction and lower long-term expenses. ♦

>> ARE YOU LOOKING FOR GUIDANCE ON NAVIGATING LEASEHOLD PROPERTIES? <<

For further advice and guidance on navigating leasehold properties or for help with understanding property ownership options, contact our expert mortgage team. We'll help ensure you make a fully informed decision. Contact **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.



Demystifying the home selling and buying process

With multiple steps in the process, delays can add up, leaving many feeling overwhelmed



“The mortgage application process typically takes 3 to 6 weeks to complete, from the initial submission to receiving an offer.”

HOW LONG DOES IT TAKE TO BUY AND SELL A HOME?

On average, buying and selling a property in the UK takes around six months. This estimate includes everything from searching for the right property to offer acceptance, mortgage approval, and legal formalities. However, the timeframe can vary greatly depending on factors such as market conditions, property type, and location.

For instance, if you are a cash buyer, the process is generally quicker as you eliminate the need for mortgage approval. On the other hand, transactions involving leaseholds, restrictive covenants, or government schemes like Help to Buy may extend the timeline.

STEPS TO SPEED UP THE PROCESS

The good news is that there are steps you can take to minimise delays. Preparing your finances early is one of the first and most effective measures. Start by calculating the cost of moving home so you can create an accurate budget. You'll also want to check your credit score with agencies like Experian and Equifax well in advance – ideally six months to a year before moving.

Another important step is registering on the electoral roll. This small but impactful move can boost your credit score, which is crucial in securing a mortgage. It's also worth talking to your mortgage adviser about obtaining an agreement in principle (AIP). While an AIP is not a guarantee, it offers a ballpark figure on how much you may be able to borrow and signals to estate agents and sellers that you're a serious buyer.

NAVIGATING THE OFFER AND CONVEYANCING STAGES

Once your offer has been accepted, things start to move into the legal realm. This is

where instructing a conveyancing solicitor is vital. Choosing a conveyancer ahead of time means you'll be ready to move swiftly and prevent any unnecessary hold-ups. Conveyancers handle essential tasks such as local searches, reviewing legal documents, and liaising with the seller's solicitor.

Freehold properties are usually easier to handle, but if you're buying a leasehold or a property with special restrictions, anticipate a longer process. New builds come with their own complexities, so make sure you're aware of any additional procedures before proceeding.

APPLYING FOR A MORTGAGE

If you haven't already applied for your mortgage, it's time to do so now. The mortgage application process typically takes 3 to 6 weeks to complete, from the initial submission to receiving an offer. Keep in mind that lenders conduct a valuation survey as part of this process to ensure the property meets their criteria.

While waiting for your lender's valuation, consider arranging your own independent survey. This more detailed inspection can identify any underlying issues in the property that might need addressing. If significant repairs are needed, you may want to renegotiate your offer. This, however, can add time to the process, so try to act promptly.

FINAL PREPARATIONS BEFORE EXCHANGE AND COMPLETION

Before contracts can be exchanged, all searches and mortgage requirements need to be in place. At this stage, it's crucial to agree on a completion date with all parties involved. You'll also need to purchase building insurance for your new property, as most mortgage agreements require this

BUYING AND SELLING a home can be exciting but also stressful. One of the most challenging aspects is the uncertainty about how long each stage will take. With multiple steps, delays can add up, leaving many feeling overwhelmed.

We've broken down the average timelines for the key stages involved in buying and selling a property in the UK. By understanding these timelines and learning what steps you can take to expedite the process, you can move closer to securing your dream home with less hassle.

to be in place before exchange.

On completion day, the seller's solicitor confirms receipt of funds, and ownership officially transfers to you. This typically happens around midday, after which you are free to move into your new home. Once your completion date is set, start planning your move to minimise chaos. Consider using a professional removal company for an efficient and stress-free moving day.

FINAL THOUGHTS

Buying and selling a home doesn't have to be an unpredictable ordeal. By

understanding the process and preparing in advance, you can reduce delays and ensure a smoother experience. Whether it's getting an early credit check, instructing a reliable conveyancer, or arranging a detailed survey, every proactive step brings you closer to completing your property transaction. ♦

>> DO YOU NEED FURTHER GUIDANCE OR HAVE ANY QUESTIONS? <<

If you're looking for further guidance or have questions about any stage of the process or arranging your mortgage, our team of experts is ready to help make your home-buying and selling journey as seamless as possible. Contact **HFMC Wealth** – telephone **020 740 4700** – email mortgages@hfmwealth.com.





SELLING A PROBATE PROPERTY

Breaking down the key steps and considerations to help streamline the process

DEALING WITH THE sale of a property after someone passes away can feel overwhelming and emotional. When a home is sold following the death of its owner, this is referred to as a probate sale. Typically, the most valuable part of an estate is its property, making it an important aspect to tackle. Here, we'll break down the key steps and considerations to help streamline the process.

UNDERSTANDING PROBATE VALUATIONS AND LEGAL OBLIGATIONS

One of the first steps is obtaining a property valuation for probate. This involves assessing the property's market value as of the owner's death. A specialist typically conducts this valuation through a valuation survey.

The person or entity named on the Grant of Probate has a legal duty to sell the property for its open market value. Should the executors sell the property for less than this value, they could be accused of neglecting their responsibilities, potentially leading to legal claims by beneficiaries.

TAX IMPLICATIONS AND THE ROLE OF SURVEYORS

A probate property valuation is vital for determining potential inheritance tax and capital gains tax liabilities. However, probate valuations differ from the market valuations provided by estate agents. While estate agents focus on pricing properties for sale, surveyors specialise in providing valuations for probate purposes.



If you're ready to proceed, arranging a valuation survey is a good starting point. Tools are available that offer instant quotes from Chartered Surveyors in your area, making it easier to handle this initial yet critical task.

APPLYING FOR A GRANT OF PROBATE

Once the property valuation is complete, the executor must apply for a Grant of Probate from the Probate Registry. Before this document is granted, no financial plans regarding the sale of the property can be made. This is a pivotal administrative step, and handling it efficiently is vital for the smooth progression of the sale.

After receiving the Grant of Probate, the sale process can move forward. Choosing a reliable conveyancing solicitor will be the next logical step, as they will manage the legal aspects of selling the property.

IMPORTANT DOCUMENTS TO PREPARE

Gathering all relevant documents early in the process is essential to facilitate the sale. These include property deeds, lease agreements (for leasehold properties), utility bills, and any warranties or guarantees. Having these ready will save time and help prevent unnecessary delays.

Another essential requirement is securing an Energy Performance Certificate (EPC). By law, the property must have at least an applied-for EPC by the time it is listed on the market. The process is straightforward – soliciting quotes from Domestic Energy Assessors is a good starting point, and many can provide the certificate the very next day.

CHECKING EXISTING EPC RECORDS

It's worth noting that EPCs are valid for ten years. The property may already have one, which can be verified using the EPC registers. These are region-specific, with separate registers for England, Wales, Scotland, and Northern Ireland. Checking this before commissioning a new EPC could save time and money.

Another critical detail in selling a probate property is ensuring

it remains insured throughout the sale process. Since the property may be unoccupied, informing the insurer of this status is essential.

WORKING WITH OFFERS AND LEGAL REQUIREMENTS

Executors must fulfil their legal obligation to sell the property at its market value. Therefore, any offers should be evaluated. While accepting an offer before probate is granted is possible, contracts cannot be exchanged until the Grant of Probate is obtained.

Executors should remain cautious, balancing the need for a quick sale with their legal responsibilities.

FINAL STAGES OF SELLING A PROBATE PROPERTY

The final steps begin once the conveyancing solicitors for both buyer and seller agree on terms. At this stage, contracts are exchanged, and a completion date is set. This moment is crucial as the sale becomes legally binding, and there are significant penalties for either party if they back out.

Ensure the property is cleared of personal belongings before completion. This can be emotional, so allocate adequate time to decide on sentimental items. House clearance services can deal with any leftover belongings.

Completion is the last step in the process. At this point, ownership is officially transferred to the buyer, keys are handed over, and the sale proceeds are distributed among the beneficiaries. ♦

>> LOOKING TO ACHIEVE THE BEST OUTCOME FOR EVERYONE INVOLVED? <<

If you're feeling daunted by the process of selling a probate property, help is within reach. Contact us today for advice tailored to your circumstances. We're here to make this challenging time as smooth as possible to achieve the best outcome for everyone involved. Contact **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.



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.

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Contact HFMC Wealth

– telephone 020 740 4700

– email mortgages@hfmwealth.com

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– address 29 St John's Lane,

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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.

Finding the right removal company for a stress-free move

Delegating the heavy lifting means more time and energy to focus on other crucial aspects of your move



MOVING HOME CAN be one of the most challenging experiences of your life – and that’s before even considering the difficulty of transporting your furniture and cherished possessions. Packing and organising are often stressful enough, but moving heavy boxes and bulky items up and down flights of stairs, in and out of vehicles, is exhausting. And if you own valuable antiques, fragile items, or a piano, the risks of damage make the process even more complex.

This is where hiring a professional removals company can make all the difference. By delegating the heavy lifting, you’ll have more time and energy to focus on other crucial aspects of your move.

WHY PROFESSIONAL HELP MAKES A DIFFERENCE

While you may be tempted to tackle the move yourself, engaging professionals ensures a smoother and safer process. Experienced removal companies are equipped to handle awkwardly shaped furniture, delicate belongings, and unexpected moving-day challenges. Their knowledge can minimise the risk of property damage or personal injury, while their services save you time and effort.

Before committing to a removals company, consider specific factors that will guide you toward the right choice for your circumstances. From credentials to cost, a little extra research time will ensure a hassle-free experience.

MEMBERSHIPS, REVIEWS, AND THEIR IMPORTANCE

Start your search by checking if the company is a member of organisations like the British Association of Removers. Membership involves adherence to strict codes of practice and guidelines set by Trading Standards, offering you peace of mind with added dispute resolution support through Ombudsman Services.

Independent reviews are another valuable tool in your decision-making process. Browse customer feedback online and consider the company's trading history. Check images of their equipment – such as vehicles and warehouse facilities – to assess their professionalism. Word-of-mouth recommendations from trusted friends or neighbours can also offer valuable insights.

TIMING IS KEY TO A SMOOTH MOVE

Timing your move is just as important as choosing the right company. Peak periods, such as school holidays and Fridays, mean higher demand and reduced availability, so it's best to approach removal companies early—at least 4-6 weeks before your move date. Request quotes as soon as possible to avoid disappointment and keep your options open.

When securing quotes, don't focus solely on the bottom line. Consider the service quality, included extras, and the company's ability to meet your preferred dates. A reliable removals company will often offer additional services, such as packing and unpacking, or even provide packaging materials in advance.

INSPECTIONS AND ACCURATE PRICING

Avoid companies that offer estimates without conducting a thorough survey of your property. This step is critical, as it allows them to evaluate the volume of items being moved, potential challenges, and required resources. During the survey, disclose all moving details, including storage spaces like lofts and access issues at both your current and new properties.



Don't forget to ask questions about the disassembly and reassembly of furniture, if applicable, and whether these services are included in the price. Comprehensive information ensures there are no hidden surprises on moving day.

UNDERSTANDING ADDITIONAL COSTS

Removal costs vary depending on several factors, including the property size, distance to your new home, and the need to handle specialised items. Be sure to clarify additional fees, such as packing or storage, and check pricing for high-value possessions.

Discuss upfront whether they provide insurance for goods in transit, and confirm the levels of cover. You'll want to know the provision for individual items and overall loss in case of an accident. Lastly, obtain a detailed written schedule that outlines key timings for each stage of the moving process.

ENSURING A SEAMLESS TRANSITION

Rapport with your removals company is often overlooked but is surprisingly important. This can pave the way for clearer communication and a more stress-free experience. Be sure to discuss contingency plans for unforeseen delays, including potential storage solutions, and get a clear understanding of how deposits and payments will be handled.

Once you've reviewed all the details and are satisfied with the agreement, you

can finalise the booking and prepare for a smoother, more manageable move.

FINAL THOUGHTS AND NEXT STEPS

Moving home doesn't need to be a logistical nightmare. With proper planning, research, and support, you can reduce stress and start your new chapter on a positive note. Pay attention to the company's credentials, customer reviews, and insurance policies. Remember, paying a little extra for quality service often saves money – and a lot of headaches – in the long run. ♦

>> TIME TO FIND THE RIGHT MORTGAGE DEAL FOR YOUR NEW HOME? <<

Our dedicated mortgage experts are here to support you. Whether purchasing your first property or planning to climb the ladder, we provide personalised advice to match your ambitions and financial goals. Don't leave one of life's biggest decisions to chance – rely on our expertise to guide you confidently and clearly. Contact **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.



Boosting your home's wow factor through preparation

A well-prepared home not only sells faster but can often secure a higher sale price



SELLING YOUR HOME is often a significant milestone. Careful preparation is essential to maximise its wow factor and attract potential buyers. A well-prepared home not only sells faster but can often secure a higher sale price, adding thousands of pounds to its value. By investing time in getting your home ready for viewing, you're setting the stage for the best possible outcome.

De-cluttering is a crucial first step. Over time, our homes tend to collect items that might no longer serve a purpose. Whether

it's furniture, old belongings, or simply redundant ornaments, it's time to clear the space. Store items you wish to keep, sell or donate those you don't, and throw out anything unusable. Removing bulky furniture that makes rooms feel cramped can open up the space. Swap larger pieces for smaller ones to create a sense of flow and spaciousness.

CREATE A SPACE BUYERS CAN ENVISION

Potential buyers must be able to see themselves living in the property. Many find this challenging, so it's your job to make it easier for them. A warm, lived-in feel is important, but avoid turning it into a showroom devoid of personality. A few personal touches – a framed photo, an inviting throw – can help buyers picture what it might feel like to make the space their home. Keep it balanced; they're not buying a hotel room but a lifestyle.

A fresh coat of neutral-coloured paint can be transformational. Bright hues may reflect your style but could deter buyers. Neutral tones create a blank canvas, making the rooms appear lighter and more spacious. It also allows buyers to envisage how their furniture and personal touches might fit into the space. Additionally, a neutral palette makes it easier for new owners to move in and use the space immediately without overwhelming planning or renovations.

FIRST IMPRESSIONS BEGIN AT THE KERB

Kerb appeal is more than a buzzword; it's the first impression buyers get when they arrive. Remember that most decisions are made within minutes. A tidy front garden, well-maintained pathways, freshly painted fencing, and an inviting exterior can make

all the difference. Ensure the front door is immaculate, and perhaps add a welcoming feature such as a potted plant or a seasonal wreath.

While you're at it, make those small but impactful repairs inside the home. Fix minor imperfections like chips in walls, cracked tiles, or loose door handles. Also, ensure your carpets are spotless and free from wear and tear. Buyers crave homes they can move into without needing immediate renovations, so meeting this expectation can significantly expand your pool of interested parties.

ROLE OF CLEANLINESS AND AMBIANCE

No one wants to step into a house that feels dirty or uninviting. Cleanliness plays a critical role in making your home irresistible to buyers. Polish every surface until it shines. Remove limescale stains, scrub tile grout, buff wooden floors, and ensure all kitchen and bathroom surfaces are spotless. Liven up the space with fresh towels in the bathroom and an air of freshness throughout the home. Don't overlook the garden – trim bushes, clean the patio, and ensure outdoor furniture is free from dirt or lichen.

Beyond cleanliness, the kitchen stands as one of the most influential rooms for homebuyers. With its value per square foot, the kitchen can sway an uncertain buyer. If a full renovation isn't an option, small updates like refacing cabinets or upgrading countertops can make an impact. De-clutter worktops, leaving just a bowl of fruit for an inviting touch. Removing unnecessary appliances and considering small updates like new taps or minor fixture upgrades could make the space even more appealing.

LIGHT, SPACE, AND COMFORT MATTER

A home that feels bright and spacious is

“The goal of preparing your house for sale is to allow buyers to envision their lives within its walls. A home that feels clean, bright, and inviting lets prospective buyers imagine their own furniture, style, and lifestyle flowing seamlessly into the space.”

inherently more attractive. Cleaning your windows inside and out may seem like a small step, but it has a visually striking effect. Consider installing mirrors in tighter spaces such as hallways to reflect light and make rooms appear larger. Replace any broken lightbulbs and use lamps in dark corners to ensure every part of the house is well-lit.

Comfort is just as important as light. Light the fireplace for a cosy touch if hosting a viewing on a cold day. If the fireplace is unused, ensure it looks clean and well-maintained. Dress your windows appropriately with curtains or blinds to make the space feel personal and complete. Naked windows can make rooms appear bland or overlooked, which is unlikely to appeal to buyers.

POWER OF SMELL AND VIBRANCY

Bad smells are the single greatest deterrent for homebuyers, so don't try to mask odours; tackle their root causes. Clear out drains, freshen up grimy bins, and deep-clean fabric surfaces such as sofas and curtains. If you smoke indoors, leave bowls of vinegar out for a few days to absorb lingering smells – the vinegar scent itself will dissipate quickly.

Conversely, pleasant smells can make a home feel welcoming. Fresh flowers, a gently fragrant candle, or even something as simple as freshly brewed coffee can

make a room feel alive. Incorporate plants or flowers for a touch of natural vibrancy, while the classic fruit bowl remains a budget-friendly staple for kitchen counters.

MAKE POTENTIAL BUYERS FEEL AT HOME

The goal of preparing your house for sale is to allow buyers to envision their lives within its walls. A home that feels clean, bright, and inviting lets prospective buyers imagine their own furniture, style, and lifestyle flowing seamlessly into the space. Balance is key – a house should feel aspirational yet attainable. ♦

>> READY TO START YOUR JOURNEY TO OWNING YOUR NEXT DREAM HOME? <<

Our team of experienced mortgage professionals is here to support you every step of the way. Don't miss the chance to turn your next homeownership goals into a reality. For tailored guidance, discover how we can help you secure the right mortgage. Speak to the team at **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.



Energy Performance Certificates (EPCs)

Reflecting the property's energy rating and an at-a-glance understanding of its efficiency

AN ENERGY PERFORMANCE Certificate (EPC) is a vital document that ranks properties by energy efficiency. These certificates use a rating system from A to G, with A representing the most energy-efficient homes and G indicating the least efficient. This rating isn't just an arbitrary number; it considers the property's energy performance and the services it offers, such as heating, hot water, and lighting.

To make it easier for homeowners and buyers to understand, EPCs employ a colour-coded system, much like those seen on kitchen appliances. The coloured labels clearly reflect the property's energy rating and provide an at-a-glance understanding of its efficiency.

MORE THAN JUST A RATING

Beyond the visual rating, EPCs provide valuable insights into a property's estimated energy use and related costs. They also offer tailored recommendations for improving energy efficiency, which can lead to considerably lower energy bills. These suggestions range from low-cost changes like switching to energy-saving lightbulbs to larger investments like installing insulation or upgrading windows.

Importantly, an EPC will also outline potential costs for these suggested actions and the savings one might expect after implementing them. These certificates are valid for 10 years from their date of issue unless a newer certificate is issued for the same property.

KEY CONSIDERATIONS FOR EPCs

When interpreting an EPC rating, it's crucial to remember that these certificates are based on 'standard occupancy' assumptions. This typically equates to a household with two

adults and two children. However, the actual energy usage of the current occupants may differ due to varied habits around heating, lighting and other utilities.

Obtaining an EPC is mandatory if you plan to sell or rent your property in England, Wales, or Northern Ireland. Similarly, you'll also need one if you are constructing a new property. Meanwhile, in Scotland, sellers are required to present a more comprehensive Home Report. This includes not just the EPC but also a property questionnaire and survey.

ARE THERE ANY EXEMPTIONS?

An EPC must be commissioned before placing a property on the market. It must remain readily available to prospective buyers or tenants on request. However, there are exemptions you should be aware of. For example, listed buildings may be exempt as long as any recommended energy efficiency changes would alter the character of the building. It is advisable to consult your local authority's conservation officer for clarification if your property falls into this category.

Individuals can check whether their property already has a valid EPC by accessing the government's EPC register for properties in England and Wales. For properties in Scotland and Northern Ireland, dedicated EPC registers are available online.

BENEFITS OF A GOOD EPC RATING

A strong EPC rating provides numerous advantages, both financially and environmentally. Consider these key benefits:

Lower energy bills – A better EPC rating indicates a more energy-efficient property, often translating to reduced energy expenses.

Enhanced property value – If you're considering selling, improving your home's

energy performance could increase its market value. However, potential renovation costs should be weighed against the expected return.

Access to green mortgages – Some lenders offer favourable, lower mortgage rates for properties with a strong EPC rating.

Reducing your carbon footprint – An energy-efficient home generates less carbon emissions, contributing positively to environmental sustainability.

NON-COMPLIANCE RISKS

Failing to obtain an EPC when selling a property could result in fines of up to £5,000. It's an essential document, and ensuring compliance not only saves money but also makes your property more marketable to eco-conscious buyers.

Whether you're selling, buying or simply looking to improve your home, an EPC is a pivotal tool in understanding energy usage and making informed decisions. It offers valuable insights into both the financial and environmental impact of your property. ♦

>> WANT TO FIND OUT HOW WE COULD HELP? <<

For further advice or assistance with obtaining an Energy Performance Certificate or arranging the right mortgage for your next move, we'll guide you through the process and help you maximise your property's potential. Contact **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.

Legal property matters

The process of transferring home ownership when selling your home

CONVEYANCING IS THE legal process of transferring home ownership from the seller to the buyer. This critical step begins when you accept an offer and concludes when you hand over the keys. Whether you're selling, buying, or both, a solicitor or licensed conveyancer usually manages this process.

BEGIN BY INSTRUCTING A SOLICITOR

The first step in the conveyancing process is to formally instruct your solicitor or conveyancer. Once you've accepted an offer on your property, your chosen professional will begin the legal groundwork to progress the sale effectively. To avoid unnecessary

delays, it's worth deciding on your solicitor or conveyancer early—ideally around the time you appoint your estate agent.

Proactivity is key. Making this decision in advance gives you time to vet service providers and ensures the transition from offer acceptance to legal work is seamless. A trusted solicitor can help streamline the process, leaving less room for potential setbacks.

COMPLETING IMPORTANT QUESTIONNAIRES

One of the earlier tasks in the process involves filling out detailed questionnaires

about your property. Your solicitor or conveyancer will provide these forms, which play a pivotal role in clarifying what's included in the sale. To prepare, you might want to gather relevant documents related to your property ahead of time.

For instance, the TA6 form is a general questionnaire covering boundaries, disputes, complaints, or future developments. It also addresses building work, council tax, utilities, sewerage, and other essential details. Additional information, such as the leasehold (TA7) or commonhold (TA9) documentation, may be required to sell a leasehold property. The TA10 form specifies which fittings and fixtures are included, while the TA13 form addresses more technical points like handing over keys and ensuring the property is mortgage-free.

IMPORTANCE OF ACCURACY

When filling out these questionnaires, it's essential to provide truthful and accurate information. Any omissions or misrepresentations could lead to legal complications down the line. For example, if untruths are uncovered after contracts are exchanged, you could face claims for compensation. Even earlier in the process, inaccuracies may make buyers question your trustworthiness, potentially jeopardising the sale.

Your solicitor or conveyancer uses these completed forms to produce a draft contract. This document is then shared



with the buyer's solicitor for review and negotiation. Key terms, such as the completion date, included fixtures and fittings, or adjustments based on survey results, are agreed upon at this stage.

PREPARING FOR THE EXCHANGE OF CONTRACTS

Before reaching the all-important exchange of contracts, sellers often need to address a crucial financial matter—settling the mortgage on the property. You'll need to request a redemption figure from your mortgage lender outlining the amount required to pay it off upon completion.

The exchange itself is managed by your solicitor or conveyancer. This process entails ensuring identical contracts are signed by both parties. For buyers and sellers involved in a chain, the exchange becomes more complex, as all parties must be ready to proceed simultaneously. Delays or withdrawals by one party in the chain affect everyone else.

SECURING LEGAL CERTAINTY

Once contracts are exchanged, the agreement becomes legally binding. The buyer is obligated to complete the purchase, losing their deposit if they fail to do so. Similarly, sellers must fulfil their obligations or face potential legal action. At this point, you can no longer entertain alternative offers for your property.

Legally, ownership remains with the seller until completion. However, moving out a few days earlier can help avoid last-minute hassles. This stage is a good time to finalise removals, ensure everything on the fixtures and fittings list is accounted for, and complete any necessary property checks.

MOVING TOWARDS COMPLETION

Completion marks the final stage of the conveyancing process. On the agreed completion day, the remaining balance is transferred by the buyer's solicitor to your solicitor, thereby settling the transaction. Once payment is received, the keys are



“Before reaching the all-important exchange of contracts, sellers often need to address a crucial financial matter—settling the mortgage on the property.”

handed over, and ownership officially changes hands.

Selling a property can be a complex and time-sensitive process, but thorough preparation and expert legal support can make all the difference. It's a significant milestone—both emotionally and practically. By being diligent throughout the conveyancing process, you'll set the stage for a smoother transition into your next chapter. ♦

>> READY TO DISCUSS YOUR PERSONALISED MORTGAGE OPTIONS TAILORED TO YOUR NEEDS? <<

Whether starting a family, upgrading your space, or building your forever home, our expert mortgage team is here to help. With personalised mortgage options tailored to your needs, we'll work with you to find the perfect fit for your lifestyle and financial goals. Speak to the team at **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.

GAZUNDERING AND HOW TO PROTECT YOURSELF

Having the right strategies can help you protect yourself from those who are simply trying their luck



WHEN IT COMES to the property market, we've all heard of the frustrating phenomenon of gazumping. It's when a home seller accepts a higher offer despite having already sold the property to someone else, subject to contracts being exchanged. However, there's an equally unsettling practice that affects sellers – gazundering.

Gazundering occurs when a buyer lowers their offer at the eleventh hour, just before contracts are exchanged. This leaves sellers in a difficult position. If they refuse the reduced offer, they might have to start the selling process over, risking the collapse of an entire chain.

Agreements, survey fees, and months of plans can all hang in the balance, forcing many sellers to reluctantly accept the new, lower bid.

Legally speaking, gazundering is permissible. Buyers are within their rights to reduce their offer at any time before contracts are exchanged. Though not an everyday occurrence, it's often a calculated move. Buyers who gazunder usually do so because they believe the seller is in a weaker position – for instance, if the property has already been withdrawn from the market or if the seller is involved in their own property chain.

WHEN IS A REDUCED OFFER JUSTIFIED?

While gazundering often feels unfair, there are instances where it may be justified. A survey might uncover structural issues, damp problems, or other concerns that reduce the property's value. Similarly, a significant drop in the local property market may prompt a buyer to renegotiate, believing their original offer no longer reflects the correct price.

Buyers may also have their hand forced by external factors. If they are in a chain and the offer on their own property is lowered, they might be left with fewer funds to complete their purchase. This type of situation can place even genuine buyers in a tight spot.

HOW TO SAFEGUARD YOUR SALE

If the buyer is simply looking for a bargain, there's little you can do beyond rejecting the new offer. However, there are steps you can take to shield yourself from legitimate last-minute price reductions. Start by considering the type of buyer you choose. While not everyone has the luxury of picking and choosing, if you receive multiple offers, favour chain-free buyers where possible. They're less likely to experience affordability issues and are typically in a better position to move quickly.

Early communication is key. Establish a target date for the exchange of contracts as soon as possible. This creates a clear timeline and keeps everyone focused on

moving forward. Regular contact with your solicitor is also essential. Ensure they are progressing your case promptly. Encourage your estate agent to stay in close contact with the buyer's solicitor to ensure delays are kept to a minimum.

BUILD RAPPORT WITH THE BUYER

Where possible, maintain a positive relationship with your buyer. While estate agents and solicitors often prefer minimal direct contact between buyers and sellers, building a rapport can work in your favour. When there's mutual respect and communication, buyers are less likely to resort to gazundering tactics.

Another effective strategy is to set a fair and realistic asking price. Overpricing your home can lead to problems later. Buyers might offer the full asking price in their eagerness to secure the property, only to lower it once surveys reveal its true worth. By being transparent about defects or local area concerns early on, you can avoid surprising your buyer later and reduce the risk of their confidence – and their offer – taking a hit.

KNOW YOUR LOWEST ACCEPTABLE PRICE

Even when you're confident about your sale, it's worth considering your lowest acceptable price from the outset. If the worst happens and the buyer reduces their offer, knowing in advance how far you're willing to negotiate can prevent unnecessary stress. This proactive approach helps you remain in control during difficult conversations.

Finally, consider protecting yourself financially. Selling a property comes with costs, including solicitor or conveyancer fees, which you could lose if the sale falls through. Home Sellers Protection Insurance covers these expenses, offering you peace of mind should things not go to plan.

TAKE CONTROL OF YOUR SALE

The property market can be unpredictable, and gazundering is an unfortunate aspect of the process. However, by being prepared, staying informed, and maintaining good relationships, you can reduce your risk. Remember – not all last-minute changes are made in bad faith, but the right strategies

can help you protect yourself from those who are simply trying their luck.

If you'd like further guidance on protecting your sale or finding out whether Home Sellers Protection Insurance is right for you, we're here to help you make informed decisions and guide you through every step of the selling process. ♦

>> LOOKING FOR PERSONALISED MORTGAGE ADVICE FOR YOUR UNIQUE SITUATION? <<

If you're ready to review your mortgage options and want to take the stress out of your next move, our mortgage team is here to provide the personalised advice you need to make an informed decision – tailored entirely to your unique situation. Contact **HFMC Wealth** – telephone **020 740 4700** – email mortgages@hmcwealth.com.



Navigating the sale of your home without a new property lined up

Why you're now in a strong position to act decisively when you find your next home



YOU'VE PUT YOUR house on the market and accepted an offer but haven't yet found a property to move into. First of all, congratulations on selling your home – a significant milestone in your property journey. Though it may feel daunting to be in this position, several advantages that provide you with opportunities and flexibility are worth noting.

Securing a sale without having a new property lined up means you have already locked in the sale price of your current home. This is particularly beneficial in fluctuating markets, as it removes uncertainty and allows you to plan your next steps with clarity and assurance. By achieving a completed sale, you're now in a strong position to act decisively when you find your next home.

A STRONGER POSITION IN THE PROPERTY MARKET

One of the biggest advantages of selling your home before buying a new one is how appealing you become to sellers. Being chain-free is a hugely attractive proposition, simplifying the process for the seller and reducing the chance of delays. Complicated property chains often lead to stress and

setbacks, but as a chain-free buyer, you stand out as a preferred candidate in a competitive market.

Not only does this enhance your appeal, but it also decreases the likelihood of being gazumped. Gazumping is the risk of another buyer swooping in with a higher offer after your offer has been accepted. Since you're ready to proceed quickly, with no chain holding you back, this risk can be significantly minimised.

FINANCIAL CLARITY AND REDUCED STRESS

Having already sold your home provides a solid financial foundation for your property search. You'll know exactly what you have available from your sale, allowing you to set realistic budgets. This clear financial picture can make your search smoother and less stressful by removing the uncertainty surrounding your purchasing power.

Simultaneously managing the sale of your old home and the purchase of your new one can be one of the most stressful aspects of moving. By securing your sale first, you've already tackled one of the hardest challenges of the process. Now, instead of juggling two major transactions, you can focus solely on finding your next perfect property.

WHERE TO LIVE IN THE INTERIM?

If you've already completed your sale and need somewhere to live while searching for a new home, one popular choice is moving into rental accommodation. Renting gives you the flexibility to take your time finding your ideal property. That said, renting can be costly, especially factoring in moving expenses and potential overlap with storage costs for your belongings if the new property isn't ready immediately.

Another option is staying with family temporarily. While this can save on rental costs, the logistics of storing furniture and the potential strain on family dynamics need careful consideration. If you're contemplating this route, be sure it's a

workable solution for both you and your host.

REQUESTING PATIENCE FROM YOUR BUYERS

If you haven't yet exchanged contracts, it's worth discussing your situation with your buyer. Some buyers are willing to wait for a longer period before exchange or completion while you find a property, especially if they are not in a rush themselves. Agreeing on a longer timeline might be a viable solution, giving you valuable time to advance your property search.

Do bear in mind, however, that your buyer's mortgage offer may have a validity period. Lengthy delays could potentially jeopardise their ability to proceed, so maintaining open communication is crucial if you hope to secure extra time.

THE CHALLENGES OF PULLING OUT

For some homeowners, the upheaval of renting or moving in with family may feel overwhelming. Without suitable patience from buyers, this might leave some sellers contemplating pulling out of their sale altogether. While this is an option, it's not one to take lightly. Before making a firm decision, consult with your estate agent to fully explore all alternatives and weigh up the pros and cons.

Finding your next home can feel like a full-time job, so dedicate time to your search. Use online property portals and set up property alerts to stay informed about new listings. However, don't rely entirely on alerts – it's worth checking for additional opportunities daily. Also, consider exploring new-build developments in your area, as these can offer flexibility in timescales and purchasing terms.

BE PREPARED TO ACT FAST

If your desired area is highly competitive, you might encounter situations such as sealed bids or best and final offers. To improve your chances, ensure you have a mortgage agreement in principle ready

and consult with your solicitor to have everything in place before making an offer. This preparation will empower you to move quickly when you find the right property.

Navigating the property market can be challenging, especially when you've sold but haven't yet found somewhere new. If you require further guidance or want to explore your options in detail, consult your estate agent for tailored advice to make your next property move seamless and successful. ♦



>> ARE YOU SEEKING EXPERT GUIDANCE FOR YOUR NEXT MORTGAGE? <<

If you're ready to explore your mortgage options and establish a solid financial foundation, our team is here to help. Contact us today for personalised advice and support tailored to your unique circumstances. Contact **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.

Property hunters adapting to price sensitivity amid changing market dynamics

Buyers and sellers re-enter the market after a year of hesitancy due to climbing mortgage rates

DESPITE ECONOMIC UNCERTAINTIES, the property market has shown renewed vigour, with a noticeable increase in buyer activity. After a subdued year in 2023, stabilised mortgage rates have contributed to improved market conditions. By the close of 2024, there were 283,000 property sales worth a staggering £104 billion in progress—a 30% increase compared to the previous 12 months. This marks the busiest end-of-year sales volume seen since 2020.

One notable driving force behind this surge was the impending changes to stamp duty rules, which will take effect

in April 2025. Determined to avoid these higher costs, buyers and sellers re-entered the market after a year of hesitancy due to climbing mortgage rates. This created a robust pipeline of transactions expected to be completed in the first half of 2025.

GROWING PRICE SENSITIVITY AMONG BUYERS

Although market activity has gained momentum, prospective buyers have become increasingly price-conscious. This trend can be traced back to the October Autumn Statement budget alongside modest increases in mortgage rates, which compounded concerns about affordability.

Zoopla's data reveals that the average sale price in summer 2024 was 3.2% below the asking price, a figure that increased to 3.6% later in the year. While this discount is less significant than the 4.6% seen at the end of 2023, it highlights the heightened caution exhibited by buyers. Despite this, asking prices for newly listed properties on Zoopla saw a 1.9% increase compared to the previous year, reaching an average of £267,500.

REGIONAL PRICE TRENDS DIFFER DRAMATICALLY

The pace at which prices are rising differs considerably across the UK, with northern regions leading the trend. For instance, Northern Ireland recorded a striking 6.8% increase in asking prices over the past year, while the northwest of England saw a rise of 3.5%. Conversely, the southeast experienced a modest increase of just 0.7%.

This disparity reflects a broader rebalancing in the housing market. Northern markets are catching up following years of subdued growth compared to southern regions. Since 2010, house prices in northern England have risen by 41%, lagging significantly behind London, where prices have surged by 83%, and the south of England, which saw a 70% increase over the same period.

2025 OUTLOOK HINTS AT STEADY GROWTH

Looking ahead, Zoopla has forecasted a steady nationwide increase of 2.5% in house prices for 2025. However, it is expected that northern markets will continue to outpace southern regions in terms of price growth. Overcoming years of relative



underperformance, the north appears to be embarking on a phase of catching up.

For buyers, this could present opportunities and challenges alike. While prices remain comparatively affordable in northern regions, increasing demand may lead to greater competition. Meanwhile, sellers may benefit from rising prices as they better align with their property's true value. ♦

“By the close of 2024, there were 283,000 property sales worth a staggering £104 billion in progress—a 30% increase compared to the previous 12 months.”



>> SEEKING MORTGAGE GUIDANCE IN A CHANGING MARKET? <<

Navigating the complexities of the housing market requires informed decision-making and the ability to adapt to emerging trends. Whether you're buying or selling, understanding your mortgage options is key. If you're looking for personalised mortgage advice or need further information, don't hesitate to get in touch with us. Contact **HFMC Wealth** – telephone **020 740 4700** – email mortgages@hfmwealth.com for tailored advice and support in achieving your dream of homeownership.

HOW TO GIFT YOUR PROPERTY AND MANAGE THE IMPACT OF INHERITANCE TAX

Failure to comply with the complex rules could saddle your heirs with significant tax liabilities



FOR MANY FAMILIES, their home is their biggest asset. It's no surprise that an increasing number of parents are considering gifting property to avoid the reach of Inheritance Tax. According to Land Registry data, over 130,000 properties are given away annually. This figure surged to 152,000 in 2023 and is set to climb to around 220,000 this year, as projected by estate agent Hamptons through a Freedom of Information request.

This trend coincides with Chancellor Rachel Reeves's latest reforms. In her Autumn Budget Statement 2024, she initiated a £2bn Inheritance Tax overhaul. The measures included freezing tax-free allowances until 2030 and applying a 40% charge to pensions starting in 2027. These changes are expected to attract thousands more families into the net of this tax, particularly as house prices continue to rise.

UNDERSTANDING THE BASICS OF INHERITANCE TAX ALLOWANCES

Inheritance Tax is currently applied to estate values exceeding £325,000. However, homeowners can pass on an additional £175,000 to direct descendants through the residence nil-rate band. Couples can combine these allowances, creating a total tax-free limit of up to £1 million. But with property values often breaching these thresholds, families are looking for alternative strategies.



One popular option is gifting property during your lifetime, which can reduce your tax exposure. However, this is not as straightforward as it sounds. Complex rules govern property gifting, and failure to comply could saddle your heirs with significant tax liabilities.

CAN YOU ELIMINATE THE TAX BY GIFTING A PROPERTY?

Consider a couple with a £1.3 million estate, including a £300,000 property. By gifting the property correctly, they could potentially sidestep a £120,000 tax bill. This hinges on the seven-year rule under “potentially exempt transfers” (PETs). If the donors survive seven years after gifting the property, it exits their taxable estate.

If death occurs within seven years, taper relief applies on a sliding scale, reducing the tax liability. For instance, inheritance levies drop to 32% in year three, 24% in year four, and so forth. Starting property gifting early can thus offer a significant advantage, especially for younger individuals who are more likely to outlive the seven-year window.

WHAT HAPPENS IF YOU CONTINUE TO USE THE GIFTED PROPERTY?

Gifting property while retaining the right to live in it creates complications. If the donor continues to derive benefits from the property, it becomes a “gift with reservation of benefit.” This means the property remains part of the estate for tax purposes, and the beneficiaries may face a tax bill after the donor’s death.

To avoid this, the donor must pay market-rate rent if they wish to keep living in the property. Failure to do so resets the seven-year clock, requiring another seven years of compliance to remove the property from the taxable estate. HMRC closely monitors these arrangements and can reclassify gifts as part of the estate if it determines strings were attached.

Social visits are allowed, but anything resembling regular usage—such as staying over every weekend—could bring the property back under scrutiny. Strict rules like these aim to prevent individuals from exploiting gifting loopholes.

GIFTING PROPERTY AND CARE FEES

There are additional risks when you gift property, particularly concerning care fees. If a council believes you deliberately relinquished ownership of a home to reduce your liability for these fees, it might include the property’s value in its assessment.

This decision is based on the likelihood that the individual knew they would need care when transferring the property. It is, therefore, essential to tread carefully and seek professional advice before acting.

WHAT IF YOUR PROPERTY HAS AN OUTSTANDING MORTGAGE?

Gifting property is relatively straightforward if it’s mortgage-free. However, an outstanding mortgage introduces complications. The lender must approve the transfer, and the new owner—your children—may need to pass affordability checks. Stamp Duty Land Tax may also apply to the value of any mortgage debt transferred with the property, further increasing costs.

HOW TO TRANSFER PROPERTY OWNERSHIP LEGALLY

Gifting property involves drafting a deed of gift—a legal document formalising the transfer—and updating ownership details with the Land Registry. Transferring only the beneficial interest while leaving legal ownership unchanged is possible. However, this complex arrangement still creates a taxable event and demands careful documentation.

Minors can hold a beneficial interest in a property, but they cannot be legal owners. To prevent difficulties down the road, it’s advisable to consult with experts when structuring property transfers like these.

SEEK PROFESSIONAL GUIDANCE WHEN PLANNING FOR THE FUTURE

Navigating the rules around gifting property and managing the implications of Inheritance Tax can be challenging. While gifting your home might seem simple, the potential pitfalls require careful planning and professional advice. From understanding taper relief to complying with HMRC’s strict guidelines, numerous aspects must be considered to ensure your heirs are not left with unexpected obligations. ♦

>> ARE YOU CONSIDERING GIFTING A PROPERTY? <<

If you’re considering a gifting property or want to learn more about reducing the impact of Inheritance Tax on your estate, consult a qualified financial adviser, tax adviser or legal professional to discuss your options. Taking the proper steps today can help secure a financially stable future for your family tomorrow. To learn more, contact **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.

Government plans to subsidise solar power home installations

Grants and low-cost loans designed to make switching more affordable



“For rooftop solar to become a driving force in the UK’s clean power transformation, a comprehensive support system is key.”

MILLIONS OF BRITISH homeowners could soon benefit from grants and low-cost loans designed to make switching to solar power more affordable. This initiative is part of the government’s ambitious bid to meet its 2030 clean energy pledge, which aims to transform how energy is produced and consumed across the country.

Ministers are actively developing plans to subsidise solar panel installation and battery storage system integration. The funding, drawn from the £6.6 billion Warm Homes Plan, seeks to enable widespread adoption, especially among fuel-poor households, who would receive upfront grants. Wealthier homeowners could access government-backed loans, with repayment options potentially tied to electricity bills at rates lower than current overall energy costs.

FINANCIAL INCENTIVES TO ENCOURAGE MASS ADOPTION

The government is exploring multiple ways to encourage households to go solar. One proposal is to increase the amount homeowners earn by selling unused electricity back to the National Grid. Currently, households receive around 4.1p per kilowatt-hour exported to the grid—a figure significantly lower than the average 24p/kWh cost of electricity. Boosting this

“selling back” rate could make going solar an even more attractive prospect.

Despite these promising plans, Whitehall remains concerned about the challenges of administering such schemes. Past initiatives have been criticised for being overly bureaucratic and achieving disappointing uptake rates. Additionally, funding adjustments for broader net-zero projects have raised questions about long-term affordability. Nonetheless, ministers have underscored the importance of increasing solar adoption as a “critical element” for achieving the UK’s clean energy goals.

SOLAR POWER’S ROLE IN LOWERING ENERGY BILLS

The dual installation of solar panels and battery systems has the potential to slash electricity costs for households. By generating and storing their own power, families can significantly reduce their dependency on the grid and recover installation costs in roughly five to nine years—the typical “payback period” for solar. Notably, this could also make newer low-carbon technologies, like heat pumps, more economical to run.

Heat pumps, pivotal to the government’s target of 600,000 installations per year by 2028, currently face barriers due to their higher purchase price and similar running costs to gas boilers. However, coupling them with solar power could tip the financial equation in their favour, making them a viable alternative for more homeowners.

EXPANDING THE SOLAR NETWORK TO MEET TARGETS

The government’s recently published clean energy plan aims to increase solar capacity from its current 16.6GW to as much as 47GW by 2030. Achieving this ambitious goal will require both large-scale solar farms and the installation of rooftop solar in residential areas. Government sources estimate that one-third of the new capacity will come from residential projects, which

is crucial for reducing the reliance on agricultural land.

Ministers are also exploring innovative ideas, such as building solar canopies over car parks, to balance energy infrastructure expansion with land preservation. With the growing demand for electricity to charge vehicles and power modern heating systems, solar energy’s practicality continues to strengthen.

PATH TO A SUSTAINABLE ENERGY FUTURE

For rooftop solar to become a driving force in the UK’s clean power transformation, a comprehensive support system is key. The newly launched GB Energy company is expected to play a pivotal role, alongside government initiatives that offer financial assistance, such as grants and interest-free loans. By scaling up solar power installations, ministers hope to alleviate political tensions around land use while fostering the adoption of other low-carbon solutions like heat pumps.

The shift to renewable energy remains a central element of the UK’s clean energy plan. Solar power’s ability to be rapidly deployed, coupled with its long-term potential to reduce household energy costs, makes it an invaluable part of the solution. However, as ambitious as it is, ensuring successful implementation requires cohesive planning and public buy-in. For families considering the switch to solar, the time to weigh the benefits is now. ♦

>> NEED HELP UNDERSTANDING MORTGAGES OR NAVIGATING THE PATH TO HOMEOWNERSHIP? <<
 Get in touch with us today—we’re ready to offer the advice and support you’re looking for! To discuss your options, please contact **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.

UK PROPERTY MARKET REBOUND SPARKS OPTIMISM

13% more house-hunters actively searching for their next home

THE UK PROPERTY market is showing remarkable signs of recovery and has shook off the usual pre-Christmas slowdown. According to data from Rightmove, estate agents sold 22% more properties during the festive period than at the same time last year. These impressive figures confirm that the housing market has bounced back after nearly two years of stagnation.

Furthermore, there has been a surge in buyer interest, with 13% more house hunters actively searching for their next home.

LOWER MORTGAGE RATES ARE FUELLING THE REVIVAL

Central to this renewed market activity are the more favourable mortgage rates currently on offer. With rates significantly lower than they were just

a year ago, borrowing has become more accessible for prospective buyers. This has provided a vital boost to the property market, which faced considerable challenges after the mini-budget was introduced in Autumn 2022.

Signs of recovery began to emerge over the summer of 2023, and momentum has steadily built since then. Interestingly, the current market hustle and bustle has centred around smaller homes in higher-priced regions. Sellers in these segments have acted fast, with many hoping to complete transactions before stamp duty changes come into force in April 2025.

SURGE IN SMALLER PROPERTY LISTINGS

Listings of “typical first-time buyer homes”, such as two-bedroom flats and small houses,



have surged by 20% compared to the same period last year. Similarly, in the southeast of England—one of the UK’s priciest regions after London—there has been a 16% increase in listings of one- and two-bedroom properties. This trend highlights sellers’ urgency to act before the stamp duty reforms take effect.

From April 2025, the tax-free stamp duty threshold for first-time buyers will revert to £300,000, down from the current threshold of £425,000. While this change is expected to have a limited impact across most of the UK, its effects will likely be more pronounced in London, where typical first-time property prices hover around £480,000.

STAMP DUTY REFORMS CAST A SHADOW OVER THE MARKET

Some experts have noted that the prospect of higher stamp duty serves as “a cloud over the market at the moment”. Nevertheless, the property market remains resilient, with asking prices forecasted to rise by 4% this year. This follows a smaller 1.4% increase in 2024, which brought the average property price to £360,197.

Expectations for early interest rate cuts and further falls in mortgage rates this year could help stabilise the market further. Such measures are likely to bolster buyer confidence and offer valuable support at a time of significant change. ♦

>> ARE YOU LOOKING TO NAVIGATE THIS SHIFTING MARKET? <<

The UK’s property market is in a dynamic period, marked by growth and transition. Whether you’re a buyer, seller, or first-time homeowner, understanding these changes is crucial. If you’d like more information or expert advice about the property market and your mortgage options, don’t hesitate to get in touch with our team today. We’re here to guide you every step of the way. To discuss your requirements, contact **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.

Impact of Rachel Reeves's Autumn Statement on taxes

What proactive steps can you take to minimise their effect?





ARE YOU LOOKING FOR WAYS to reduce the impact of increased capital gains, inheritance, and stamp duty taxes? Rachel Reeves's first Autumn Budget Statement as Chancellor, delivered in October 2024, has introduced a series of tax changes that could weigh heavily on your finances. While some of these changes are unavoidable, there are proactive steps you can take to minimise their effect.

The Autumn Statement delivered as expected, raising several taxes to address ongoing economic challenges. Capital gains tax (CGT), inheritance tax (IHT), and stamp duty were among the key areas impacted by these changes. To help you protect your finances, we've outlined a range of strategies that could make a difference to your wallet.

STRATEGIES TO MITIGATE THE RISE OF CAPITAL GAINS TAX

Capital gains tax is applied to the profit made when selling assets such as property or shares that have gained in value. Under the Autumn Statement, the rates for residential property CGT remain at 18% and 28%, depending on your income (essentially buy-to-let investments and second homes). However, the main rates for all other assets increased from 10% and 20% to 18% and 24%. Additionally, the favourable Business Asset Disposal Relief (BADR) rate has risen from 10% to 14%.

For those concerned about the increased burden, there are actions to consider. Firstly, selling assets that are sitting at a loss before the next tax year ends on 5 April 2025 could reduce your CGT liability. Losses made in the same tax year can offset your gains, easing the impact of the higher rates. Additionally, investing in high-risk schemes like the Enterprise Investment Scheme (EIS) or Seed Enterprise Investment Scheme (SEIS) could bring tax relief. EIS investments allow you to defer your gains, while SEIS offers permanent tax exemptions on up to 50% of your investment. However,

“Transfers between spouses are exempt from CGT, meaning your partner inherits the original cost of the asset. This can ensure gains are taxed at a lower rate or fall within their annual exemption allowance.”

these are complex decisions requiring professional financial advice.

MAXIMISING RELIEF THROUGH TRANSFERS AND ISAS

Another effective strategy involves transferring assets to a spouse or registered civil partner. Transfers between spouses are exempt from CGT, meaning your partner inherits the original cost of the asset. This can ensure gains are taxed at a lower rate or fall within their annual exemption allowance.

UK taxpayers should also prioritise the use of their Individual Savings Account (ISA) and pension allowances. Investments wrapped in ISAs or pensions remain exempt from CGT, and dividends earned within these structures are not taxed either. If you're holding assets with growth



“The main rates for all other assets increased from 10% and 20% to 18% and 24%. Additionally, the favourable Business Asset Disposal Relief (BADR) rate has risen from 10% to 14%.”

potential, ISAs and pensions are vital in shielding your investments from tax rises.

STRATEGIC THINKING ON CAPITAL GAINS TAX

For those unwilling to act immediately, there’s always the option to simply hold onto your assets. Avoiding a sale means avoiding CGT entirely. By doing so, you could wait for better market conditions, a loss to offset the gain, or potential future changes to tax rules.



CHANGING FACE OF INHERITANCE TAX

Inheritance tax (IHT) has seen some of the most dramatic changes under Rachel Reeves’s budget. Typically levied at 40% on estates currently valued above £325,000, IHT rules are now more stringent. From April 2027, most unused pension funds will count as part of an estate for IHT, potentially raising tax liabilities for families. Agricultural Property Relief (APR) and Business Property Relief (BPR), two key exemptions, have also been revised.

From April 2026, combined business and agricultural assets worth up to £1 million will remain exempt from IHT. Beyond this threshold, an effective tax rate of 20% will apply due to a 50% relief. Families with significant assets may need to rethink their plans to preserve wealth across generations.

PRACTICAL STEPS TO REDUCE IHT

If you’re keen to lower your inheritance tax exposure, if appropriate, consider spending more of your pension during your lifetime. By keeping annual withdrawals under £50,270, you’ll pay just 20% income tax. Additionally, gifting pension funds during retirement could help avoid IHT altogether – as long as you live at least seven years after making such gifts.

Transferring farm or business ownership during your lifetime is

another way to limit the IHT burden for your heirs. By planning ahead and passing on assets before death, you can help mitigate financial stress and prevent the need for drastic action, such as selling assets, to fund tax bills. Always consult with a financial adviser before pursuing these options.

HIDDEN COST OF STAMP DUTY

Stamp duty land tax has also risen. The rate for purchasing additional properties or second homes increased by 2%, leading to a 5% levy on homes worth over £125,000. For property investors, higher upfront costs should now be factored into budgets and investment strategies.

For those expanding property portfolios, it may be worth exploring investment vehicles such as real estate investment trusts (REITs). These provide property market exposure without the direct ownership costs that stamp duty incurs. Alternatively, if your second property is a replacement for your main residence, you could apply for a partial refund if you sell your first home within three years. ♦

>> TIME TO PLAN AHEAD FOR YOUR FINANCIAL SECURITY? <<

The recent changes to CGT, IHT, and stamp duty underscore the importance of proactive professional financial planning advice. By taking relevant actions now, you could minimise the impact of 2024’s Autumn Statement on your finances. If you’d like further information, contact **HFCM Wealth** – telephone **020 740 4700** – email **mortgages@hfcwealth.com**.



FIRST-TIME HOME BUYER DECISIONS

Avoid costly mistakes and set yourself
on the path to long-term financial stability

BUYING A HOME is one of the most significant decisions you'll make, particularly as a young, first-time buyer. The process can feel overwhelming, but with the proper preparation, you can avoid costly mistakes and set yourself on the path to long-term financial stability. Diving into property viewings without appropriate planning may overextend your budget or delay homeownership altogether.

A strategic approach starts with reviewing your financial health. Access your credit reports from multiple providers, such as Experian

“The First Homes scheme discounts new-build properties by 30%-50% for eligible buyers.”

and Equifax. These reports offer insights into how lenders might view your mortgage eligibility. Check the accuracy of the information and promptly dispute any errors. Accurate credit records aren't just your right – it's the foundation for a successful mortgage application.

BOOST YOUR CREDIT APPEAL

Another vital step is managing your credit card usage. Aim to use less than 30% of your credit card limit. You can achieve this by making multiple payments within the same month, showcasing your financial discipline to potential lenders. A strong credit score can make you a more appealing candidate for the best mortgage rates.

Understanding how much you can afford to borrow is essential. Calculate your Debt-to-Income Ratio (DTI) by dividing your total monthly debt payments by your gross monthly income. Ideally, less than 30% of your gross monthly income should go towards debt repayments, including your future mortgage. To achieve this target, consider consolidating high-interest debts into a single lower-interest loan, helping you save on interest and pay off debts faster.

SAVING FOR YOUR DEPOSIT

Building a deposit is a critical

part of the home-buying process. While some mortgages may offer lower deposit requirements, such options often involve higher interest rates and increased monthly costs. A deposit of 10%-20% of the property's value is ideal and improves your chances of getting a secure mortgage with better terms.

Take advantage of savings tools like the Lifetime ISA (LISA). Designed for first-time buyers, a LISA boosts your savings with a 25% government bonus on contributions up to £4,000 annually. Don't overlook cashback credit cards and reward programmes, which can provide up to 5% cashback on regular purchases.

STRENGTHENING YOUR MORTGAGE PROFILE

To make your financial profile attractive to lenders, consider taking some proactive steps. Maintain savings equivalent to at least 3-6 months of future mortgage payments. Avoid high-risk behaviours like gambling transactions and reduce unnecessary credit commitments. Demonstrate income stability and ensure your financial history shows responsible spending habits.

Think about the future costs you might face, such as childcare or rising living expenses. Assess your disposable income by subtracting essential outgoings

from your net earnings. This can help you understand how much financial leeway you have should interest rates or expenses increase. Lenders also perform stress tests to ensure you can cope with potential financial shocks; being prepared for such scrutiny makes you more likely to succeed in securing a mortgage.

EXPLORING ALTERNATIVE BUYING OPTIONS

First-time buyers now have several schemes designed to make home ownership more accessible. Rent-to-own schemes, for example, allow you to rent a property with the potential to buy it later, often at a pre-agreed price. This flexible solution is ideal for those who need time to save for a deposit or improve their financial stability.

The First Homes scheme discounts new-build properties by 30%-50% for eligible buyers, such as key workers or those with local connections. These discounts remain in place for future buyers to ensure long-term housing affordability. Alternatively, shared ownership schemes enable you to buy a percentage of a property – usually between 25% and 75% – while renting the remainder. Over time, you can purchase additional shares, eventually owning the property outright.

ESTABLISHING CLEAR HOME-BUYING GOALS

Every great plan begins with a clear goal. When purchasing your first home, define what you want to achieve and align your planning efforts accordingly. Understanding how much you can borrow is the starting point of this process. We can help you to determine your borrowing power and set realistic expectations before entering the property market. ♦

>> IS IT TIME TO OPEN THE DOOR TO YOUR NEW HOME? <<

If you're ready to begin your home-buying journey or would like expert guidance tailored to your unique situation, we're here to help discuss your needs, calculate your mortgage readiness, or explore lender-specific requirements. Let's turn your dream of homeownership into a reality, please contact **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.

UPCOMING STAMP DUTY CHANGES SET TO IMPACT BUYERS

Planning to buy your first home or move up the property ladder?

SIGNIFICANT CHANGES TO STAMP DUTY will take effect in April 2025, potentially raising bills for first-time buyers and home movers. First-time buyers will be most affected, with their costs potentially rising by thousands of pounds.

Some commentators are especially urging first-time buyers to get their property purchase completed before the end of March 2025 to avoid these substantial new charges. For some, the adjustments could mean stamp duty bills increasing by over £10,000—a staggering figure for those just stepping onto the property ladder.

REVISED THRESHOLDS FOR FIRST-TIME BUYERS

Currently, first-time buyers benefit from special stamp duty relief. This ensures no stamp duty is paid on properties priced up to £425,000. For properties priced between £425,001 and £625,000, a 5% tax is applied to the portion within that range, while homes over £625,000 attract standard stamp duty rates with no relief offered.

However, starting on 1 April 2025, this relief will be significantly reduced. First-time buyers will only pay zero tax on properties priced up to £300,000. A 5% tax will then apply to the portion priced between £300,001 and £500,000. Anything above £500,000 will no longer benefit





from relief. This is a significant drop from the current higher threshold of £625,000.

UNDERSTANDING THE REASONS FOR THE CHANGES

The impending changes stem from temporary measures introduced in 2022 during a period of heightened economic pressure. These measures, aimed at supporting first-time buyers, will expire on 31 March 2025, returning the thresholds to previous levels.

High property value regions such as London, the South East, and the East of England are already witnessing increased buyer demand as people rush to avoid the tighter rules. According to research, areas with the highest property prices could see the greatest disparity post-2025. For instance, currently, around 8% of homes listed in London are stamp duty-free for first-time buyers—a figure set to decline further when the thresholds revert.

REGION-SPECIFIC IMPLICATIONS FOR BUYERS

The impacts on stamp duty payments will vary depending on the region and property value. For example, the average cost of a first-time buyer property in London stands at £411,900. Under current rules, no stamp duty is due for properties priced at this level. However, from April 2025, buyers will need to pay £5,595 in stamp duty.

Similarly, in the South East, a home valued at £327,700 would currently be exempt from stamp duty for first-time buyers. Post-2025, the same property would incur a £1,385 bill. Buyers looking at properties priced between £500,000 and £625,000 will also be significantly impacted, with those purchasing after April 2025 facing far higher bills due to tax relief no longer applying beyond £500,000.

PRACTICAL EXAMPLES OF RISING COSTS

To illustrate the dramatic changes, a first-time buyer purchasing a property valued at £625,000 today would face a stamp duty bill of £10,000. After 1 April 2025, however, the

same purchase would attract a staggering £21,250 bill—a sharp £11,250 increase simply from the revised thresholds. Home movers are not immune to these changes either.

While exact implications may vary, many buyers upgrading to larger homes or relocating to pricier areas will likely contend with heftier stamp duty payments alongside other moving costs.

ADVICE FOR POTENTIAL BUYERS

For those hoping to buy before the changes take effect, timing is crucial. The average time to complete a home purchase can range several months, so starting early will be essential. Assessing your financial position is a key first step. Knowing how much you could borrow will help set realistic expectations.

There are government schemes designed to assist buyers, such as the Mortgage Guarantee and Own New Rate Reducer schemes. Additionally, a ‘mortgage in principle’—indicating how much a lender might offer—can strengthen your position when negotiating.

FINAL THOUGHTS AND NEXT STEPS

With less than a few months until these stamp duty changes come into effect, now is the time to act if you’re planning to buy your first home or move up the property ladder. Careful planning and timely decision-making could save you thousands. ♦

>> WANT TO DISCUSS YOUR MORTGAGE REQUIREMENTS? <<

Our team is here to assist if you'd like more personalised advice or need help navigating these changes and to explore your mortgage options, understand your affordability, and take the next steps toward securing your dream home. Contact **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.

Homeowners settle in for an average stay of nine years

A notable trend in the property market, with two significant peaks in seller activity shaping the data



HOMEOWNERS IN THE UK stay in their properties for an average of nine years before moving, according to a recent study by property website Zoopla, which surveyed those who relocated in the past 18 months. This period marks a notable trend in the property market, with two significant peaks in seller activity shaping the data. The first peak involves homeowners moving after spending three to seven years in their homes, accounting for 33% of sales. The second peak is influenced by those who

purchased their homes right before the 2007 financial crisis.

Interestingly, different property types and demographics show varying tendencies. Smaller homes with one or two bedrooms are typically associated with shorter stays, averaging nine years compared to 13 years in larger homes. These properties often attract singles and young families, whose changing needs prompt them to upsize earlier than more established households. For these homeowners, moving sooner is usually a practical decision reflective of their dynamic lifestyles.

REGIONAL AFFORDABILITY AND ITS IMPACT

The influence of regional affordability adds another layer to this narrative. Scotland and the North East, where average house prices are £166,500 and £146,000 respectively, encourage faster turnover. In these areas, 28% of homeowners sell within five years of their purchase. The combination of lower house prices and reduced moving expenses, including smaller stamp duty payments, makes the idea of

relocating more appealing for residents.

London, however, tells a contrasting story. Londoners who sold properties in the last 18 months had lived there an average of ten years, the longest of any UK region. This trend is due to the capital's higher house prices and increased moving costs, from stamp duty to general expenses. Homes in boroughs such as Kensington and Chelsea or Westminster saw even longer stays, at 13 and 12 years, respectively.



URBAN HUBS VS. RURAL RETREATS

Rural regions present yet another variation. Homeowners in smaller towns and villages, including areas like Mid Devon, Harborough, and Swale, spend an average of eight years in their homes before selling—the shortest duration recorded. Notably, this pattern does not hold true in Scotland’s urban areas. Cities such as Glasgow and Edinburgh, alongside larger southern towns in the region, see homeowners move out roughly every seven years. This frequency reflects regional differences in market dynamics and lifestyle preferences, even in adjacent areas.

These differences also spotlight the pivotal role of external factors, such as equity accumulation and affordability, in motivating home sales. Some of the

most active sellers include those who bought properties immediately before the Global Financial Crisis or during the pandemic. The influence of personal circumstances, alongside these broader trends, underscores complex motivations behind moves.

ROAD AHEAD FOR 2025 MOVERS

Looking forward, the UK housing market is primed for notable activity in 2025. Many experts anticipate a surge in both buyers and sellers, partly driven by upcoming stamp duty changes in England and Northern Ireland. Starting in April 2025 rises in stamp duty are expected to create a rush among home movers aiming to save thousands

of pounds. This urgency may spark a sharp increase in house prices and an active market in early 2025. Those planning to sell could find this period advantageous for achieving the best value for their properties.

For those considering a move, now is the time to consult a local estate agent. Understanding

the true value of your home, gauging demand, and exploring affordability can provide an essential foundation for your next steps. Given the likely flurry of market activity ahead, preparation will be key to securing the best outcome. ♦

>> READY TO DISCUSS YOUR MORTGAGE OPTIONS? <<

If you’re planning your next move or want to learn more about the current housing market trends, we can help you understand the opportunities and challenges in your region, ensuring you make informed decisions about your future home. Don’t wait—start your housing and mortgage journey today. To discover more about how we can help you – speak to **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.



“Starting in April 2025 rises in stamp duty are expected to create a rush among home movers aiming to save thousands of pounds. This urgency may spark a sharp increase in house prices and an active market in early 2025.”

How to align your mortgage terms with your current financial position

Is now the time to review and assess your eligibility and compare deals?

ALTHOUGH REMORTGAGING YOUR home can seem daunting, proper preparation and knowledge can often lead to significant financial benefits. While the process itself is similar to securing a mortgage when you first purchased your property, it's crucial to understand how your circumstances and the housing market may have evolved over time.

Changes in your personal situation – whether it's a new job, self-employment, or growing your family – can all influence the amount you can borrow. Additionally, if the value of your property has increased, you might find yourself borrowing a smaller percentage of the home's value, which can unlock more favourable interest rates.

RENEWING THE MORTGAGE PROCESS To remortgage, you'll essentially need to begin a brand-new mortgage application.



The lender will reassess your property's value, and once approved, you'll be bound by the terms of the new mortgage product – including any tie-in periods or conditions. Because the process can be time-consuming, it's wise to start planning at least 6 to 12 months in advance of your current deal expiring.

While many homeowners focus on securing the right new deal, it's easy to overlook the costs associated with ending an existing mortgage. Most lenders charge an administration or "exit fee" for closing your account – a sum that can reach up to £300. Additionally, early repayment charges (ERCs) are an important consideration during the initial fixed, tracker, or discounted periods.

UNDERSTANDING EARLY REPAYMENT CHARGES

ERCs are typically calculated as a percentage of the remaining mortgage balance and tend to reduce as the fixed period nears its end. For example, a five-year fixed deal might carry an ERC of 3% in the first year, decreasing to 0.5% in the fifth year.

Although ERCs can be a deterrent, it's worth exploring whether refinancing early could save you money, particularly if interest rates are falling. Sometimes, the benefits of switching to a better deal outweigh the penalties. Seeking professional mortgage advice can help determine whether an early switch makes financial sense for your circumstances.

HOW YOUR CIRCUMSTANCES AFFECT BORROWING

Factors like employment status, salary, debt levels, and marital status can influence your ability to borrow when remortgaging. This means that you may not always be eligible for the same level of borrowing as your previous loan. On the other hand, you might be pleasantly surprised by the options available if your circumstances have improved.

“ERCs are typically calculated as a percentage of the remaining mortgage balance and tend to reduce as the fixed period nears its end.”

If significant life changes have occurred since your last application, discussing your options with a mortgage broker is essential. Our mortgage team can guide you through the process and explain how these changes could affect the amount and type of mortgage you can secure.

FIXED-RATE PRODUCTS AND MARKET COMPETITION

Most borrowers in the UK opt for fixed-rate mortgage products that offer preferential rates during the initial term. After this period, you're often free to switch to a new mortgage product without penalties. Lenders frequently introduce competitive deals every three to four months, which could mean there's a better product available to suit your financial goals.

If applicable, review your mortgage every two to five years, depending on your fixed rate term. Doing so ensures you remain informed about better options and avoid unnecessary costs when transitioning to your lender's standard variable rate.

LOAN-TO-VALUE AND HOME MAINTENANCE

The loan-to-value (LTV) ratio plays a significant role in determining your mortgage interest rate. If your home's value has increased since purchase, you may fall into a lower LTV bracket, improving your eligibility for more competitive deals.

To ensure your property is valued as highly as possible, it's a good idea to present it in the best condition. Any required maintenance should be completed, and freshening up the décor can positively impact how a surveyor views your home's market value.

THINKING OF REMORTGAGING YOUR HOME?

Remortgaging allows you to align your mortgage terms with your current financial position, potentially leading to savings or a more manageable repayment plan. If you're unsure where to begin, our expert mortgage team can set you on the right path. They will help assess your eligibility, compare deals, and guide you through the complexities of the process. ♦

>> ARE YOU READY TO EXPLORE YOUR REMORTGAGE OPTIONS WITH CONFIDENCE? <<

If you're considering remortgaging and want to understand your options, don't hesitate to seek professional advice. Contact us to secure the right deal for your future. Contact **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.



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 HFMC Wealth

– telephone 020 740 4700

– email mortgages@hfmwealth.com

– website hfmcmortgages.com

– address 29 St John's Lane,
Clerkenwell, London, EC1M 4NA



ANY PROPERTY GIVEN AS SECURITY, WHICH MAY INCLUDE YOUR HOME, MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE OR OTHER DEBTS SECURED ON IT.

UK ECONOMY AND PROPERTY MARKET

What direction will the Government likely pursue over the coming years?

LABOUR'S INAUGURAL BUDGET has provided insight into the economic direction the Government is likely to pursue over the coming years. Government spending, taxation, and borrowing are pivotal in shaping UK inflation. They also influence the Monetary Policy Committee's (MPC) decisions on the Bank Rate, commonly called the base rate. This base rate is a crucial factor affecting mortgage rates across the country.

The Autumn Budget Statement 2024 contained few surprises regarding economic policy, suggesting a focus on stability. The Government appears committed to keeping inflation near the target rate of 2%. Described as "a Budget to fix the foundations of the economy," Labour's proposals include prioritising economic and fiscal stability, increasing investment, boosting funding for public services, balancing the budget so revenues cover day-to-day expenditures, and

reducing net financial debt as a share of GDP.

BALANCING ACT BETWEEN SPENDING AND INFLATION

However, the plan comes with trade-offs. Some expect the increase in national insurance contributions for employers to result in higher consumer prices. The Government's intention to borrow more for investment projects may

also exert upward pressure on inflation. The Office for Budget Responsibility (OBR) has said that these measures could raise inflation marginally, which could, in turn, prompt adjustments to monetary policy.

The Bank of England has already noted that "a gradual approach to removing policy restraint remains appropriate." This statement indicates that any future reductions in the base rate could occur more cautiously than initially anticipated. Uncertainty surrounding the labour market is a key factor influencing this reserved stance. The OBR's projections suggest that if inflation rises as expected, average mortgage rates could increase by up to 0.8% by the end of 2027.

"The OBR's projections suggest that if inflation rises as expected, average mortgage rates could increase by up to 0.8% by the end of 2027."



MORTGAGE RATES SHOW SIGNS OF STABILITY

Fast forward to 2025, and the mortgage landscape appears to be stabilising. Many high-street lenders have adopted a cautious approach to fixed mortgage rates. Despite some modest rate increases reflecting long-term economic forecasts, more competitive two-year fixed deals are being introduced. These deals offer borrowers the flexibility to plan ahead in what is expected to be a more consistent interest rate environment.

This stability offers reassurance to both homeowners and prospective buyers. Borrowers currently on shorter-term fixed-rate deals may find themselves

“If the Bank of England’s predictions hold true, the base rate is expected to settle near 3.6% during 2026 and 2027.”



well-positioned to capitalise on future changes in the rate landscape. Such predictability allows individuals to plan their finances with greater confidence—a welcome change after the volatile rate fluctuations of recent years.

POSITIVE OUTLOOK FOR HOUSE PRICES AND BUYERS

Adding to this optimism is the forecast for house prices. According to Rightmove, the average asking prices of new sellers are expected to rise by 4% by the end of 2025. This steady rise signals sustainable growth while avoiding the risks associated with overheated markets. Buyers who act now are likely to see the rewards as the value of their properties appreciates

over time, solidifying confidence in property as a reliable long-term investment.

Looking further ahead, the Bank of England has forecasted a base rate of approximately 3.75% by late 2025. This rate highlights a more predictable environment for both new buyers and existing homeowners. Stability in mortgage repayments and a tempered pace of house price growth create opportunities for those looking to enter the housing market or secure better loan terms.

CURRENT MARKET OFFERS A WINDOW OF OPPORTUNITY

For prospective buyers, the current market offers a window of opportunity. While some may be waiting

for a dramatic drop in rates, such a strategy could backfire if property prices continue to climb. Locking in now at a competitive rate could be a smart move, as it allows buyers to secure homes before prices increase further. For many, acting sooner rather than later may unlock significant long-term benefits.

If the Bank of England’s predictions hold true, the base rate is expected to settle near 3.6% during 2026 and 2027. This could spark renewed competition among mortgage lenders, leading to better deals and further incentivising homeownership. ♦

>> ARE YOU SEEKING GUIDANCE ON FINDING THE RIGHT MORTGAGE PRODUCT FOR YOUR NEEDS? <<

Whether you’re planning to buy your first home or looking for a new mortgage or remortgage, understanding these shifts is crucial. To learn more or for guidance on finding the right mortgage product for your needs, speak to a member of our experienced team today. Contact **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.



What's influencing the behaviour of prospective homeowners?

The adjustment that has caused a stir, especially in higher-priced areas

THE FORTHCOMING CHANGES to stamp duty thresholds, announced in the Autumn Budget Statement 2024, are shaping property market trends, particularly among first-time buyers. From 1st April 2025, the threshold for stamp duty exemption in England will fall from £425,000 to £300,000. This adjustment has caused a stir, especially in higher-priced areas, where many potential buyers now face higher fees.

According to the latest analysis by Rightmove, first-time buyers in regions like London, the South East, and the East of England will feel the brunt of these changes. From April, only 8% of homes in London will be stamp duty-free for first-time buyers. The figures are marginally better in the South East and East of England at 24% and 32% respectively.

SURGE IN BUYER DEMAND AHEAD OF THE CHANGES

This decrease in stamp duty thresholds is already influencing the behaviour of prospective homeowners. Since the Budget announcement, the data indicates these areas have seen a marked increase in demand from first-time buyers eager to secure a property under the current financial conditions.

Before the Budget, first-time buyer activity in London was already up 28% from the previous year. However, this figure has now risen to 31%. Similarly, in the East of England, demand has climbed from 28% to 32%, while the South East saw an increase from 23% to 24%. This trend highlights some buyers' determination to seal their purchases before the new exemption threshold takes effect.





“With an average property transaction in Great Britain taking 151 days to complete, buyers are under a tight timeline to find and finalise their purchases before 1st April.”

support announced for first-time buyers in the Autumn Budget Statement 2024. With no major measures to offset rising costs or ease access into the housing market, some prospective buyers may be rushing to secure their properties now, fearing that the situation could worsen in the near future.

At the same time, others may hesitate, taking the lack of support as a sign of delay in their purchases. This mixed behaviour reflects an underlying uncertainty in the market, as first-time buyers weigh their options against shifting regulations and timelines.

REGIONAL VARIATIONS AND THE BROADER IMPACT

While expensive regions are experiencing a rush to market, the effect of the stamp duty changes will likely vary across England. Areas where a significant number of homes are already priced below the £300,000 threshold are expected to face less disruption. First-time buyers in these regions have more affordable options available and will likely be less affected by the upcoming deadlines.

Yet, for those seeking higher-priced properties, the pressure is on. With an average property transaction in Great Britain taking 151 days to complete, buyers are under a tight timeline to find and finalise their purchases before 1st April. The longer process means some might not beat the clock, even if they act quickly.

FEW BUDGET INCENTIVES FOR FIRST-TIME BUYERS

Another factor behind the increased activity could be the lack of significant

>> ARE YOU LOOKING TO DISCUSS THE RIGHT MORTGAGE SOLUTION FOR YOUR NEEDS? <<
Timely expert support could make all the difference in securing your future home. If you need further advice or guidance on how the stamp duty changes could affect your property search or want to assess your mortgage options, contact **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.

ACT NOW FOR A SMOOTH TRANSITION

The oncoming stamp duty adjustments have created a highly time-sensitive environment for first-time buyers, particularly in regions already grappling with higher property prices. For those navigating their first step on the ladder, acting swiftly is essential to take advantage of the current threshold, but the road ahead remains uncertain. ♦



2025 PROPERTY MARKET PREDICTIONS

A valuable insight into the UK's home-selling and mortgage markets



THIS YEAR'S KEY market trends and analysis offer valuable insights into the UK's home-selling and mortgage markets. Rightmove's forecast for 2025 highlights a dynamic picture shaped by affordability, competitive pricing, and increased market activity. With an estimated 1.15 million property transactions predicted for 2025, buyers are poised to benefit from an increasingly favourable market.

London, in particular, is anticipated to experience the beginning of a price resurgence. Following years of stagnation, the capital's property market

is expected to align with or exceed national price growth trends. The reassertion of London's appeal to workers and international buyers will play a key role in this recovery.

HOUSING SUPPLY AND BUYER OPPORTUNITIES IN 2025

The number of homes available per estate agent branch is higher than it has been in a decade for this time of year. This means buyers currently find themselves in a market rich with options. While demand remains strong, this competition among sellers has kept price growth moderate.

The analysis forecasts a continued strong housing supply throughout 2025, fostering a steady stream of transactions. The transactions highlight the market's resilience and emphasise buyers' willingness to engage, underpinned by improving affordability metrics and a steady economic recovery.

LONDON PROPERTY MARKET POISED FOR RECOVERY

Historically, London's housing market has lagged behind the rest of Great Britain in recent years. Between 2019 and now, the average asking price for a home in the capital has risen just 12%, compared to 21% nationwide. However, 2025 is expected to mark a turning point. Factors such as returning office workers, a resurgence of international investment, and corporate relocations are likely to provide a much-needed boost to the capital's property prices.

The differential between average London property

prices and the rest of Great Britain has also narrowed. While property prices in London were 101% higher than the national average in 2019, this has now reduced to 86%. This narrowing gap makes the capital increasingly attainable for potential buyers, ensuring a greater competitive edge compared to previous years.

MORTGAGE RATES SET TO SUPPORT AFFORDABILITY GROWTH

When it comes to financing a home, the outlook also appears brighter. Mortgage rates are projected to fall to an average of around 4.0% for both two-year and five-year fixed-rate options by late 2025. This marks a decline from the current rates, at the time of writing, which stand at 4.83% and 5.08%, respectively. While these rates remain above the historically low figures seen before the cost-of-living crisis, the reduction will significantly enhance home-buying affordability.

However, experts caution that several unpredictable factors could impact these projections. Geopolitical tensions, inflation,

and other economic variables could steer mortgage rates in unforeseen directions.

**FIRST-TIME BUYERS
MAINTAIN MARKET ACTIVITY**

Despite changing conditions, first-time buyers are anticipated to be pivotal in

2025. The impending 1 April 2024 rise in stamp duty rates might create a short-term rush, encouraging some buyers to complete their purchases earlier to mitigate increased moving costs. However, many homes across England remain under the

crucial £300,000 threshold, allowing first-time buyers to sidestep hefty taxes.

Notably, the number of first-time buyers enquiring with agents has surged by 13% compared to the previous year. This reflects the ongoing struggle renters face with rising costs and broader economic confidence among prospective new homeowners. Experts believe this buyer segment will remain particularly active heading into the new year.

**REMORTGAGING
DOMINATES LENDING
STRATEGIES**

For lenders, 2025 will mark a strategic pivot toward the

remortgaging market, as many existing fixed-rate deals expire. Homeowners who secured five-year fixes during the pandemic boom will face new borrowing terms, likely at a higher cost. Conversely, those with post-mini-Budget two-year fixes could enjoy cost savings as rates soften.

The data indicates that product transfers and remortgaging are fast becoming key focal points for lenders eager to attract homeowners navigating these changes. This trend underscores a shifting lending landscape as providers cater to a varied borrower demographic transitioning between fixed-rate agreements. ♦

“Mortgage rates are projected to fall to an average of around 4.0% for both two-year and five-year fixed-rate options by late 2025.”

>> DO YOU REQUIRE PROFESSIONAL GUIDANCE TO HELP YOU MAKE THE MOST OF THESE EVOLVING CONDITIONS? <<

The mortgage market's future offers plenty to consider, and professional guidance will help you make the most of these evolving conditions. For those seeking further information on how these changes could affect your home-buying or remortgaging plans, speak to **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.



Is it time for a tech home upgrade?

How to transform your abode with smart gadgets



SMART GADGETS ARE REVOLUTIONISING

the way we go about our daily lives. Designed to simplify tasks, these innovative tools can assist with everything from shopping and socialising to staying organised. If you're considering a tech upgrade for your home, here's a list of some of the smartest gadgets available. You can gain more control over your everyday routine with a simple touch or voice command.

Discover these impressive devices, and see how they could transform your abode.

NEST PROTECT - SMART SMOKE & CO ALARM

Safety is one of the cornerstones of a smart home, and the Nest Protect leads the way. Unlike conventional smoke and carbon monoxide detectors, this intelligent sensor

can differentiate between smoke, steam and actual carbon monoxide threats. If danger is detected, it sends an alert to your phone before activating the alarm, giving you precious extra seconds to act.

Not only does the Nest Protect include a reliable Split-Spectrum Sensor for enhanced accuracy, but it also tests itself automatically. This feature eliminates the need for tedious manual testing. Additional benefits include motion-activated lights for navigating in the dark and multi-account setups for your family, ensuring everyone is in the loop.

AMAZON ECHO (4TH GEN)

The Amazon Echo remains a top choice for those looking to integrate smart technology

into the home. It pairs seamlessly with Alexa, your virtual assistant, who responds to your voice commands. Whether you need her to play your favourite playlist during meal prep, update you on the latest news or control compatible devices, Alexa is always at your service.

Equally stylish and functional, the Amazon Echo is compact and blends easily into any aesthetic. Say goodbye to cluttered devices—this sleek gadget allows you to manage your home effortlessly, adding both convenience and sophistication.

DYSON 360 EYE - CLEVER CLEANING COMPANION

Imagine stepping into a spotless house at the end of each day. The Dyson 360 Eye robot vacuum

cleaner makes that dream a reality. Designed to work smarter, not more complicated, it methodically navigates your home, tackling corners, rugs and different floor types with ease.

Connected to your smartphone, the cleaning schedule can be tailored to your needs. Set it to operate while you're away, and come home to gleaming floors every time. With Dyson's commitment to quality and durability, this gadget delivers exceptional performance and peace of mind.

SAMSUNG SMART FRIDGE-FREEZER - SMARTER MEAL PLANNING

Have you ever stared into your empty fridge, unsure what to cook? Enter the Samsung Smart Fridge-Freezer, a game-changer for kitchen organisation. This appliance has internal cameras linked to your phone, so you can check what's in stock even when you're out shopping.

More than just a fridge, it boasts an integrated Recipe App that offers meal suggestions and tracks expiry dates to reduce waste. Voice control features also make multitasking a breeze. Simply ask it to read out the next recipe step while you're busy chopping vegetables. It's like having a personal sous-chef right in your kitchen.

START YOUR DAY RIGHT WITH SMARTER COFFEE

Nothing beats waking up to the smell of

freshly brewed coffee, and the Smarter Coffee Machine makes this possible. This innovative device grinds your beans and brews your perfect mug every morning. Set your preferences via the app the night before, and wake up ready to take on the day.

Moreover, it integrates with Amazon Echo, allowing Alexa to prepare your coffee while setting the mood with background tunes. You'll relish this addition to your routine, as it streamlines mornings into moments of pleasure.

AUGUST WI-FI SMART LOCK

Security meets convenience with the August Wi-Fi Smart Lock. Quickly installed and straightforward, this smart lock fits over your existing deadbolt, so you can continue using your regular keys. It's equipped with built-in Wi-Fi, so no additional hardware is required to connect it to your home network.

This device enables you to lock and unlock your doors remotely, giving you peace of mind wherever you are. Additionally, it integrates with Alexa, Google Assistant and HomeKit, ensuring compatibility with your other gadgets while enhancing your home security.

ARLO VIDEO DOORBELL - STAY CONNECTED TO YOUR DOORSTEP

Upgrade your home security with the sleek and efficient Arlo Video Doorbell. Offering a 180-degree field of view in a crystal-clear 1:1 aspect ratio, this device ensures you

never miss a thing—be it parcels, visitors or unexpected activity outside your home.

Subscribing to Arlo's secure service unlocks extra perks, including leaving voice messages for callers and reviewing footage when you're away. It's an investment in style and safety, ensuring your property is always well-monitored.

NEST LEARNING THERMOSTAT - ENERGY-EFFICIENT COMFORT

Energy-conscious homeowners will love the Nest Learning Thermostat. This smart device keeps your house cosy while reducing your utility bills. Learning how long your home takes to heat up or cool down optimises energy usage and ensures your heating only runs when needed.

Additionally, it offers valuable insights into energy consumption and costs, giving you complete control over your spending. Compatible with Google Assistant, it's an intelligent addition that benefits the environment and your wallet.

EXPLORE THE POSSIBILITIES

Smart gadgets bring new levels of comfort, productivity and enjoyment to every aspect of life. From safety devices to energy-saving appliances, there's a solution to meet your individual needs. ♦



>> WANT TO DISCUSS YOUR MORTGAGE AND HOMEOWNERSHIP OPPORTUNITIES? <<

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Managing utilities when moving home

Whether upgrading, downsizing, or simply relocating

MOVING HOME CAN be one of the most exciting chapters in life. Whether upgrading, downsizing, or simply relocating, the process is often a whirlwind of packing boxes, signing paperwork, and endless to-do lists. However, amidst the excitement, it's easy to overlook the finer details—details like your utilities.

INFORM YOUR CURRENT SUPPLIER BEFORE YOU LEAVE
The first step to ensuring a smooth transition is informing

your current gas and electricity supplier that you're moving. Contact them at least 48 hours before your scheduled move-out date. This notification allows them to process final readings and prepare your closing bill. On your moving day, take final meter readings for gas, electricity, and water, and share these with your current supplier.

Don't forget to provide a forwarding address so your final bill can be sent to you without delay.



By attending to this step early, you can avoid overpaying for energy or risking a bill dispute later. It's worth noting that your final bills may take a couple of weeks to arrive, depending on the supplier's policies. Keep track of all correspondence for future reference.

SETTING UP UTILITIES FOR YOUR NEW HOME

When it comes to your new property, the decision to stick with the same energy supplier or switch to a better tariff could save you money in the long run. Start by confirming your move-in date, as this will become the start date for your new tariff. You can then assess whether your current supplier offers competitive pricing for your new property's location. If you find a better deal elsewhere, it's a good opportunity to switch providers and start afresh.

Don't forget that some suppliers offer discounts or perks for new customers, so it's worth exploring all your options. Comparison websites are a helpful tool to gauge which provider suits your budget and energy usage needs.

MANAGING YOUR BROADBAND DURING THE TRANSITION

Broadband services are another

important consideration when moving. If your current internet provider operates within the area of your new address, you can bring your router with you. However, you'll need to notify the provider of your upcoming move so they can set up the service at your new home.

If your provider is unavailable at your new address, the process becomes slightly more complicated. You will need to cancel your current plan and establish a new account with another provider. Be sure to give adequate notice for cancellation to avoid overlapping payments or penalties. And when selecting a new provider, verify the installation timeline to ensure you're not left without internet for an extended period after moving in.

DON'T FORGET YOUR WATER SUPPLIER

Regardless of where you're moving, water is a utility that requires immediate attention to ensure proper billing. If you stay within the same water company's jurisdiction, notify them at least two weeks before your move. Provide the final water meter readings from your old property and initial readings from your new one.

If a different water company

services your new home, you'll need to set up an entirely new account. After moving, contact the local supplier as soon as possible and share the reading of your opening water meter. Prompt action ensures accurate

picture of moving home, it can significantly impact your overall experience. Taking care of these essentials in a timely manner will save you from unnecessary expenses, delays, and headaches once you're settled. ♦



billing from the start and avoids confusion later on.

A FEW FINAL TIPS FOR A SMOOTH UTILITY SWITCH

Organisation is key during any move, and utilities are no exception. Keep all related documents, such as bills and meter readings, in one dedicated folder for easy reference. Updating your address with utility companies, banks, and other important institutions ensures you won't miss valuable correspondence.

While managing utilities may seem like a minor detail buried within the bigger

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“Regardless of where you’re moving, water is a utility that requires immediate attention to ensure proper billing.”

First impressions count

Transform your front garden with these inspiring and manageable ideas

YOUR FRONT GARDEN is more than a patch of greenery – it's visitors' first impression of your home. It serves as your home's calling card, setting the tone before anyone enters. Whether your space is large or compact, it's worth giving your front garden that extra touch of attention.

Designing a front garden can initially seem daunting, but it doesn't have to be complicated. You can craft a charming, functional, visually appealing space with thoughtful choices and creative ideas. Read on to discover inspiring, manageable ideas to help you make the most of your small front garden.

KEEP IT SIMPLE WITH LOW-MAINTENANCE CHOICES

If you prefer an uncomplicated approach, opt for a low-maintenance garden. A classic choice is a neatly trimmed lawn accented with a few flowerbeds to bring pops of colour. Consider replacing grass with gravel or artificial turf for an even simpler alternative. Adding a layer of shingle can discourage weeds and minimise upkeep.

To elevate the look, focus on a mix of textures and hues in your flowerbeds. For example, plant a few hardy, bright perennials to ensure the space feels lively without requiring constant attention. You can enjoy a tidy, attractive garden with minimal effort by keeping it simple.



PLAN FOR ALL SEASONS

Every homeowner dreams of a garden that looks stunning year-round. To achieve this, mix seasonal plants and flowers throughout your design. Perennials, such as lavender, geraniums, rudbeckias, and heleniums, provide bursts of colour from early spring to late autumn.

For the colder months, include winter aconites, heavenly bamboo, or scarlet willow, which thrive despite frost. Winter doesn't have to mean dull gardens. Add vibrant winter blooms like camellias, pansies, or coronillas to keep the charm alive during the chilliest months. With the right combination, your garden will remain an inviting space, come rain, snow, or shine.

ADD CHARACTER WITH AN ARCHWAY

Introducing a striking focal point is one of the best ways to transform a small front garden. Arched pergolas, particularly near the front door, are a popular choice. These features not only add elegance but also provide an ideal backdrop for climbing plants. Roses or wisteria in full bloom can create a picturesque display.

When selecting an archway, consider the overall style of your property. Metal pergolas offer a sleek, contemporary look, while wooden designs bring rustic charm. Either way, this addition can make a big impact in a small garden.

STRATEGICALLY POSITION YOUR HIGH PLANTS

The placement of tall plants requires special care to ensure they enhance, rather than hinder, your space. Avoid obstructing natural light by situating high plants



“Low-growing plants, such as dwarf hydrangeas or rose bushes, are great for planting under windows.”

the design of your front garden. Not only do borders bring structure, but they can also provide privacy between your home and neighbouring properties. Experiment with different shapes, materials, and decorations to craft a border that complements your space.

For a classic and low-maintenance option, picket fences are an excellent choice. They bring an air of timeless elegance and can frame your garden beautifully, defining the space while blending in seamlessly.

ENHANCE WITH STRAIGHT LINES AND UNIFORM PLANTING

Small gardens often benefit from clean, well-organised layouts. Displaying flowerbeds in straight lines can help create a sense of order, making the space appear larger and more refined. Stick to two or three types of plants with complementary colours. For example, lavender, English bluebells, and Jack Frost feature varied shades of purple that work wonderfully together.

Uniform planting not only simplifies design but also ensures your garden looks cohesive. This technique is especially effective in creating visually striking results with minimal effort.

alongside the edges of windows or by the driveway. Experiment with plant heights and colours for a dynamic, layered design.

Low-growing plants, such as dwarf hydrangeas or rose bushes, are great for planting under windows. Alternatively, consider pairing them with a bench or planter box to turn them into a feature. Thoughtfully arranged plants can create a harmonious and beautiful environment.

INSTALL BORDERS TO CREATE DEFINITION

Adding borders is an easy way to elevate

BRIGHTEN SPACES WITH HANGING BASKETS

Hanging baskets are a fantastic way to add vertical interest and a splash of vibrant colour to your garden. Ideal for compact spaces, they can easily transform an otherwise plain area into a charming focal point. For summer displays, opt for cheerful plants like geraniums, creeping Jenny, and petunias. For winter baskets, ivies, pansies, and sedges can provide long-lasting appeal.

Do bear in mind that hanging baskets are prone to drying out quickly. To keep them looking fresh and healthy, install an automated watering system or make regular care part of your routine.

ILLUMINATE YOUR GARDEN WITH SOLAR LIGHTS

Solar lighting is the crowning touch for a front garden that shines at all times of day. Not only are solar lights energy-efficient, but they can also enhance the atmosphere of your garden without the need for wiring or electricity.

Add colour-changing lights to highlight flowerbeds or string solar fairy lights along fences and pergolas for a soft, romantic glow. If your garden allows, consider solar lampposts for a stately and practical feature that will make your garden stand out. ♦

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Buy-to-let investors are weathering the storm

Landlords defy tax hikes to maintain their hold on the property market

LANDLORDS NOW

REPRESENT a higher share of the property market than before last year's Autumn Statement Budget 2024, according to data that challenges the widespread belief that tax rises would deter investors. The latest analysis by Hamptons indicates that buy-to-let buyers accounted for 10.7% of all offers accepted across Great Britain in November. This is a notable increase compared to the 2024 yearly average of 10.2%.

The data comes despite warnings from landlord groups that property purchases would drastically fall following Chancellor Rachel Reeves's Autumn Budget Statement 2024. The statement, delivered on 31 October, included a significant increase in the stamp duty surcharge for second homebuyers and property investors, raising it by two percentage points to 5%. For example, a landlord buying a £500,000 property now faces an additional charge of £10,000, jumping from £27,500 to £37,500.

EVIDENCE OF RESILIENCE IN THE BUY-TO-LET MARKET

Initial observations suggest that buy-to-let investors are weathering the storm. Despite the additional costs, there are signs of relative resilience, implying new landlords are still willing to enter the market. While buy-

to-let transactions remain far below historical levels, there has been no catastrophic decline many had feared.

It's worth noting the stark contrast with previous years. Back in 2015, before former Chancellor George Osborne introduced a series of tax hikes for landlords, buy-to-let buyers made up a significant 16% of all home sales. However, the fact that transactions continue rather than plummet altogether underscores landlords' sustained interest in property ownership.

SHIFT TOWARDS AFFORDABILITY AND YIELDS

Landlords are now strategically targeting more affordable regions where rental yields are higher. The northeast of England proved especially popular, with 18.4% of November's purchases in the region made by buy-to-let investors. This compares to 14.7% of landlord purchases in London, where property prices are significantly steeper. This shift highlights investors' focus on maximising returns during uncertain economic times.

Meanwhile, the rental landscape has undergone noticeable changes. Following months of sharp increases, tenants' rents have stabilised, rising at a more manageable pace. Data shows year-on-year rent growth stood at 2.6% as of November last year, aligning with trends seen before the Covid-19 pandemic. Britain's

average rent now sits at £1,382 per month, which remains a significant cost for many renters nationwide.

IMPACT ON TENANTS AND THE WIDER MARKET

The effects of these market shifts are also felt by tenants, particularly in the private rented sector. The National Residential Landlords Association (NRLA) has previously warned that a reduced supply of rental homes would have far-reaching consequences. According to the NRLA, the sell-off of

rental properties since adding additional landlord taxes in 2016 has exacerbated housing pressures.

Figures paint a stark picture. Between April and June last year, 7,130 private rental households were granted council support for homelessness. This is a steep rise compared to the 5,400 households supported between October and December 2023. The NRLA has argued that failing to address such issues could deepen the affordability and availability crisis in the rental market. ♦



>> ARE YOU LOOKING TO VENTURE INTO THE FIELD OF PROPERTY INVESTMENT? <<

If you'd like further insights on this topic or need additional information on your funding options, our team of experts is here to help. Contact **HFCM Wealth** – telephone **020 740 4700** – email **mortgages@hfcwealth.com**.

HOW TO FIND RELIABLE TENANTS

Why it's essential to take a proactive approach to tenant selection and property management

BEING A LANDLORD can be rewarding but also comes with its fair share of challenges. One of the most significant hurdles is finding trustworthy tenants who will treat your property respectfully and pay their rent on time. Unreliable tenants can cause unnecessary stress and financial strain, so it's essential to take a proactive approach to tenant selection and property management.

Working with a professional leasing or property management company is an excellent first step in identifying potential problem tenants. Private property landlords often fall victim to undesirable tenants who target individual owners. To safeguard your investment, it's crucial to recognise early warning signs and take preventative measures.

IDENTIFYING TENANT RED FLAGS

One of the biggest red flags is a prospective tenant who tries to avoid a background check. If someone offers to pay cash above the rent amount as an incentive to skip screening, treat this with caution. Regardless of any financial lure, ensure the tenant undergoes a thorough screening process. Tenant screening companies such as Experian provide landlords with affordable and comprehensive background checks to help identify risk factors.

Similarly, be wary of tenants who attempt to avoid paying a deposit. Excuses ranging from stolen wallets to sudden personal tragedies should not exempt them from fulfilling this crucial step. Allowing a tenant to move in without a deposit will likely

result in future financial issues for you.

LOOK OUT FOR POOR REFERENCES

Another significant warning sign is when prospective tenants discourage you from contacting their current landlord. You should exercise caution if they attempt to share a bad story about their landlord unprompted. Negative feedback about their existing arrangement could reveal financial difficulties or behavioural concerns that may soon become your problem. Trust your instincts and do your due diligence before making any commitments.

By identifying reliable, professional tenants, you can reduce potential issues and create a mutually beneficial landlord-tenant relationship.

Offering a well-maintained and appealing property is an excellent way to attract the right calibre of renters.

ENHANCING THE APPEAL OF YOUR RENTAL PROPERTY

If you want to attract professional tenants, it pays to position your property as a home rather than just a rental investment. Little changes can go a long way toward making your property shine. A fresh coat of paint is one of the simplest yet most effective upgrades. Opt for neutral tones, such as beige or light grey, to ensure your rental has universal appeal.

Replacing dated carpets with new flooring—whether it's sleek tiles or cosy carpeting—can instantly improve the look and feel of





your property. Outdated sinks, bathtubs or kitchen fixtures may also warrant replacement to give your rental a modern, stylish edge. Remember that some repairs or upgrades might even be covered by your property insurance, especially if the damage results from storms or water-related incidents. Consulting a property insurance expert can help ensure you maximise your claim.

DON'T SKIMP ON PROFESSIONAL PHOTOGRAPHY

Consider hiring a professional photographer once your property is upgraded and ready for viewing. While smartphones may capture decent pictures, a professional's touch can elevate the visual appeal and highlight

the strengths of every room. Quality images of key spaces, such as the bathroom, kitchen and living areas, are essential for standing out in a crowded rental market. Think of this as an investment—good tenants who are visually attracted to your property are far more likely to save you money in the long run.

Regular maintenance is also vital. If issues aren't addressed promptly, a newly refurbished property can quickly look neglected. Set aside a maintenance fund to ensure essential repairs can be made swiftly and to keep your current tenants happy.

SETTING CLEAR EXPECTATIONS

Transparent communication and clear ground rules help foster a good relationship with your

tenants. For instance, be strict about rent payment deadlines; late fees or eviction policies should be clearly outlined. This establishes professionalism from the outset and protects you from financial irregularities. Reliable tenants will value a respectful but firm landlord, while less reliable individuals will likely avoid properties with structured terms.

Additionally, networking can also prove valuable when searching for tenants. Existing tenants might know of responsible friends or family members looking for a place to stay. Do not underestimate the power of word-of-mouth recommendations.

ADVERTISING YOUR PROPERTY EFFECTIVELY

Once your rental is ready, strategic advertising is key. Traditional “for rent” signage works, but post high-quality photos and detailed property descriptions online for maximum visibility. Social media platforms and dedicated

property websites allow you to reach a wider pool of potential tenants. Including a virtual tour or hosting an open house can encourage serious applicants to consider your property.

The golden rule for tenant selection is to take your time. Rushing the process could lead to expensive mistakes, whereas a carefully screened tenant will likely provide stability and peace of mind for years to come.

YOUR OPPORTUNITY TO SECURE A WIN-WIN RELATIONSHIP

Finding reliable tenants and maintaining your property doesn't have to be stressful. By implementing these practices—thoughtful upgrades, thorough screenings, and strategic advertising—you set the stage for a productive landlord-tenant relationship. The time and effort invested into perfecting your property and vetting potential applicants now will pay off in the long term. ♦

>> LOOKING TO EXPAND YOUR RENTAL PROPERTY PORTFOLIO? <<

A buy-to-let mortgage could be the solution. Whether you're taking your first steps into property investment or exploring new options to replace your existing deal, discuss your options with us to help you confidently move forward. Contact **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.

Impact of stamp duty changes on the rental market

Will this change encourage tenants to stay put and rent for longer?

“Meanwhile, 35% of landlords anticipate that the change might increase demand for rental properties. Although the property market has been subject to numerous uncertainties, some landlords view these changes as a potential silver lining or opportunity.”

THE ANNOUNCEMENT REGARDING

the stamp duty threshold has sparked significant conversation among landlords and tenants alike. The government confirmed that the current temporary stamp duty threshold for buyers will not extend beyond March this year, and many speculate about its broader implications for the rental market.

According to a recent survey by buy-to-let lender Landbay, nearly half of the landlords surveyed believe this change will encourage tenants to stay put and rent for longer. The survey asked, “The Government will not extend the temporary stamp duty threshold for buyers past the end of March next year. How do you think this might affect the rental market?” Among the responses, 49% of landlords predicted tenants would delay moving, opting instead to remain in their current rental properties.

INCREASED DEMAND ON THE HORIZON

Meanwhile, 35% of landlords anticipate that the change might increase demand for rental properties. Although the property market has been subject to numerous uncertainties, some landlords view these changes as a potential silver lining or opportunity.

Interestingly, landlord optimism appears to be more pronounced among those managing medium-sized portfolios. Among those who predicted heightened demand, 30% owned between four and ten

properties, while a further 24% managed 11 properties or more. This suggests that more seasoned landlords, or those with diversified portfolios, feel better positioned to capitalise on market shifts.

REGIONAL VARIATIONS AND LANDLORD OPTIMISM

Regionally, the outlook varies. Most optimism stems from London and the South East, where 41% of those predicting increased demand are based. These areas often experience higher fluctuations in rental demand due to their economic activity and diverse population.

For landlords, this threshold change offers a glimmer of positivity in what has otherwise been regarded as a challenging time. While the Autumn Budget Statement 2024 may not have delivered significant benefits for landlords, this small policy shift has rekindled some optimism.

RESILIENCE OF THE RENTAL MARKET

However, it is worth noting that the private rental market has shown remarkable resilience throughout the years, even amid uncertainties. The demand for quality rental housing remains robust, as does the eagerness of tenants to find homes across the UK.

Supply often struggles to keep pace with demand, leaving large numbers of tenants competing for suitable rental properties. This

strong market dynamic has often provided landlords with a consistent fallback, even in challenging economic climates.

DIVERSE LANDLORD STRATEGIES

Interestingly, the survey also revealed contrasting strategies among landlords. While some have adopted a “wait and see” stance amidst the current uncertainty, others have proactively started exploring investment opportunities. With the stamp duty threshold change, there is cautious optimism that it could further stimulate already strong demand in the rental sector.

This balanced perspective is key; whether landlords decide to hold off or expand their portfolios, tenant demand remains central to market strength. The changes may inadvertently encourage more people to consider renting as a viable long-term option, boosting the sector once again.

TRANSITIONS AND OPPORTUNITIES

As the market adapts to the threshold shift, landlords will be presented with both challenges and opportunities. It’s vital to stay informed and strategise accordingly. Whether as an investor you hold a single property or a multi-property portfolio, understanding the nuances of tenant behaviour and demand fluctuations will be crucial in ensuring continued success.

With the demand for rental properties likely to persist—and potentially grow—

landlords are in a position to guide the rental market into its next phase. The announcement regarding the stamp duty threshold has sparked significant conversation among landlords and tenants alike. The government confirmed that the current temporary stamp duty threshold for buyers will not extend beyond March this year, and many speculate about its broader implications for the rental market.

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>> ARE YOU LOOKING FOR A PERSONALISED SOLUTION TO ALIGN WITH YOUR OBJECTIVES? <<

Our expert team is here to guide you through the complexities of the funding landscape with confidence and expertise. Whether you're an experienced investor or stepping into the market for the first time, we can craft personalised solutions to align with your objectives. Let's explore how we can help turn your property investment goals into reality—your next great opportunity is just a conversation away! Contact **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.



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Buy-to-let landlords investing to enhance their retirement funds

The attraction of a steady monthly income from rental properties reinforces the appeal of this sector

MANY PEOPLE DECIDE to become buy-to-let landlords to enhance their retirement funds. With the UK rental market proving consistently solid, this investment strategy continues to attract countless individuals and families, according to the English Private Landlord Survey commissioned by the Ministry of Housing, Communities and Local Government (MHCLG). Rental yields across much of the UK remain strong, with the North West and North East standing out for particularly high returns. Many investors are enjoying a steady monthly income from their rental properties, reinforcing the appeal of this sector.

Beyond monthly income, the prospect of capital appreciation further strengthens the appeal of property investment. UK property prices are projected to increase significantly—by an estimated 23.4% between 2024 and 2029. For landlords planning to sell their properties upon retirement, this offers a promising opportunity to maximise returns.

“Among surveyed landlords, 41% reported having no outstanding borrowings on any of their properties. Conversely, 30% had a mortgage on one investment, while another 30% carried mortgages across multiple properties.”

Additionally, 42% of landlords cite capital appreciation as the main reason for investing in property.

A LONG-TERM INVESTMENT FOR RETIREMENT

Furthermore, 56% of landlords identified their buy-to-let investments as a long-term strategy to boost their pension pots. These investors focus less on immediate returns and more on building wealth steadily over time. For them, property ownership is not just about capital growth but also diversification and financial security for the future.

However, rental yields are not being overlooked. Presently, 48% of landlords prioritise monthly rental income over long-term capital growth. This is particularly evident in regions like northern England, where higher yields make buy-to-let a lucrative proposition for investors seeking reliable returns before eventual resale.

THE RISE OF ACCIDENTAL LANDLORDS

Interestingly, not all buy-to-let landlords set out with this goal in mind. A significant portion of the sector is made up of ‘accidental’ landlords—individuals who find themselves renting out property without having planned to do so. This happens for various reasons, such as inheriting a property or moving home but choosing to retain ownership of their previous residence as a form of financial security.

Despite these circumstances, many accidental landlords eventually come to see the value of this investment. Among survey respondents, 37% had initially bought their first rental property to live in,

while 6% inherited theirs. These figures reflect the diverse journeys into property investment within the UK housing market.

EMPLOYMENT TRENDS AMONG LANDLORDS

The English Private Landlord Survey also shed light on who Britain’s landlords are. The largest group—36%—are retired individuals, followed by 29% who are employed full-time and 11% working part-time. For retirees, rental income offers a vital supplement to their pensions. Meanwhile, for full-time workers, it may serve as a secondary income stream or an asset they can rely on in the future.

Rental income figures bear testament to its importance. Over the past year, the median gross rental income for landlords has risen to £19,200, compared with £15,000 in 2018. Depending on portfolio size and property locations, this income can vary significantly. While around half of landlords earn less than £20,000 annually from rent, 17% are generating upwards of £50,000.

FINANCING PLAYS A CRITICAL ROLE

Differences in financing also play a critical role in determining returns. With recent rises in interest rates, the choice between purchasing a property with cash or taking out a mortgage has become especially relevant. Over the last few years, more

investors have been choosing to buy in cash, which not only allows them to negotiate discounts on property prices but also saves them the long-term expense of interest payments.

Among surveyed landlords, 41% reported having no outstanding borrowings on any of their properties. Conversely, 30% had a mortgage on one investment, while another 30% carried mortgages across multiple properties. Fixed-rate buy-to-let mortgages remain popular, chosen by 69% of landlords, helping to shield them from unpredictable market fluctuations.

ENDURING APPEAL OF BUY-TO-LET

Ultimately, buy-to-let investment remains a pillar of wealth-building in the UK, driven by a combination of high rental yields, growing property values, and flexible financing options. For some, it’s a carefully considered strategy for securing retirement while for others, it begins as an unexpected opportunity that proves its worth. Monthly rental income and long-term capital growth continue to motivate investors, particularly in regions where yields are strongest.

Whether you’re considering entering the market as an investor or have found yourself an accidental landlord, it’s clear that the buy-to-let sector has something to offer. ♦

>> NEED THE RIGHT TAILORED BUY-TO-LET MORTGAGE? <<

If you wish to explore your options further or seek advice on beginning your landlord journey, our specialists will guide you on the path to sustainable and successful property investment. To learn more, contact **HFMC Wealth** – telephone **020 740 4700** – email mortgages@hfmwealth.com.



UK property investment prospects

Factors influencing the performance of property investment and understanding them

“Your investment goals, whether short, medium, or long-term, will dictate how you evaluate a property’s potential.”

UNDERSTANDING HOW THE UK property market may evolve is vital for anyone considering property investment. Although property market forecasts are based on current knowledge and patterns, they offer valuable insights for assessing potential opportunities. A wide range of factors influence the performance of a property investment, and understanding these is essential for investors to make informed decisions.

Your investment goals, whether short, medium, or long-term, will dictate how you evaluate a property’s potential. Key elements to consider include the property’s location—both geographically and its position within an emerging or established area. Additionally, rental market demand, the property’s price, borrowing costs, property type, target tenant demographic, and any potential need for renovations or repairs all play crucial roles in shaping success.

BROAD INFLUENCES ON THE MARKET

Property investments are often judged on a case-by-case basis, factoring in the individual’s financial and personal circumstances alongside their long-term objectives. However, broader considerations should not be overlooked. Property market forecasts can provide further clarity, as they account for wider economic and political changes that influence the sector.

Scenarios such as mortgage rate trends, regulatory shifts, and market performance projections can all affect property investment outcomes. Factors like impending regulatory reforms or expected changes in affordability may encourage or discourage investors from leaping. For instance, Knight Frank’s housing market outlook offers notable insights into the future of UK property.

INSIGHTS INTO HOUSE PRICE GROWTH

For those keen on tracking capital appreciation, Knight Frank projects a steady but promising rise in house prices over the next five years. Predicted increases amount to 3% growth for 2024, 2.5% by the end of 2025, 3% in 2026, 3.5% growth by 2027, 4% by 2028 and, finally, 5% growth in 2029. This forecast suggests an improving outlook for long-term property investments, particularly for those eager to secure gains through price appreciation.

Property investment, however, is rarely a one-dimensional venture. A significant portion of investments are driven by their ability to generate regular income via tenants, making the rental market an equally crucial factor for determining overall profitability.

RENTAL MARKET PERFORMANCE AND EMERGING TRENDS

Properties in areas with strong demand from tenants usually deliver higher returns, making rental market trends an essential piece of the puzzle. The rental market forecast projects slightly divergent trends compared to property price predictions, with adjustments made to account for evolving factors such as the Renters’ Rights Bill. This could make some landlords hesitant to expand their property portfolios until greater clarity emerges regarding regulatory requirements.

Despite this, the forecast also anticipates promising rental growth rates. For instance, 4% growth is projected for 2025, followed by 3.5% in 2026 and 2027, 3% in 2028, and 2.5% by 2029. This equates to a 17.6% cumulative total growth over five years, reflecting both the enduring strength of the rental market and the potential for increasing returns over time.

STRATEGIC CONSIDERATIONS FOR PROPERTY INVESTORS

For prospective investors, it’s crucial to consider the balance between short-term rental yields and long-term capital appreciation when deciding on a property. Properties in growth hotspots often provide the best of both worlds, offering strong tenant demand and the potential for price increases. Meanwhile, being aware of broader regulations and financial conditions changes will allow investors to adapt their strategies accordingly.

With anticipated strengthening yields in rental markets and steady price growth, the future may hold significant promise for those prepared to take a strategic and well-informed approach to property investment. ♦

>> TIME TO UNLOCK THE POTENTIAL OF PROPERTY INVESTMENT? <<

Navigating the property market can be complex, but opportunities abound for those informed and ready to invest in the right property, area, and time. If you’d like further information or advice on property investment, do not hesitate to get in touch for tailored guidance to help you achieve your goals. Contact **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.

TRANSFORMING THE RENTAL SECTOR FOR A NEW ERA

Revolutionising how housing is developed, managed, and inhabited

THE RENTAL SECTOR is experiencing a seismic shift, revolutionising how housing is developed, managed, and inhabited. The emergence of socially responsible investing and the increasing prevalence of Build to Rent (BTR) schemes are reshaping the private rented sector (PRS). This transformation is driven by political changes, economic trends, and the growing urge for sustainable living solutions.

One of the main driving forces behind this evolution is the wave of recent policy changes. The Renters' Rights Bill aims to professionalise the PRS and protect tenants and landlords. Introduced as draft legislation during the previous Parliament, the bill marks a significant turning point for rental housing.

Similarly, the rise in capital gains tax (CGT), signalled in last October's Autumn Budget Statement announcement and anticipated since July's general election, has encouraged some landlords to restructure their

business models. Many are now utilising limited companies for property holdings, taking advantage of tax benefits since corporate-owned properties are exempt from CGT.

RISE OF INSTITUTIONAL INVESTORS AND BUILD-TO-RENT

The government's pledge to build 1.5 million homes has caught the attention of institutional investors, making residential properties a lucrative alternative to commercial real estate. This interest is most evident in the Build to Rent (BTR) sector, where large-scale developments maximise economies of scale. Corporate landlords have embraced this opportunity, fostering innovation in property management and tenant experiences.

Central to this shift is the focus on Environmental, Social, and Governance (ESG) principles. Institutional investors increasingly prioritise ESG outcomes, recognising their importance in long-term decision-making. A Federated

Hermes study found that 88% of institutional investors in the UK now consider ESG factors more critical than traditional financial metrics.

ENVIRONMENTAL RESPONSIBILITY AT THE FOREFRONT

Given that powering and heating buildings account for 40% of the UK's total energy consumption, the property industry is under considerable pressure to elevate its environmental performance. The BTR sector is leading the charge, integrating sustainable practices and renewable technologies into developments. Unlike some homeowners who may be hesitant about maintenance complexities, BTR developers can ensure proper upkeep through professional management teams. This benefits tenants with modern, sustainable housing options while supporting landlords in their sustainability goals.

However, ESG is not just about the environment. On the social front, the sector is

prioritising community-focused designs and amenities. Shared spaces like rooftop gardens and fitness studios are becoming standard in BTR projects, cultivating strong tenant communities and enhancing quality of life.

PROFESSIONALISING THE SECTOR FOR TENANTS AND LANDLORDS

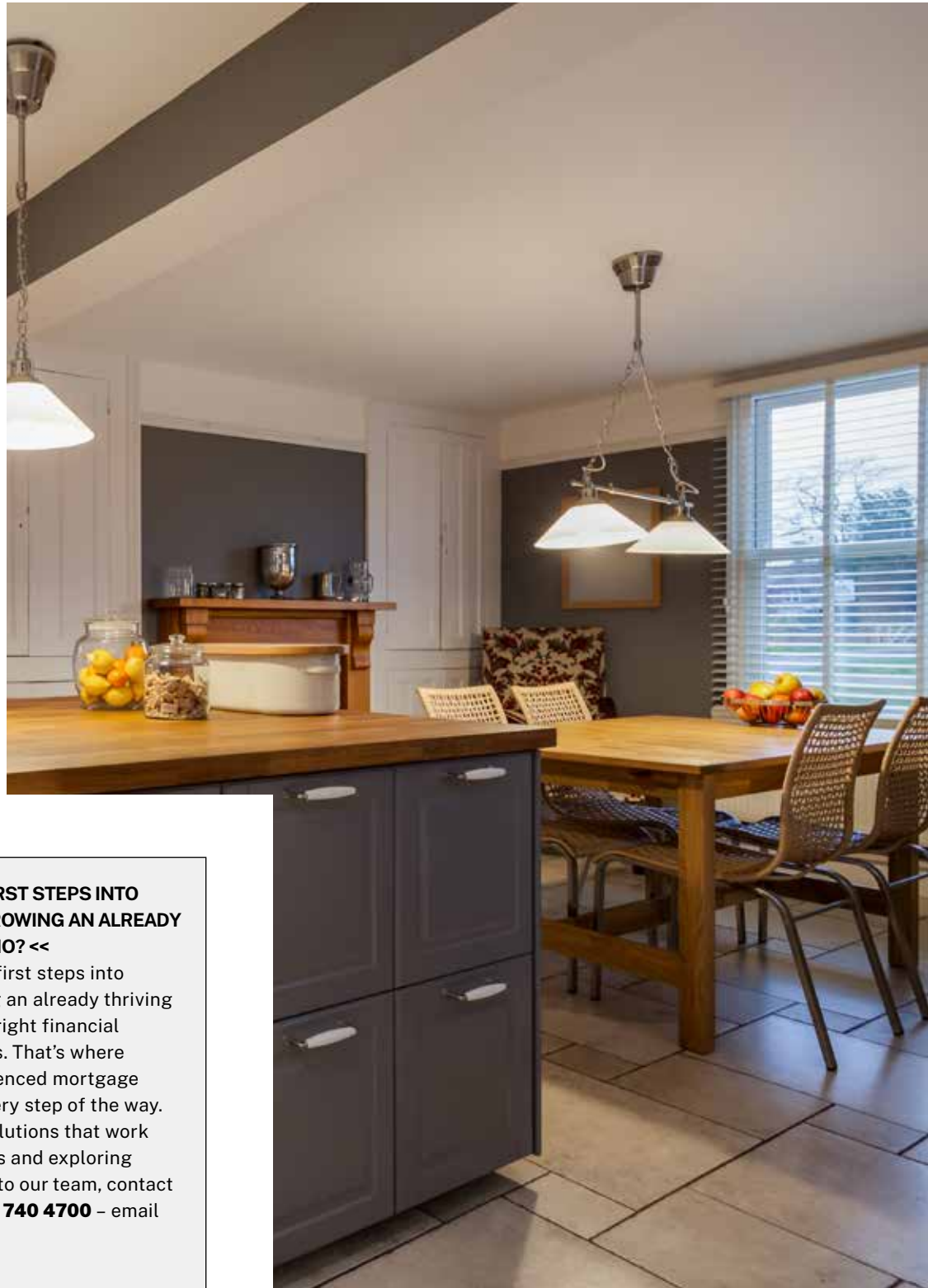
The Renters' Reform Bill brings significant changes to enhance the tenant experience and welfare. Long-term tenancies, improved services, and better property management are just some of the reforms underway. This shift is further complemented by innovative governance approaches, including streamlined tenancy management systems and dispute resolution frameworks. Faster and fairer processes reduce tenant frustrations while shielding landlords from legal and financial risks.

Emerging technologies and platforms will also play a key role. Professional

landlords managing extensive property portfolios can benefit from features like two-factor authentication (2FA) and encrypted document sharing. These tools ensure secure transactions and heightened operational efficiency, cementing the sector's trajectory towards professionalism.

PAVING THE WAY FOR A SUSTAINABLE FUTURE

As the rental sector embraces socially responsible practices, it's clear that landlords meeting regulatory demands while fostering innovation and sustainability will not only elevate rental housing but also redefine the relationship between landlords and tenants. ♦



>> PLANNING TO TAKE YOUR FIRST STEPS INTO PROPERTY INVESTMENT OR GROWING AN ALREADY THRIVING PROPERTY PORTFOLIO? <<

Whether planning to take your first steps into property investment or growing an already thriving property portfolio, making the right financial decisions is key to your success. That's where we come in. Our team of experienced mortgage experts is here to guide you every step of the way. We can help you identify the solutions that work for you by discussing your goals and exploring your funding options. To speak to our team, contact **HFMC Wealth** - telephone **020 740 4700** - email **mortgages@hfmwealth.com**.

COUNCILS GAIN GREATER AUTHORITY TO LICENSE PRIVATE LANDLORDS

Ensuring a “private rented sector that offers greater security of tenure and safer, higher-quality homes for renters”

SINCE DECEMBER 2024, a significant shift in housing policy has empowered local councils across the UK with greater discretion to issue licenses to landlords of privately rented homes. The housing department unveiled this new directive, which aims to tackle areas facing “low housing demand, significant antisocial behaviour, poor housing conditions, high levels of migration, high levels of deprivation, and/or high levels of crime.”

Under this new framework, councils will no longer require prior approval from the head of the government’s housing department, currently Deputy Prime Minister Angela Rayner. Instead, they will have the authority to issue selective licenses independently. The move has sparked mixed reactions, with the private rental sector expressing resistance

to the measure. However, government representatives argue that the policy is a vital tool in ensuring a “private rented sector that offers greater security of tenure and safer, higher-quality homes for renters.”

WIDER STRATEGY FOR HOUSING IMPROVEMENTS

The housing department has emphasised that these licensing powers should not be used in isolation but integrated into broader strategies to tackle homelessness, empty homes, and antisocial behaviour. Councils must demonstrate that licensing forms part of a coherent policy designed to drive tangible improvements in housing conditions and community welfare.

Additionally, after licensing, local housing authorities are expected to monitor the effectiveness of their designations. This means councils

must provide evidence that the licensing schemes deliver the intended outcomes. Once a license is issued, it takes effect after three months and remains valid for up to five years.

CONCERNS FROM THE PRIVATE RENTAL SECTOR

Despite the government’s confidence in the new licensing powers, private landlords have argued that the scheme is unnecessary. Many believe the upcoming Renters’ Rights Bill, which is making its way through Parliament, addresses many of the same issues. This legislation includes developing a new national database of private landlords, aimed at improving transparency and accountability in the sector.

Critics have highlighted the potential overlap between the two initiatives, urging ministers to clarify how they plan to ensure these measures complement

rather than duplicate one another. Without careful coordination, some fear these schemes could evolve into little more than revenue-generating systems for councils, adding bureaucracy without delivering meaningful benefits to tenants or landlords.

DO LICENSING SCHEMES GUARANTEE BETTER ENFORCEMENT?

There is also scepticism about whether selective licensing schemes result in better enforcement or improved housing conditions. Recent data from 2021 to 2023 revealed that seven of the top ten councils issuing improvement notices to private landlords did not operate selective licensing schemes. This suggests that proactive enforcement, rather than licensing itself, maybe the key to holding landlords accountable.

Advocates of selective licensing argue that it provides councils



with additional tools to address areas of concern. However, the evidence indicates that licensing is not a universal solution and must be part of a well-coordinated strategy that includes robust enforcement measures and targeted support for tenants.

PATH TO CLEARER HOUSING POLICIES

This dual approach—introducing a national landlord database whilst expanding councils’ licensing powers—raises questions about the government’s overall housing strategy. Commentators are

urging clearer guidelines on how these policies will work together effectively, ensuring they don’t create unnecessary administrative burdens for councils or divide resources across overlapping schemes.

The success of both initiatives will depend on transparency, consistent monitoring, and cooperation between central and local government bodies. Further clarity is needed to reassure landlords, tenants, and councils alike that these changes will result in meaningful and measurable improvements to the private rental sector. ♦

>> ARE YOU LOOKING TO PURCHASE AN INVESTMENT RENTAL PROPERTY? <<

Whether you’re a seasoned landlord seeking your next investment or taking your first step into property investment, our team of experts is here to guide you every step of the way. For tailored mortgage solutions designed to support your goals, speak to **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.

BUY-TO-LET INVESTMENT

Planning and future-proofing your investment are crucial steps to ensure a profitable venture

STEPPING INTO THE WORLD

of buy-to-let investment is an exciting yet complex venture that promises potential financial rewards when approached with careful planning. Unlike conventional financial investments, buy-to-let requires active participation and consistent financial input. It is not just about purchasing a property and waiting for returns; it requires ongoing effort, resource allocation, and long-term strategies.

If you want to maximise your returns, adopt a medium-to-long-term outlook. This approach allows you to benefit from capital gains while riding out the inevitable ebbs and flows of the market over time. Planning and future-proofing your investment are crucial steps to ensure a profitable venture.

PREPARING FOR ONGOING COSTS AND COMMITMENTS

Acquiring, refurbishing, and getting a property ready to rent is just the first stage. Once your property becomes a rental, you have recurring responsibilities, including maintaining it, addressing regular upkeep, and accounting for unexpected repair costs.

It's also essential to budget for potential challenges like void periods (when the property is not rented) or rent arrears. These hurdles can directly impact your income, so having financial reserves to cover lean periods is vital. Furthermore, planning for bigger, periodic expenses such as roof repairs or new boiler installations will keep your property in good condition and attractive to prospective tenants.

FACTORING IN TAXES AND COMPLIANCE CONSIDERATIONS

Taxes remain one of the most significant factors to understand as a buy-to-let investor. Alongside annual income tax, you may face capital gains tax when selling the property and inheritance tax if it forms part of your estate. The complexity of property taxation makes expert advice indispensable. Consulting with a property tax specialist, wealth manager, or estate planner early in the process can help set up your rental business in the most tax-efficient manner.

Equipped with professional insights, you can anticipate changes in fiscal policies or

legal requirements and adjust your strategies accordingly. These experts can help you keep pace with tax regulations and reduce unnecessary costs. Their guidance ensures that your investment remains both profitable and compliant.

MAXIMISING PROFIT MARGINS IN AN UNPREDICTABLE MARKET

To safeguard your investment, aim to purchase properties below market value or add equity through strategic renovation. This not only increases the property's value but also ensures rental income covers all associated expenses.

A buffer against market uncertainties is key. Even if interest rates rise, your rental income should ideally allow you to break even or cover shortfalls for a period of time without forcing you into a sell-off. Focusing on these elements will enable you to manage risks effectively, granting your investment greater resilience during economic fluctuations.

IMPORTANCE OF EXPERT PROPERTY MANAGEMENT

Effective property management and tenancy management



are at the heart of successful buy-to-let ventures. Engaging skilled contractors for maintenance, gas safety checks, and electrical certification ensures your property remains safe, functional, and legally compliant. Working with professionals who understand the specific regulations governing rental properties is especially important.

For some landlords, using a qualified letting agent can simplify this process. Relying on an experienced team for property management,



inventory checks, and tenant communications can save time, reduce stress, and protect against costly mistakes. Although outsourcing comes with initial expenses, it can pay off considerably by preserving the profitability and stability of your investment over time.

STAYING COMPLIANT IN A CHANGING LEGAL LANDSCAPE

Navigating legal requirements is essential. Changes in legislation, for instance, the forthcoming Renters' Rights Bill, may bring about significant transformations in the private rental sector. Non-compliance with these evolving laws can lead to severe financial penalties, including civil fines of up to £40,000, court prosecutions, or even a ban on property letting.

Keeping atop legal changes is essential, particularly as local licensing requirements may not receive widespread publicity. Landlords who rely on ARLA or RICS-accredited agents benefit from their in-depth knowledge and assurance that their properties remain compliant, now and in the future.

PLANNING YOUR BUY-TO-LET EXIT STRATEGY

While it's exciting to focus on growing your investments, planning your eventual exit is equally important. Consider how you intend to end your property venture—whether by selling the property to cash in on your gains or passing it on as part of your estate. This decision will affect the financial benefits you and your family receive.

Your ownership structure, management style, and exit plan all play a pivotal role in securing maximum advantages. Consulting with a wealth manager or legal specialist helps clarify your options, ensuring that when the time comes, there are no unwanted surprises.

TAKE YOUR NEXT STEP WITH CONFIDENCE

Investing in buy-to-let properties offers significant opportunities, but success depends on preparation, adaptability, and an informed strategy. With a focus on financial planning, regulatory compliance, and effective management, your investment can flourish over the long term.

>> READY TO UNDERSTAND YOUR OPTIONS AND SECURE THE RIGHT FUNDING SOLUTION? <<

If you're embarking on or are already involved in a buy-to-let venture and require further advice, we can guide you every step of the way, ensuring your property business is set up for ongoing success. Our team is here to help you understand your options and secure the right funding solution. For expert insights and personalised advice on your investment journey, contact us today and unlock the potential of your investment opportunity. Speak to **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hmcwealth.com**.

Considering investing in a buy-to-let property?

Looking beyond the upfront costs of buying a property

IF YOU'RE CONSIDERING INVESTING in a buy-to-let property, you need to examine the entire financial picture, extending beyond the immediate costs associated with purchasing the property. While the initial outlay for the property is undoubtedly significant, the expenses don't stop there. Ongoing costs can mount over time, so appropriate planning is essential to ensure your investment remains profitable and sustainable.

One of the most notable costs to account for is letting agent fees. These fees, which could typically range between 5% and 15% of the rental income, depend on the level of service you require. For instance, you could opt for a fully managed package where everything is handled or a less comprehensive service. Another vital service offered by letting agents is tenant sourcing and vetting. Although this adds an extra cost, it can save you from potential headaches, such as renting to individuals who can't afford the property or engaging in deceitful practices.

CRUCIAL ROLE OF LANDLORD INSURANCE

Landlord home insurance is another key consideration. The cost can vary greatly depending on several factors, such as the size of the property, its location, the type of tenants you cater to, and the specific coverage you choose. Landlords might require various types of insurance policies. These include contents insurance to cover their possessions within the property, rental

protection insurance to safeguard against unpaid rent, public liability insurance for tenant injuries, and legal expense coverage for potential disputes.

Additionally, malicious damage by tenants' insurance could prove worthwhile, offering protection from intentional harm. If you have a mortgage, your lender will almost certainly require you to take out a buildings insurance policy to cover structural damage. Skipping this step could lead to significant financial strain in the future.

PROPERTY UPKEEP—MORE THAN A LEGAL OBLIGATION

Keeping your property in good shape benefits more than just your tenants; it's essential to protecting your investment. Beyond adhering to legal maintenance requirements, ensuring your property is well-maintained can improve tenant satisfaction and prevent long-term damage that may prove costly to fix.

Some landlords may prefer to manage their properties directly, but that doesn't mean you have to go it alone. Joining organisations such as The National Landlord's Association or The Residential Landlord's Association can provide valuable insights, education, and support as you manage your landlord responsibilities. Building relationships with dependable plumbers, builders, and tradespeople can help ensure that minor repairs never become a major issue.





**TAKE THE FIRST STEPS
TOWARDS PROPERTY INVESTMENT**

Understanding and preparing for these costs will make all the difference in your buy-to-let investment. From letting agent fees to insurance and property maintenance, factoring in every expense is vital to your long-term success as a landlord. ♦

>> ARE YOU CONSIDERING BECOMING A BUY-TO-LET INVESTOR AND REQUIRE FURTHER ASSISTANCE OR ADVICE? <<

If you're considering becoming a buy-to-let investor and would like further assistance or advice tailored to your needs, our team is here to help you make informed decisions and safeguard your investment every step of the way. We'll be able to discuss your personal circumstances to help you find the right mortgage. To learn more, contact **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.

Tenancy Deposit Schemes

A sum of money that serves as a safety net for landlords while offering assurance to tenants

RENTING A PROPERTY comes with responsibilities, whether for landlords or a tenant. Key to this arrangement is the tenancy deposit, a sum of money that serves as a safety net for landlords while offering assurance to tenants. Tenancy deposit schemes (TDPs) are central to this process, designed to safeguard deposits and ensure fairness for all parties involved.

These schemes play a pivotal role in fostering trust. Tenants are guaranteed the return of their deposit as long as the tenancy terms are met, there is no property damage beyond normal wear and tear, and all rent and bills are paid. For landlords, deposits protect against potential costs such as repairs, cleaning or unpaid bills. But how exactly do these schemes work, and what regulations surround them?

TENANT FEES ACT AND DEPOSIT LIMITS

Introducing the Tenant Fees Act brought significant changes to how tenancy deposits are managed. Under this legislation, tenants can be asked to pay

a deposit of up to five weeks' rent when signing a tenancy agreement. This cap ensures deposits remain within a fair limit, providing tenants with added financial protection.

Once the deposit is collected, landlords are legally obligated to deposit the funds into a government-backed TDP scheme within 30 days. This step is crucial for compliance purposes and because it gives tenants confidence that their money is being handled responsibly.

HOW TENANCY DEPOSIT PROTECTION SCHEMES WORK

The workings of TDP schemes can be summarised into two basic types: custodial and insurance-based. Each has distinct features tailored to safeguard tenant deposits throughout the tenancy period.

CUSTODIAL TDP SCHEMES

With custodial schemes, the landlord directly deposits the deposit into a scheme account, where it remains for the duration of the tenancy. Upon the tenancy's conclusion,

the money is returned to the tenant, provided both landlord and tenant agree on how much to repay. This approach offers transparency and leaves no room for ambiguity.

INSURANCE-BASED TDP SCHEMES

On the other hand, insurance-based schemes involve the landlord (or letting agent) paying a fee to the scheme provider. Here, the landlord retains the deposit funds but under strict guidelines. If disagreements arise, either party can request the scheme provider to mediate and reach a resolution based on submitted evidence. Compliance with the adjudication's outcome is mandatory for both landlord and tenant.

AVAILABLE TDP SCHEMES ACROSS THE UK

Landlords can choose from three primary tenancy deposit protection schemes for properties in England and Wales. These include the Deposit Protection Service (DPS), MyDeposits, and the Tenancy Deposit Scheme.

Each of these schemes is government-approved, ensuring reliable and fair deposit handling.

However, the system slightly differs in Northern Ireland and Scotland. These regions have specific schemes tailored to their respective rental markets. Regardless of location, all TDP schemes offer the same level of protection and services, ensuring deposits are managed consistently across the UK.

RETURNING DEPOSITS AT THE END OF A TENANCY

When a tenancy ends, the deposit should be returned promptly. By law, a deposit must be repaid within 10 days of the tenant and landlord agreeing on the amount to be returned. However, deductions may be made for issues such as outstanding utility bills, property damage, or excessive cleaning costs.

Crucially, landlords cannot deduct amounts for general wear and tear or for repairs that they are responsible for under the terms of the tenancy agreement. Open communication between the landlord and tenant can help



avoid misunderstandings and streamline the refund process.

RESOLVING DISPUTES THROUGH TDP SCHEMES

Inevitably, disputes may arise regarding how much of the deposit should be returned. If landlord and tenant cannot come to a mutual agreement, the scheme used to protect the deposit will often step in to help resolve the issue. Their dispute resolution service involves reviewing evidence

from both sides before making a considered decision.

These impartial services eliminate the need for drawn-out legal battles, ensuring a fair outcome for all involved. This reinforces the purpose of TDP schemes—to protect both parties and uphold trust in the rental process. Understanding tenancy deposit schemes is essential for both tenants and landlords to ensure a smooth and fair renting experience. ♦

>> ARE YOU LOOKING TO ADVANCE YOUR PROPERTY INVESTMENT AMBITIONS? <<

Whether you're considering buy-to-let mortgage solutions or aiming to grow your existing portfolio, our dedicated team is here to support you every step of the way. Contact us today for expert guidance and tailored advice to help you reach your investment goals. Together, we can create a stronger future for you and your investments! Speak to **HFMC Wealth** – telephone **020 740 4700** – email mortgages@hfmwealth.com.

SELLING A BUY-TO-LET PROPERTY WITH SITTING TENANTS

Navigating this situation requires a clear understanding of your rights and obligations as a landlord

SELLING A PROPERTY can be an intricate process, and this complexity is amplified when trying to sell a property with sitting tenants. Whether you're considering moving your investments or exiting the rental market altogether, navigating this situation requires a clear understanding of your rights and obligations as a landlord.

A vital consideration is that you cannot evict sitting tenants simply because you wish to sell the property. Instead, you'll need to choose between selling with tenants in situ or ending the tenancy before proceeding with the sale. Each option has its own set of requirements and implications.

UNDERSTANDING YOUR LEGAL RESPONSIBILITIES

If you choose to sell a currently occupied property, the sale can proceed, but you'll be transferring specific responsibilities to the new owner. The sitting tenants' tenancy agreement remains valid, and the buyer will automatically become the new landlord. It's vital to ensure the tenancy agreement reflects this change by updating the landlord's details as soon as possible. Although this can be achieved smoothly, be prepared for situations where tenants refuse to sign an updated agreement.

Conversely, if you decide to sell the property as vacant, you must follow proper legal procedures to terminate the tenancy. Utilising either Section 21 or Section 8 of the Housing Act 1988, you must provide written notice to your tenants. Section 21 requires at least two months' notice and is typically used when no particular fault lies with the tenants. Meanwhile, Section 8 is reserved for specific circumstances, such as rent arrears, illegal activities on the premises, or a break clause within the tenancy agreement. Seeking professional advice before serving such notices is highly recommended to avoid missteps.

SHOWING BUYERS AROUND THE PROPERTY

Showcasing your property to potential buyers is another aspect where tenant cooperation is crucial. You generally cannot show prospective buyers or tenants the property unless this is explicitly addressed in the tenancy agreement. Even in such cases, you are required to provide at least 24 hours' notice in writing.

If the agreement does not permit property viewings, you must secure the tenants' permission beforehand, establishing a clear communication channel. Respecting their privacy and ensuring minimal disruption will go a long way in maintaining goodwill during the selling process.





THE ROLE OF NEW LANDLORDS

When a property with sitting tenants is sold, the new owner inherits the role of landlord and all associated responsibilities. Existing agreements remain binding, making it crucial for the new landlord to communicate changes effectively. While some tenants may willingly sign fresh agreements reflecting the new landlord's details, others may decline. If this happens, it's important for the new landlord to provide written documentation outlining their details, including payment instructions for rent.

Whether you're the current owner or the incoming landlord, ensuring a seamless transition protects both parties' interests and preserves the integrity of the tenancy. Buyers investing in properties with tenants are often familiar with these processes, but clear communication remains key.

SEEKING ADVICE FOR A SMOOTH PROCESS

The interplay of property law and tenancy agreements can make selling a buy-to-let property with sitting tenants a nuanced task. Understanding your legal responsibilities, consulting professional advice where needed, and maintaining transparent communication with your tenants are critical steps in ensuring a stress-free sale.

If you're a landlord planning to sell your property and need further tailored guidance, professional support can ease your concerns and equip you with the tools to handle the process confidently. Expert advice can make all the difference whether you're navigating legal notices or discussing agreements with tenants. ♦

>> READY TO SECURE FINANCING FOR YOUR NEXT INVESTMENT PROPERTY? <<

Speak with our expert team today to explore tailored buy-to-let mortgage solutions designed to support your investment objectives. To find out how we can help, speak to **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.

Property inventories for landlords

Significance of inventories and how best to manage them

BEING A LANDLORD involves a host of responsibilities, with one of the most crucial being the preparation and maintenance of a property inventory. Beyond a tenancy agreement, the inventory stands as an indispensable document. It safeguards your property, streamlines the rental process, and minimises tenant deposit disputes. Here's a look into the significance of inventories and how best to manage them.

A property inventory is a thorough document detailing a property's condition and contents at the start of a tenancy. It should itemise fixtures, fittings, and décor while describing the property's state. Every element must be considered, whether it's an unfurnished space or one brimming with furniture. As a landlord, prepare this inventory before your tenants move in.

SETTING UP THE INVENTORY PROCESS

Tenants should be provided with the inventory at check-in so they can review the property carefully. They must note any discrepancies or confirm agreement with the document. This collaborative approach ensures clarity and mitigates potential issues down the line. Additionally, landlords should conduct periodic property inspections during the tenancy. This helps to identify wear-and-tear or any unauthorised changes, such as alterations to décor and keeps the inventory up-to-date.

Without this record, resolving disputes about property damage or the condition of items becomes challenging. If issues arise,

the tenant's deposit, stored in a deposit protection scheme, could become a point of contention. A comprehensive inventory will act as vital evidence during mediation or adjudication processes, simplifying resolutions.

WHY LANDLORD INSURANCE DEMANDS AN INVENTORY

It's worth noting that many landlord insurance policies require an inventory as part of their terms. Insurers often insist upon verifying a property's condition in case of a claim. This negates ambiguity and strengthens the landlord's position should disputes arise.

When preparing the inventory, ensure it covers the property's interior and exterior. Items such as garden furniture, pathways, and exterior lighting should also be documented. Beyond listing contents, the inventory must capture the quality and condition of the property. Photographs are highly recommended for added clarity and as irrefutable evidence in case of disputes.

ENHANCING THE DETAILS OF AN INVENTORY

Detailed inventories yield better results, so include as much information as possible. For instance, when recording appliances supplied by the landlord, note their serial numbers. Thoroughness pays off, particularly during long tenancies where significant changes to the property might occur.

A high percentage of property damage occurs during move-ins or move-outs. Bulky furniture shifted around narrow corridors or staircases can unintentionally cause accidents. Thus, it is crucial to ensure the inventory is reviewed, agreed upon, and signed before tenants move in. This minimises disputes and ensures all parties acknowledge the property's original state.

CONDUCTING MID-TENANCY PROPERTY CHECKS

Once the tenancy begins, periodic inspections (every three to six months) are advisable. This ensures tenants adhere to the agreement and helps identify maintenance issues early. Always communicate these visits to your tenants, provide at least 24 hours' notice, and secure their permission. For landlords, such visits aren't just about the property—they also ensure tenant satisfaction and safety.

Documenting the findings from inspections is essential. For instance, replacing appliances or repairing damages must be noted and updated in the inventory. This serves as a reference for both parties and simplifies disputes should they arise in the future.

END-OF-TENANCY PROCESSES

At a tenancy's conclusion, the property must be compared against the original inventory. Focus on elements that may affect the return of the deposit, such as cleanliness, missing items, or wear-and-tear. Photographs captured earlier



will prove invaluable, especially for long tenancies where the memory of the property's initial state may fade.

If deductions from the deposit are necessary, tenants must be informed within ten working days. Any costs incurred should be presented in a schedule within 28 days. When disagreements persist, the deposit protection scheme will step in to resolve the matter. At this stage, both parties must present evidence, and adjudicators will decide based on the documentation provided.

ADJUDICATION PROCESS EXPLAINED

It's important to clarify that adjudicators do not visit the property or engage directly with landlords or tenants. Their decisions rely primarily on the inventory, check-in/check-out reports, and supporting photographic evidence. Landlords must also supply receipts or estimates for any work associated with damages. Once adjudicators deliver their verdict, the decision is final and binding.

VALUE OF A ROBUST INVENTORY

Ultimately, a solid inventory protects both landlords and tenants. It ensures transparency, smooths tenancy transitions, and avoids unnecessary disputes. Having a detailed, evidence-backed document coupled with photographic records is non-negotiable for landlords. ♦

**>> ARE YOU THINKING ABOUT
A BUY-TO-LET MORTGAGE FOR
YOUR UPCOMING INVESTMENT
PROPERTY? <<**

If you want more information on arranging funding for your next buy-to-let project or require professional guidance, speak to **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.

Landlord insurance

Are you covered against property damage, potential liabilities, and unexpected costs?

NO MATTER HOW PREPARED your rental property is or how reliable your tenants might seem, unexpected disasters can strike anytime. Events like floods, fire damage, or even theft could pose significant risks to your investment. For these reasons, landlord insurance is an absolute necessity. This specialised type of insurance ensures landlords are covered against property damage, potential liabilities, and unexpected costs.

Landlord insurance goes beyond standard home insurance policies. It is tailored to cover risks specific to rental properties, including buildings and contents insurance, rent arrears, compensation claims, and much more. The kinds of cover you choose will depend mainly on your comfort level with certain risks and the extent of protection you require.

BUILDING A COMPREHENSIVE INSURANCE PLAN

Landlord buildings insurance is the most fundamental type of insurance. It protects property owners against damages caused by events such as floods, fires, theft, or extreme weather conditions. This type of insurance typically covers the rebuild value of the property and issues like subsidence. Features such as legal expenses cover, accidental damage, and lock and key replacement can often be added to enhance the policy.

For furnished rental properties, landlord contents insurance is also essential. This covers items such as furniture, appliances, and other contents from theft or damage. On the other hand, if the property is rented unfurnished, the landlord does not need to arrange contents insurance—this responsibility falls to the tenant.

CONSIDERING ADDITIONAL LAYERS OF PROTECTION

Public liability insurance is another critical aspect, providing protection in case tenants file claims for personal injury or damage to belongings caused by living at the property. For example, if a tenant trips over a faulty stair or their personal items are damaged due to an issue related to the property, this cover safeguards landlords against legal or compensation costs.

Another valuable policy is rent guarantee insurance. This covers situations where tenants have to vacate the property due to an insured event such as fire or flood. It also covers costs associated with arranging alternative accommodation for the tenant during the repairs period. Similarly, home emergency cover steps in to address unforeseen maintenance needs. Whether it's a burst pipe, a faulty boiler, or an electrical fault, this type of cover ensures landlords aren't burdened with sudden expenses.

KEEPING COSTS MANAGEABLE WITHOUT COMPROMISING ON COVER

Although obtaining comprehensive insurance might feel like a hefty expense, there are several ways to manage these costs while ensuring sufficient protection. For example, opting for a higher excess could reduce your premium in the short term. However, landlords should carefully consider the implications of this decision. While higher excesses make insurance more affordable upfront, they could lead to greater out-of-pocket expenses when making a claim.

It's advisable to assign excess levels based on the coverage area. For contents insurance, where claims tend to be smaller, selecting a lower excess is a prudent choice. Conversely, building claims often involve more expensive repairs, making a higher excess more suitable in these cases.

Shopping around for insurance is equally important. Many providers offer specialised landlord insurance, but finding the right deal requires time and effort. Comparing policies can help landlords identify the most cost-effective solutions tailored to their needs.

PREPARING FOR INSURANCE CLAIMS

Should the need to claim on landlord buildings or content policies arise, having good practices in place beforehand will make the process more straightforward.



Taking photographs of all furnishings, appliances, and meter readings before a tenancy begins is a must. Receipts for purchased items should also be kept as proof of ownership and value. A professionally prepared inventory signed by the tenant adds further credibility, protecting both parties in case of a claim.

Additionally, landlords should report any significant changes to the property or tenancy to their insurer as soon as possible. Failure to do so may result in claims being denied or policies being invalidated. It's important to claim the full replacement value of any lost or damaged items. While insurers might propose a lower settlement value based on depreciation, landlords

must push for the cost of brand-new replacements.

IMPORTANCE OF STAYING PROTECTED

Without landlord insurance, property owners are left vulnerable to potentially devastating financial losses. From broken boilers to flooded kitchens or lost rental income, the risks of going uninsured far outweigh the cost of appropriate cover. Adding to this, certain types of insurance, such as liability and home emergency cover, bring unparalleled peace of mind, ensuring landlords are ready for any scenario. ♦

>> TIME TO PROTECT YOUR PROPERTY AND PROTECT YOUR FUTURE? <<

If you're unsure which cover is right for your property or need assistance comparing policies, we're here to help. Contact our team today for more details or expert guidance on landlord insurance and safeguarding your investment. Speak to **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.



Protection from life uncertainties

Safeguarding your home and loved ones with life insurance and critical illness cover

GETTING A MORTGAGE is one of life's most significant milestones. It represents a financial commitment and a home for you and your loved ones. While we take great care in securing our homes and possessions, one vital aspect of planning often gets overlooked – how to protect the home itself and its funding in case the unexpected happens.

Every mortgage is accompanied by the silent question, “What if?” What if you were no longer around or

too unwell to work? Life has its uncertainties, and life insurance and critical illness cover aim to address these questions.

UNDERSTANDING THE BASICS OF COVER

Life insurance provides the reassurance that if you were to pass away, your loved ones would receive a tax-free cash lump sum to help manage the financial burdens, such as your remaining mortgage. Critical illness cover, on the other hand, works slightly differently. This policy pays out a lump sum if you are diagnosed with a specific illness mentioned in your policy during its term.

Both options provide a financial safety net, ensuring you and your family can meet crucial payments like your mortgage. These policies are designed to ease financial stress and allow families to focus on what matters most during tough times.



MAKING THE RIGHT CHOICE FOR YOUR NEEDS

When you take out one of these insurance policies, you can choose between life insurance, critical illness cover, or a combination of both. The decision often depends on your personal circumstances, financial commitments, and what areas of your life you feel are most in need of protection.

Selecting the right payout amount and policy length is crucial. Whether you want to match your mortgage's total sum or provide additional security for other financial commitments, every choice should be tailored to your personal goals. Working with our expert team means we can help you determine what works best for you.

TAILORING A POLICY TO MATCH YOUR MORTGAGES

When evaluating your mortgage protection options,

it's essential to think about how much cover is adequate and until when you'll need it. Generally, aligning the policy term with the length of your mortgage ensures financial security for its duration. For example, if you've taken out a 25-year mortgage, having a 25-year policy makes sound financial sense.

Additionally, many families choose a combined life insurance and critical illness policy to provide more comprehensive protection. This ensures the financial strain is reduced no matter how life's unpredictabilities unfold.

WHY PEACE OF MIND MATTERS

While we don't like to think about it, preparing for life's uncertainties can help us feel more secure about the future. Knowing your loved ones won't be left to face financial hardship extends reassurance beyond just the pound signs—it's about giving them time and space to deal with life's challenges without added stress.

Critical illness cover can help fund daily living expenses, medical treatments, or lifestyle adjustments if you fall ill, while life insurance ensures your family can maintain their lifestyle without the weight of mortgage payments on their shoulders.

SPEAK TO AN EXPERT AND PLAN AHEAD

Choosing the right life insurance and critical illness

cover can seem daunting, but it doesn't have to be. By seeking professional advice, you can ensure your policy aligns with your lifestyle, financial needs,

and long-term goals. A little planning now can go a long way in ensuring the well-being of those you care about the most. ♦



>> READY TO TAKE THE FIRST STEP TOWARDS PROTECTING YOUR HOME AND LOVED ONES? <<

For further information on selecting the right policy or to speak with our expert advisers, get in touch today. Taking the first step towards protecting your home and loved ones begins with just one conversation. Contact **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.

“Whether you want to match your mortgage’s total sum or provide additional security for other financial commitments, every choice should be tailored to your personal goals.”

CHOOSING THE RIGHT POLICY FOR YOUR INSURANCE NEEDS

Protecting your investment, safeguarding your family, and preserving your peace of mind

YOUR HOME IS LIKELY one of your most valuable investments, and protecting it should be a priority. Building and contents insurance offers financial protection against unexpected events that could damage your property or belongings. While it's often overlooked, this type of insurance is an essential safeguard for homeowners and renters.

Unexpected events, such as a burst pipe, fire, theft, or extreme weather, can lead to costly repairs or replacements. Having the right insurance ensures you're covered for such eventualities, giving you peace of mind and helping you avoid significant financial strain.

WHAT IS BUILDING AND CONTENTS INSURANCE?

Building insurance is designed to cover the structure of your home, including walls, roof, floors, windows, and fixtures such as fitted kitchens and built-in wardrobes. It is useful if your property is damaged by disasters such as floods, fires, or storms, helping to cover the cost of repairs or even a complete rebuild.

Contents insurance, on the other hand, protects your personal belongings within the home. From furniture to electronics and clothing, it covers items damaged, stolen, or lost due to incidents like burglary, fire, or water damage. Together, these two



types of insurance create a robust safety net for your household.

WHY YOU NEED IT

For homeowners, most mortgage providers make building insurance a requirement. This is because they need to protect their financial interest in your property. However, even without a mortgage, having building insurance is vital to ensure you're not left footing the bill for unexpected large-scale repairs.



Contents insurance isn't mandatory, but it's highly recommended. Replacing personal possessions after a fire, theft, or flood can be financially devastating. With the right policy, you can recover the value of your belongings, reducing the stress and inconvenience of such events.

WHAT DOES BUILDING AND CONTENTS INSURANCE COVER?

Building insurance typically covers damage caused by events such as storms, fires, floods, vandalism, and subsidence. It also includes permanent fixtures in your home, such as bathrooms and fitted kitchen units. Optional extras, like accidental damage cover, can be added to your policy for further peace of mind.

Contents insurance covers items like furniture, appliances, gadgets, and jewellery. Most policies also protect items in the garden or outbuildings, such as sheds and garages. Some may even offer cover for personal belongings you take outside the home, including mobile phones or bicycles, although this could come at an additional cost.

CHOOSING THE RIGHT POLICY FOR YOUR HOME

Not all insurance policies are created equal, and choosing one that suits your unique needs is essential. Start by assessing the value of your belongings and the rebuild cost of your property. Many insurance

providers offer online calculators to help you estimate these figures.

When considering a policy, review its exclusions carefully. For example, some policies may not cover general wear and tear or specific incidents like flooding in high-risk areas. Comparing quotes and policy features will help you get comprehensive cover at a competitive price.

COMBINED BUILDING AND CONTENTS INSURANCE

Opting for a combined building and contents insurance policy simplifies the process and reduces overall premiums. Having a single point of contact for claims and renewals can save time and effort, while some insurers offer discounts if you combine both types of cover.

However, it's equally essential to check policy details thoroughly. A combined policy might not always meet your individual needs, so ensure it offers adequate protection for both your home's structure and your possessions.

PROTECTING WHAT MATTERS MOST

Building and contents insurance isn't just a financial safety net; it's about protecting your home and everything in it. Rather than worrying about "what if?" you can live with confidence, knowing that support is in place should the unexpected happen. Secure your investment, safeguard your family, and preserve your peace of mind. ♦

>> NEED PROFESSIONAL ADVICE ON CHOOSING THE RIGHT POLICY FOR YOUR NEEDS? <<

If you'd like more information about choosing the right policy for your needs, get in touch today. Protecting your home and belongings is just a step away – take it with confidence. Contact **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.



Property jargon buster

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 represents the actual cost of a loan or mortgage, considering the interest rate and other costs, such as arrangement fees.

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 to 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/LAND AND BUILDINGS TRANSACTION TAX/LAND TRANSACTION TAX

From 1st April 2025, there will be several changes coming into effect:

- The nil rate threshold, currently £250,000, will return to the previous level of £125,000.
- The nil rate threshold for first-time buyers, currently £425,000, will return to the previous level of £300,000.

- The maximum purchase price for First-Time Buyers Relief (a reduced stamp duty rate) can be claimed as £625,000 and will return to the previous level of £500,000.

STANDARD VARIABLE RATE (SVR)

A lender will charge the default mortgage interest rate 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 qualified surveyor conducts a property inspection and report 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

The 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 **HFMC Wealth** – telephone **020 740 4700** – email **mortgages@hfmwealth.com**.





TIME TO SWITCH TO A NEW, CHEAPER MORTGAGE DEAL?

Whatever your mortgage needs, we'll explore the right options for you

You could save money by moving your mortgage. Let our dedicated mortgage advisers know what's important to you and we'll take all the confusion out of finding a new mortgage. You'll also get access to exclusive rates from some of the UK's biggest lenders.

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

Contact HFMC Wealth

– telephone 020 740 4700

– email mortgages@hfmwealth.com

– website hfmcmortgages.com

– address 29 St John's Lane,
Clerkenwell, London, EC1M 4NA



THINK CAREFULLY BEFORE SECURING OTHER DEBTS AGAINST YOUR HOME.

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