

# IT'S A **GREAT TIME TO DOWNSIZE** YOUR FAMILY HOME WITH BARRATT



A HANDY GUIDE TO MAKING YOUR NEXT MOVE

To book an appointment with a  
Sales Adviser call **0844 55 66 166**



**BARRATT**  
— HOMES —

# NOW'S THE TIME TO DOWNSIZE TO A MORE MANAGEABLE HOME

Downsizing from your main family home can seem like a daunting step, the end of an era for some. But downsizing can be liberating, allowing you to live your life in a different way.

Buying a new home from Barratt could be a simple and convenient way to downsize – and there are a number of additional reasons why now's a great time to do it.



## 1. PROPERTY VALUES HAVE BEEN INCREASING

The demand for property in the UK continues to outstrip supply. Average UK house prices rose 1.3% between May and June 2016.<sup>1</sup> Whether you want to release equity, pay off your mortgage, reduce your bills, fund your retirement, change your lifestyle or buy another property, downsizing now could ensure you maximise the value that you release from your home.

## 2. NO CAPITAL GAINS TAX TO PAY

For most people downsizing from a larger, more expensive property to a smaller, less expensive one is exempt from capital gains tax if it is your main residence. That means all the equity that is released by downsizing your home is tax-free and can be used to do what you want with.

## 3. PENSION REGULATIONS

The recent pension reforms that took effect on 6 April 2016<sup>2</sup> is the biggest reform of the State Pension since it was created more than a century ago.

This pension is among a number of reforms to taxes, National Insurance allowances and savings to support savers and ensure economic security at every stage of life. It gives people greater flexibility in how they invest their pension money for the future.

## 4. DOWNSIZING AS AN INVESTMENT

If your main reason for downsizing is to plan for your retirement and to make an investment to help finance it, you may want to use the proceeds of the sale of your current home to buy two properties – one to live in and one to provide an income and to act as an investment.

That's why our Sale and Leaseback scheme could be perfect for you. If you're looking to buy a second property as an investment, you could buy one of our Show Homes and we'll lease it from you so you could earn up to 6% annually.<sup>3</sup>

## 5. MAINTAINING A LEVEL OF QUALITY AND FINISH THAT YOU DESERVE

At Barratt we understand that downsizing is not always that easy. Not only does it involve life-changing decisions, it's important that you get the home that you want. A smaller home doesn't mean lower quality. We offer an extensive range of beautiful homes in great locations with amenities to match, so you can be sure to find a home that suits you. Once you've chosen your home, you could then tailor it to suit your own personal style and specification, choosing everything from bathroom finishes and fittings, kitchen cupboards and appliances, flooring and wardrobes to tiles and lighting.<sup>4</sup> This means that you don't have to compromise on quality when you downsize to a Barratt home.

At Barratt we understand that customers who are looking to downsize want to release equity and maintain a more affordable way of life.

FOR MORE INFORMATION ABOUT THE WAYS WE CAN HELP DOWNSIZERS, PLEASE VISIT ONE OF OUR DEVELOPMENTS AND SPEAK TO A SALES ADVISER.

Continued

## WE CAN HELP YOU GET MORTGAGE READY

We understand that downsizing your home can be a big step. Not only does it involve life-changing decisions that could have significant financial implications, it's important that you get the home that you want. That's why we recommend that you speak to an approved New Build Mortgage Adviser. They're available seven days a week to provide advice.



### BEGIN WITH A LITTLE EXPERT ADVICE

Now you've started searching for a new Barratt home we can introduce you to an approved New Build Mortgage Adviser.

- They'll give you impartial advice. If it's a mortgage you require, they will take a look at the whole mortgage market. They may even have access to mortgages you won't find on the high street. Much better than talking to just one lender, who can only advise you on their own mortgage products.
- They are new homes specialists, who will understand the best way to make sure that you are ready to move into your next home on time.
- They can help you get mortgage ready by helping you prepare your application and make sure everything is in place so the process goes smoothly. They offer flexible appointment times and will provide regular updates throughout your application.
- Simply, we want to make sure that you get the best advice and that your purchase with us goes as smoothly as possible – we receive NO fee for introducing you to these recommended advisers. We're just happy to help where we can.

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# WE CAN HELP YOU GET MORTGAGE READY



## YOUR NEW BUILD MORTGAGE ADVISER WILL WORK CLOSELY WITH YOU AND HELP TO:

### CHECK YOUR CREDIT SCORE

- A credit score is used by lenders to establish whether or not they will consider providing you with a mortgage.
- You can check your credit file to make sure it is up to date and accurate. This is quick and simple to do online and the recommended Mortgage Advisers can help you with this.
- You will need to make sure all the information is correct and, if not, you can write to the credit agency and request that any corrections be made.
- If your credit file shows you have missed payments on some of your existing loans or credit agreements, there are lenders who may still offer you a mortgage if the accounts are brought up to date.

### UNDERSTAND YOUR LIMITS

- For many people, downsizing is a way to release equity built up in the home, or to reduce the costs of having a large mortgage. Whatever the reason, it often has significant financial implications. That's why it is important to review all your borrowings and financial outgoings and how these fit with your reason to downsize.
- If you already have borrowings elsewhere, such as through credit cards or loans, you must make sure you're able to keep up with minimum repayments, although ideally repay in full each month. If at any point you find yourself struggling, it is better to speak to your lender than ignore it and hope it'll go away.

- Similarly, try not to get too close to your credit limit, as some lenders might see this as a risk. If you have missed some payments, let your Mortgage Adviser know – they may still be able to help you.

### PLAN YOUR FINANCES

- Many of our customers find it useful to keep tabs on their income and outgoings by using a budget planner. This can help you highlight unnecessary expenditure that you might be able to reduce.
- To help you further, speak to your New Build Mortgage Adviser, who will be able to go through a budget planner with you to make sure you have everything covered.

### GET ALL YOUR PAPERWORK TOGETHER

- Applying for a mortgage can often mean providing quite a large amount of information, such as bank statements, payslips and credit card statements. Your Mortgage Adviser can help you prepare for this, so don't let this put you off.
- Not all lenders ask for the same things, so by taking expert advice you can put yourself in the best position to apply for a mortgage.

**To make sure you're best placed to move into your next home, get in touch with a recommended New Build Mortgage Adviser who will be happy to help.**

# HOME BUYING: THE KEY STEPS

From working out how much you've got to spend to stepping through the front door of your brand new Barratt home, here are the main stages you'll need to go through when downsizing to your next home. Also we will support you at each stage – either through our own advisers or by putting you in touch with recommended Mortgage or Legal Advisers.

## 1. GET YOUR EXISTING HOME VALUED AND PUT IT ON THE MARKET

- Before you consider buying your next home you should get your existing home valued and put it on the market.
- Obtain several valuations to get a good understanding of what the property could be worth.
- You may want to instruct an estate agent to help you sell your house.

Existing Property Valuation: \_\_\_\_\_

Estate Agent Details: \_\_\_\_\_

## 2. TALK TO A NEW BUILD MORTGAGE ADVISER

- Before you consider buying your next home, you need to work out what's affordable.
- We can put you in touch with a New Build Mortgage Adviser, who'll be able to help you work out a budget.

Mortgage Adviser Name: \_\_\_\_\_

Contact Details: \_\_\_\_\_

## 3. GET HELP PLANNING YOUR BUDGET

- At the most basic level, you must see how much equity you have in your current home, whether that covers the cost of your new home or whether you will need a reduced level of funding and if so, how much a lender will let you borrow.
- You should also factor in additional things, like Stamp Duty for England and Wales (LBTT in Scotland), solicitor's fees and removal costs.

Property Value: \_\_\_\_\_

Loan Value: \_\_\_\_\_

Lender's Fee: \_\_\_\_\_

Deposit: \_\_\_\_\_

Monthly Repayment: \_\_\_\_\_

Stamp Duty: \_\_\_\_\_

Solicitor's Fee and associated costs: \_\_\_\_\_

Removal Costs: \_\_\_\_\_

## 4. FIND A PROPERTY

- If you haven't already, sign up to our mailing list and we'll send you details on new homes you may be interested in.
- Talk to one of our Sales Advisers about specific offers and schemes that we offer customers who may be downsizing.

Development: \_\_\_\_\_

Sales Adviser: \_\_\_\_\_

Contact Details: \_\_\_\_\_

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PLEASE NOTE: THE STEPS ABOVE APPLY IN ENGLAND AND WALES, BUT IN SCOTLAND THINGS WORK SLIGHTLY DIFFERENTLY – YOU SHOULD APPOINT A SOLICITOR BEFORE YOU START LOOKING FOR A PROPERTY AND THE TERMINOLOGY FOR THE CONVEYANCING PROCESS IS DIFFERENT. THIS IS TO ACT AS A GUIDE ONLY.

# HOME BUYING: THE KEY STEPS

## 5. PAY YOUR RESERVATION FEE

- Once you have chosen the property you wish to buy, you can pay the reservation fee to secure the property.
- This means that the property will no longer be available for sale to anyone else.

Reservation Fee: \_\_\_\_\_

Date to Pay: \_\_\_\_\_

## 6. APPLY FOR YOUR MORTGAGE (IF YOU DON'T REQUIRE A MORTGAGE GO TO STEP 7)

- You can apply for a mortgage directly with a lender or go via an a New Build Mortgage Adviser.
- The Mortgage Adviser will look at a wide range of potential products for you and may be able to access deals that aren't available on the high street.
- See the section 'We can help you get mortgage ready' for more details.
- Your prospective mortgage provider will undertake a basic credit check – if you pass that, they'll offer you a 'mortgage in principle', subject to more detailed checks about things like your income.

### PORTING YOUR MORTGAGE

You might be able to move your current mortgage from your old home straight across to your new one, a process known as porting. Doing so is reasonably straightforward and might save you paying an early repayment charge if you've only had your mortgage for a short time.

However, just because you already have a mortgage, it doesn't automatically follow that you can move it across to your new home. You effectively have to reapply for the mortgage, so your lender will check if you still qualify for a loan.

## 7. GET LEGAL ADVICE

- We will provide details of up to three solicitors, or you can use your own.
- The legal process of transferring property ownership is known as conveyancing which your solicitor will advise you on.
- When buying and selling homes at the same time, it is important that the solicitor helps to coordinate the transactions within the property chain.
- If you choose to use a recommended solicitor, they will know our processes and help ensure a smooth exchange and completion.

Solicitor's Name: \_\_\_\_\_

Contact Details: \_\_\_\_\_

## 8. GET A VALUATION

- Before a lender will give you a mortgage, they'll want to value the home you intend to buy – this could also involve a fee.

Valuation Date: \_\_\_\_\_

Valuation Cost: \_\_\_\_\_

## 9. EXCHANGE CONTRACTS (MISSIVES IN SCOTLAND)

- Once all the legal work is complete, your solicitor will be ready to exchange contracts with the seller of your new home and the buyer of your existing property.
- On exchange, a deposit will need to be paid (normally at least 5%) and you and the seller are committed to the transaction taking place.
- Similarly you will receive a deposit on the exchange of your existing property and you and the purchaser are committed to the transaction taking place.

Exchange Date: \_\_\_\_\_

Deposit to Pay: \_\_\_\_\_

Deposit Received: \_\_\_\_\_

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PLEASE NOTE: THE STEPS ABOVE APPLY IN ENGLAND AND WALES, BUT IN SCOTLAND THINGS WORK SLIGHTLY DIFFERENTLY – YOU SHOULD APPOINT A SOLICITOR BEFORE YOU START LOOKING FOR A PROPERTY AND THE TERMINOLOGY FOR THE CONVEYANCING PROCESS IS DIFFERENT. THIS IS TO ACT AS A GUIDE ONLY.

# HOME BUYING: THE KEY STEPS

## 10. TAKE A TOUR

- Before you move in, we'll offer you a New Home Tour.
- This involves showing you where key elements like the gas meter, water main and other important things are, so you'll be confident come moving day that everything you need will be right at your fingertips.

Tour Date: \_\_\_\_\_

## 11. COMPLETE... AND MOVE IN

- The completion date is the day on which you become the legal owner of your new home and the date will be advised to your solicitor after you've exchanged contracts. In Scotland this is known as the settlement date.
- This is the date when the solicitor ensures the funds are transferred and the sale is complete.
- Before you move in, we'll contact the utility companies (excluding telecoms providers) so everything should be up and running from day one.
- However, don't forget to tell everybody else about your new address. If you want to, you can pay to get your post redirected from your old address during this transitional period.
- If you need a removals firm to help with your move, remember to book well in advance.

Completion Date: \_\_\_\_\_

Moving in Date: \_\_\_\_\_

New Address (inc. postcode): \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

## CUSTOMER CARE

At Barratt Homes, we have local, dedicated customer care teams all waiting to talk to you and answer your questions. We are committed to providing you a quality service that meets your needs and our people are always on hand to help guide and assist you wherever possible. They work together as one team, focusing on delivering what is most important for you in accordance with our Customer Service Charter.

“WE WANTED TO MOVE TO BE **CLOSER TO OUR FAMILY** AND ENJOY A QUIETER LIFE”

“You can’t even imagine the differences between our old and new home. They are so different that they are not even comparable. Our new home is so well insulated and spacious and really requires virtually no maintenance. We haven’t even had the heating on upstairs since we moved in in October as it has been so warm. Our old property was cold and draughty and we really don’t miss that old place at all.”

**Peter and Marilyn Cross,  
East Grinstead**



## ADD YOUR OWN PERSONAL TOUCHES

- Now that you’re at the stage in your life where you are looking to downsize from your main family home, you want to make sure you don’t compromise on quality. A smaller home doesn’t need to mean lower quality. Once you’ve chosen your home, you can then tailor it to suit your own personal style, choosing everything from flooring and wardrobes, kitchen appliances and finishes to tiles and lighting.<sup>4</sup>

## DESIGNED AROUND YOU

- Our stylish, modern homes are designed around the way you want to live today. We make the most of daylight with features such as floor-to-ceiling windows that flood a room with light. And our large, multi-purpose rooms give you all the space you need.

## LOWER ENERGY BILLS

- Barratt homes are full of features designed to help you cut your energy costs – things like airtight doors, insulated roofs, and gas-filled double-glazing. By using the latest technology, we’ve made our homes up to 55% more efficient than the same-sized older home. We estimate these features could cut your energy bills by £1,312 a year.<sup>5</sup>

## A HOME YOU’LL LOVE

- Barratt homeowners are so happy with their homes that over 90% would recommend us to a friend.<sup>6</sup> This high praise has ensured that we’ve been awarded a 5 star rating by the Home Builders Federation since 2010 – something no other major national housebuilder has achieved. So you can rest assured that your new home will be of the very highest quality.



## WE’RE HERE TO HELP

- Speak to one of our Sales Advisers today to find out how our range of new homes could meet your needs. They will also be able to advise you on a range of schemes and offers that may be available on certain plots.

**For more information about our schemes and offer availability, please speak to a Sales Adviser on your chosen development.**

# CUT THROUGH THE JARGON

There's a minefield of terminology around buying a new home. Here's our handy guide to help you through it.

**AGREEMENT IN PRINCIPLE** – When your application for a mortgage has been approved by the lender, subject to further checks around things like your income and the value of the property.

**ARRANGEMENT FEE** – The amount the lender charges for arranging your mortgage. This is either paid on completion or included in your mortgage loan.

**BASE RATE OR BANK RATE** – The interest rate at which the Bank of England will lend money to other banks. This affects which other interest rates (like your mortgage rate) are determined.

**COMPLETION** – The date when you become the legal owner of the property. Completion occurs once the seller has been paid for the property and all outstanding costs have been settled.

**CONTRACT** – Entered into by the seller and buyer of a property, which only becomes binding on exchange of contracts, i.e. when both parties have signed the contract and the purchaser has handed over the agreed deposit to the solicitor.

**CONVEYANCING** – The legal transfer of property ownership from seller to buyer. Conveyancing is usually done by a solicitor.

**COVENANT** – A restriction or condition affecting the property, which must be complied with. E.g. a restriction on the use of the property such as not to build or construct any buildings on the property.

**DEEDS** – All the legal documents relating to the property.

**DEPOSIT** – The amount you pay upfront in order to secure a property. It is the difference between the purchase price and the mortgage.

**DISCOUNT RATE OR INTRODUCTORY RATE** – A temporary discount on your mortgage interest rate. After this rate expires, the lender's standard variable rate (SVR) will normally apply.

**EQUITY** – The value of your property, minus the amount you still owe on your home loan.

**EXCHANGING** – The point at which buyer and seller exchange contracts. After you've exchanged, the sale is legally binding and neither side can change their mind without the agreement of the other side.

**FREEHOLD** – The full ownership of both the property and the land on which it stands.

**GROUND RENT** – This applies to Leasehold properties and is a sum paid annually to the Freeholder by the Leaseholder.

**GUARANTOR** – A person who guarantees that a loan will be paid, even if the buyer defaults on the repayments.

**HOME REPORT (SCOTLAND ONLY)** – This report is required as part of the selling process of any property in Scotland.

**INSURANCE** – This can cover the contents of your home as well as the building and is usually discussed with your New Build Mortgage Adviser or lender when making mortgage arrangements.

**LAND REGISTRY** – The government organisation that records who owns land and property in the UK.

**LEASEHOLD** – Land held under a lease for a number of years, on which ground rent is paid.

**LOAN-TO-VALUE (LTV)** – The amount you're borrowing as a percentage of what the property is worth (its current market value).

**MISSIVES (SCOTLAND ONLY)** – The name given to a contract. Missives are letters exchanged by the purchaser (making an offer for the property) and the seller (accepting the offer).

**MORTGAGE** – Most people will need to take out a mortgage – or loan – to buy a house. There are many different types of mortgage available to home buyers: your New Build Mortgage Adviser can explain further.

**MORTGAGE PROTECTION POLICY** – An insurance policy often arranged in conjunction with a repayment mortgage, which is taken out to ensure that the loan will be repaid should the borrower die before the end of the mortgage term. Insurance may also be available to protect your repayments in the event of redundancy.

**MORTGAGE VALUATION** – The inspection of a property to assess its value and condition. Your lender will normally insist on a survey before agreeing on a loan.

**OVERALL COST FOR COMPARISON** – A way of calculating a mortgage that factors in the various interest rates and fees that apply, rather than just the discount rate or SVR. It's designed to make it easier to compare different mortgages.

**SEARCH FEES** – Before you buy a home, you need to check if there are upcoming local developments or plans that may affect the value of the property. Search fees are the costs of doing this, usually payable to your solicitor.

**SETTLEMENT (SCOTLAND ONLY)** – The end of the house-buying process, when the deeds of the new house and other documents are handed over, in return for the agreed price.

**SOLD SUBJECT TO CONTRACT** – When the seller and buyer are proceeding with the sale but the paperwork is not yet complete and exchange has not taken place.

**STAMP DUTY OR LAND AND BUILDINGS TRANSACTION TAX (LBTT)** – A one-off tax payable when buying residential property over £125,000 (£145,000 in Scotland).

**STANDARD VARIABLE RATE (SVR)** – A lender's default interest rate. This often – but not always – tracks the Bank of England base rate.

**TITLE** – The rights and liabilities that attach to the property.

**TITLE INFORMATION DOCUMENT** – A copy of the land register sent to the buyer's conveyancer following registration.

**barratthomes.co.uk**

**0844 55 66 166**

**YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR ANY OTHER LOAN SECURED ON IT.**

Barratt Homes does not offer financial or legal advice. We would recommend that customers take independent financial advice specific to their circumstances before taking any action. Images may include optional upgrades. Calls to our 0844 numbers cost 7 pence per minute plus your phone company's access charge.

1 'Average UK house prices rose 1.3% between May and June 2016' – [www.thisismoney.co.uk](http://www.thisismoney.co.uk)

2 The recent pension reform that took effect on 6 April 2016 – <https://www.gov.uk/new-state-pension/overview>

3 Although all such schemes are commonly referred to as 'Show Home Sale and Leaseback' they in fact involve a licence. Customers must sign a licence agreement with us.

4 Upgrades are subject to additional cost and build stage.

5 Costs based upon the comparison of a new build four-bed detached house built to 2010 regulations vs. Victorian property (upgraded with modern-day improvements). An upgraded Victorian home means one which has the following improvements over original build specification: 200mm loft insulation, double glazing to half of all windows, a 72% efficient (non-condensing) gas boiler and insulated hot water cylinder.

Source: Zero Carbon Hub and NHBC Foundation 2012.

6 Source: In-House Research and Training Ltd – an independent survey conducted amongst 4,298 customers between April and November 2013, 97% would recommend Barratt Developments PLC brand to a friend.