

THE MORTGAGE & PROPERTY MAGAZINE

TIME TO CONSIDER YOUR REMORTGAGING OPTIONS?

Making this informed decision is just as critical
as making your initial mortgage choice

SCHOOL CATCHMENT 5% PROPERTY PREMIUM

*Proximity to quality schools is now a
critical consideration*

INTRODUCING THE ART OF HOME STAGING

*Emotional engagement can be a
decisive factor for home buyers*

ASSESSING MORTGAGE AFFORDABILITY

*Various factors and costs influence your
borrowing capacity*

Rothesay Bennett Financial Planning

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FINANCIAL PLANNING



LOOKING FOR EXPERT MORTGAGE ADVICE?

Let us arrange the perfect mortgage for you

Whether you're investing in a buy-to-let property or looking to buy your first home, we can help. Our expert professional mortgage advice will find you the best mortgage deal, whether you're buying a property investment or home.

Your dedicated mortgage adviser will learn about your situation and needs before narrowing down your mortgage options.

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

Contact **Rothesay Bennett Financial Planning**

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FINANCIAL PLANNING

THINK CAREFULLY BEFORE SECURING OTHER DEBTS AGAINST YOUR HOME.

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

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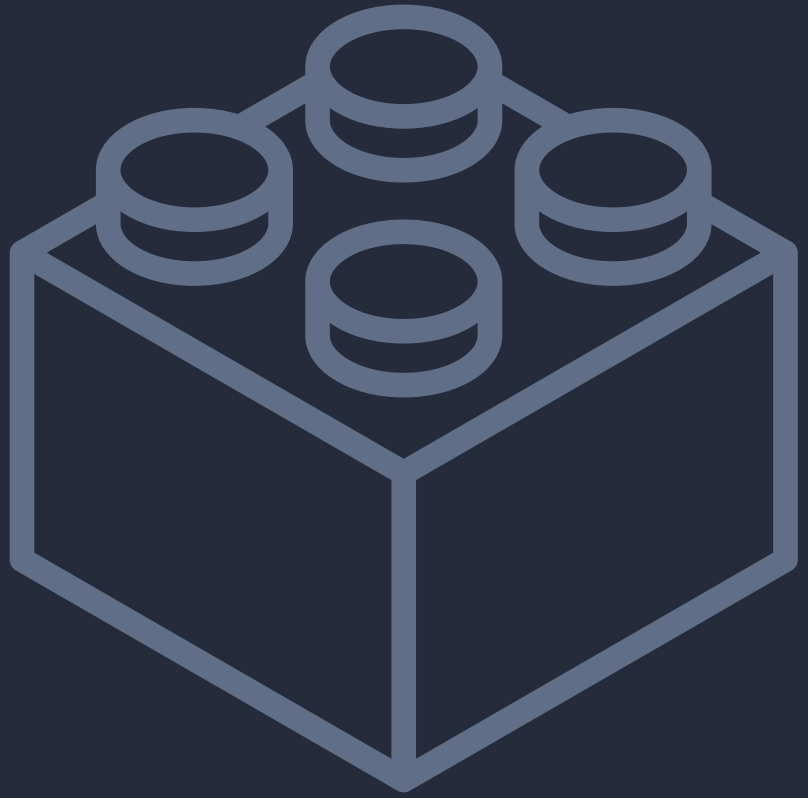
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HOW CAN I BUILD MY BUY-TO-LET EMPIRE?

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

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

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

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Welcome

WELCOME TO the Autumn 2024 quarterly issue of *The Mortgage & Property Magazine* from Rothesay Bennett Financial Planning.

When remortgaging, you transition from your existing mortgage agreement to a new one on the same property. This move might involve negotiating a fresh deal with your current lender or seeking more favourable terms with a different lender. Given that a mortgage represents one of the most significant financial commitments for most, approaching remortgaging with careful consideration is essential. On page 26, we look at why doing so can yield substantial long-term financial benefits, ensuring that your mortgage aligns with both your present and future financial goals.

Embarking on a home-buying journey starts with understanding how much you can afford to borrow. This involves thoroughly evaluating various factors and costs that influence your borrowing capabilities. By comprehensively understanding these elements, you can make informed decisions, whether buying your first home or moving to a new one. This insight is vital in gauging the financial commitment you're prepared to undertake. Turn to page 23 to read the full article.

Home staging can be crucial in captivating potential buyers when selling a property. On page 34, we consider how it involves preparing your home by highlighting its most attractive features through furniture, decor, and strategic arrangements. A well-staged

home emphasises its best attributes and establishes an emotional connection with buyers, which can be pivotal in the selling process.

In the UK, many parents face increasing financial pressures to secure places for their children in high-performing state primary schools. On page 64, we look at the latest analysis from Santander, which reveals some families are paying an average premium of 5%, or £21,215, to reside within desired school catchment areas. This trend is growing, with homebuyers willing to relocate up to 25 miles to ensure their children access quality education.

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

ARE YOU READY TO DISCUSS COMPREHENSIVE SUPPORT TAILORED TO YOUR NEEDS?

Whether you're a first-time buyer, planning a move, remortgaging, or expanding your property portfolio, our team of experts is here to assist. We provide comprehensive support tailored to your needs, guiding you through every step of the process. Please contact our team for more detailed advice or to discuss your specific requirements. We are committed to helping you achieve financial peace of mind in an ever-evolving property market. We hope you enjoy reading this issue.. ♦

The team at Rothesay Bennett

THE MORTGAGE & PROPERTY MAGAZINE

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©2024 Goldmine Media Limited

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The Mortgage & Property Magazine is published quarterly for Rothesay Bennett Financial Planning by Goldmine Media Limited. All enquiries should be addressed to The Editor, The Mortgage & Property Magazine, c/o Goldmine Media Limited, 124 City Road, London EC1V 2NX.

Please note that The Mortgage & Property Magazine does not accept unsolicited contributions. Editorial opinions expressed in this magazine are not necessarily those of Goldmine Media Limited and Rothesay Bennett Financial Planning does not accept responsibility for the advertising content. Offers and promotions may have limited availability.

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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. AS WITH ALL INSURANCE POLICIES, CONDITIONS AND EXCLUSIONS MAY APPLY. YOUR BUY-TO-LET PROPERTY MAY BE REPOSSESSED OR A RECEIVER OF RENT APPOINTED IF YOU DO NOT KEEP UP PAYMENTS ON YOUR MORTGAGE. MOST BUY-TO-LET MORTGAGES ARE NOT REGULATED BY THE FINANCIAL CONDUCT AUTHORITY (FCA). EQUITY RELEASE MAY INVOLVE A HOME REVERSION PLAN OR LIFETIME MORTGAGE WHICH IS SECURED AGAINST YOUR PROPERTY. TO UNDERSTAND THE FEATURES AND RISKS ASK FOR A PERSONALISED ILLUSTRATION. EQUITY RELEASE REQUIRES PAYING OFF ANY EXISTING MORTGAGE. ANY MONEY RELEASED, PLUS ACCRUED INTEREST, TO BE REPAYED UPON DEATH OR MOVING INTO LONG-TERM CARE. EQUITY RELEASE WILL AFFECT POTENTIAL INHERITANCE AND YOUR ENTITLEMENT TO MEANS-TESTED BENEFITS BOTH NOW AND IN THE FUTURE.



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.

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TRACKER MORTGAGES

The rising trend in borrower preferences seeking
greater flexibility



“The analysis indicates that borrowers are particularly drawn to tracker mortgages with short-term incentives, such as two-year deals.”

IN RECENT YEARS, tracker mortgages have been prevalent among borrowers seeking greater flexibility during uncertain economic times. A recent analysis by Quilter reveals a 67% increase in the uptake of these mortgage deals since 2021. This data, derived from a Freedom of Information request to the Financial Conduct Authority (FCA), sheds light on shifting borrower habits and preferences.

UNDERSTANDING TRACKER MORTGAGES

Tracker mortgages are unique because their interest rates are linked to the Bank of England base rate. This means the interest rate can fluctuate throughout the mortgage term, but these deals often come without early repayment charges. This flexibility appeals to borrowers who prefer to keep their rates private for a period of time, such as two or five years.

SHORT-TERM INCENTIVES AND BORROWER TRENDS

The analysis indicates that borrowers are particularly drawn to tracker mortgages with short-term incentives, such as two-year deals. Conversely, interest in three—and five-year trackers has declined. This trend suggests that borrowers are leveraging trackers when mortgage pricing is high while anticipating stable or falling interest rates in the near future.

SHIFT FROM FIXED-TERM MORTGAGES

The rise in tracker mortgages, especially those featuring two-year incentivised rates,

marks a shift away from the traditional popularity of fixed-term mortgages. While short-term incentives provide immediate financial benefits, borrowers must consider the long-term implications of potential interest rate fluctuations. Additionally, they should be aware of early repayment charges, as an initially attractive deal might prove less cost-effective in the long run.

FINANCIAL AND EMOTIONAL CONSIDERATIONS

Opting for a tracker mortgage requires careful consideration of both financial and emotional factors. If a borrower tends to worry about financial matters, they might find themselves overly focused on changes in the Bank of England base rate. Choosing a tracker mortgage should balance the benefits of flexibility against the security of knowing the exact monthly repayment amount. ♦

>> NEED HELP SELECTING THE RIGHT MORTGAGE OPTION FOR YOUR NEEDS? <<

Please contact our expert team for further information or guidance in selecting the right mortgage option for your needs. We are committed to providing the insights and support necessary to make a well-informed decision and secure your best possible financial future. Speak to the team at **Rothsay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothsaybennett.co.uk**.



Understanding credit scores in mortgage applications

Each lender has its own criteria and methods for evaluating your application

THE MORTGAGE

LANDSCAPE can seem daunting, particularly when understanding the role of credit scores. Unlike what some may assume, there isn't a singular credit score required for securing a mortgage. Instead, lenders assess your creditworthiness by calculating a score based on various factors, which helps them determine whether you are a responsible borrower.

HOW LENDERS ASSESS CREDITWORTHINESS

Lenders don't use a one-size-fits-all approach. Each lender has its own criteria and methods for evaluating your application. Key factors include your credit report, which provides an overview of your credit history and any public records data like County Court Judgments (CCJs) or Individual Voluntary Arrangements (IVAs). The details you provide on your application form and any existing relationship with the lender also play a role, as does the lender's unique policy.

MORTGAGE AFFORDABILITY

Lenders are interested not only in your credit score but also in your overall financial situation. They assess your ability to afford future mortgage payments, considering your income and regular expenses. This means evaluating both credit repayments and essential outgoings such as childcare, council tax, and other fixed costs. Demonstrating that you can manage these payments, even if your circumstances



change or interest rates rise, can improve your chances significantly.

DECODING YOUR CREDIT SCORE

While there's no universal credit score required for a mortgage, having a good score can enhance your chances of approval and better rates. Checking your credit score before applying gives insight into how lenders might perceive you based on your credit report. This can also highlight areas you need to improve before submitting your application.

HANDLING A POOR CREDIT SCORE CHECK

A less-than-ideal credit score doesn't mean you can't secure a mortgage, but it might mean facing higher interest rates and requiring a larger deposit. Many individuals have low scores due to factors like a short credit history or being new

to the UK. Proving reliability through managing small credit accounts, like credit cards and phone contracts, can help rebuild your score.

ENHANCING YOUR CREDIT SCORE

Improving your credit score is crucial for a successful mortgage application. Ensure timely payments to avoid late fees and negative marks on your credit report. Do not apply for new credit six months before your mortgage application to prevent multiple hard searches on your record. Register to

vote, as this helps confirm your identity and residence, and try to keep your credit balances within 25% of your limits.

ENSURING ACCURATE CREDIT REPORTING

Regularly check your credit report to ensure all information is correct and current. Even minor discrepancies, like how your address is recorded, can impact your score. If you find errors, contact the relevant lender to correct them or seek assistance from credit agencies to address these issues on your behalf. ♦

>> READY TO DISCUSS YOUR MORTGAGE OPTIONS? <<

Aligning your mortgage with your financial capabilities and aspirations is critical. Contact our expert team for further guidance or detailed information to help you navigate your mortgage options. We're here to assist you in making informed decisions that support your financial future. Speak to **Rothesay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothesaybennett.co.uk**.



BUYING YOUR FIRST HOME

Mortgages tailored for newcomers to the property market

FOR MANY, stepping onto the property ladder is a thrilling venture filled with excitement and apprehension. Navigating this milestone can be daunting, but first-time buyers can proceed confidently with careful financial preparation.

First-time buyer mortgages are tailored for newcomers to the housing market. Lenders often entice potential borrowers with attractive incentives such as cashback schemes or low-deposit offers like 95% or 100% mortgages, which require minimal deposits. However, it's important to understand that these offers come with stringent affordability assessments that must be met.

BOOSTING YOUR MORTGAGE ACCEPTANCE CHANCES

Securing a mortgage requires demonstrating to lenders that you are a reliable candidate.

Several strategies can improve your approval prospects:

Save for a substantial deposit: Larger deposits, whether saved independently or with family assistance, can significantly sway lenders.

Consider a guarantor: Having someone to back your mortgage payments can provide additional assurance to lenders.

Maintain a strong credit profile:

Demonstrate responsible credit use to enhance your eligibility.

Showcase affordability: Lenders need to see you can comfortably manage repayments, which means applying for a mortgage within your financial means.

Provide accurate information:

Ensuring all your application details are current and precise helps lenders accurately assess your affordability.

FINANCIAL COMMITMENT OF FIRST-TIME BUYER MORTGAGES

Understanding the costs involved in

securing a mortgage is essential. This includes both the initial deposit and ongoing monthly payments.

CALCULATING YOUR REQUIRED DEPOSIT

The deposit is the initial sum paid toward your property purchase, typically expressed as a percentage of the total property price. While some lenders offer low-deposit options, a larger deposit generally equates to reduced monthly payments and more favourable interest rates. For instance, a deposit of 15% or more can unlock better mortgage deals.

EXPLORING LOAN-TO-VALUE RATIOS

Loan-to-value (LTV) is a crucial metric, representing the ratio of the mortgage amount to the property's value. A lower LTV often means better interest rates, indicating a lower risk for lenders.

MONTHLY MORTGAGE PAYMENTS EXPLAINED

Most first-time buyer mortgages are structured as repayment loans, where you pay back part of the principal and interest each month.

Several factors influence these payments:

Interest rates: Fixed, variable, or tracker rates vary, but the interest rate directly affects monthly costs.

Borrowed amount: Larger loans result in higher monthly payments.

Mortgage term: Extending the repayment period lowers monthly costs but increases total interest paid over time.

ASSESSING YOUR MORTGAGE AFFORDABILITY

Before falling in love with a potential home, assessing your financial limits realistically is essential. Evaluate your savings, income,

and expenses to determine a viable deposit and monthly budget. Obtaining a 'Decision in Principle' (DIP) from a lender can help set these boundaries, though it doesn't guarantee final approval.

PROVING YOUR FINANCIAL CAPABILITY

When you apply for a mortgage, lenders scrutinise your financial history, requiring evidence such as payslips, bank statements, and credit reports. This comprehensive assessment helps them gauge your ability to fulfil mortgage obligations.

NAVIGATING THE RESPONSIBILITIES OF HOMEOWNERSHIP

Owning a home involves more than just initial purchase costs. It requires ongoing financial commitment, including maintenance and unexpected repairs. Ensuring timely mortgage payments is critical to safeguarding your investment and maintaining a healthy credit profile.

Buying your first home requires careful timing and balancing personal stability with market conditions. Secure employment and a solid credit history enhance mortgage approval prospects. Additionally, understanding the economic climate helps avoid pitfalls like negative equity. ♦

>> ARE YOU READY TO TALK TO US ABOUT A SMOOTH TRANSITION INTO HOMEOWNERSHIP? <<

Embarking on the journey of buying your first home is both exciting and challenging. For guidance tailored to your unique circumstances, speak to our team of experts. We are dedicated to supporting you every step of the way, ensuring a smooth transition into homeownership. Contact **Rothesay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothesaybennett.co.uk**.

How to secure a mortgage when you are self-employed

The process and preparing thoroughly significantly enhance your chances of approval



BEING SELF-EMPLOYED brings a unique set of challenges, especially when it comes to securing a mortgage. However, it's a common misconception that being your own boss disqualifies you from getting a mortgage. Understanding the process and preparing thoroughly can significantly enhance your chances of approval.

There's no specific mortgage product exclusively for the self-employed. You apply for the same loans as everyone else but with a greater emphasis on proving your income reliability. The main difference lies in demonstrating your financial stability and providing comprehensive documentation to support your application.

DO SELF-EMPLOYED INDIVIDUALS PAY HIGHER RATES?

You shouldn't face higher mortgage rates solely due to your employment status. If you can substantiate your income to the satisfaction of lenders, you should access rates comparable to those offered to salaried employees. Factors such as your deposit size and credit score play a more significant role in determining your interest rate.

ESSENTIAL DOCUMENTATION FOR SELF-EMPLOYED APPLICANTS

When applying for a mortgage, self-employed individuals need to provide standard documents such as proof of identity and address. Additionally, you'll need to supply evidence of your income, typically two or more years of certified



“You shouldn’t face higher mortgage rates solely due to your employment status.”

vote or closing dormant credit accounts, can improve your score. Review your credit report before applying to correct any inaccuracies and enhance your approval prospects.

DURATION OF SELF-EMPLOYMENT AND MORTGAGE ELIGIBILITY

Most lenders prefer two to three years of accounts before approving a mortgage. Even if you haven’t been self-employed for this period, you might still qualify, particularly if you’ve transitioned from a similar full-time role. Be ready to provide whatever financial history you have, and be prepared for additional scrutiny.

FINDING THE RIGHT MORTGAGE DEALS

Applying for multiple mortgages can negatively affect your credit score. To avoid this, discuss your requirements with our experienced team. We are well-versed in lender requirements and can guide you towards lenders who are more inclined to approve self-employed applications, helping you secure the best possible deal. ♦

accounts, SA302 forms, or a tax overview from HM Revenue & Customs (HMRC).

HOW LENDERS ASSESS SELF-EMPLOYED INCOME

If you’re a sole trader, lenders generally assess your net profit over the past few years. For limited companies, they might consider your share of net profit or salary and dividends. Contractors may have their income averaged over several years, with the possibility of using an annualised day rate.

IMPROVING YOUR MORTGAGE APPLICATION PROSPECTS

To enhance your chances of securing a favourable mortgage deal, consider the following:

- Gather comprehensive income records: Ensure you have at least three years of SA302 forms ready to present to lenders.
- Hire a qualified accountant: Engaging an accountant to prepare your accounts adds credibility to your application. Just be cautious not to minimise your income excessively to reduce tax, as this could limit the amount you can borrow.
- Save for a larger deposit: A significant deposit can unlock a wider range of mortgage deals, some of which may be more amenable to self-employed applicants.

IMPORTANCE OF A GOOD CREDIT SCORE

A good credit score is crucial in securing a mortgage. Simple steps, like registering to

>> DO YOU REQUIRE GUIDANCE TAILORED TO YOUR UNIQUE SITUATION? <<

For personalised advice and guidance tailored to your unique situation, please speak to our team; we’re here to support you on your journey to homeownership. Contact **Rothesay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothesaybennett.co.uk**.

UK mortgage market shows signs of resurgence

Prospective buyers capitalising on more favourable market conditions



THE LATEST BANK of England figures reveal that the UK mortgage market shows signs of resurgence. In August, net mortgage approvals for house purchases increased to 64,900, a peak not seen since August 2022. This significant uptick underscores a renewed vigour in the housing sector, driven mainly by easing borrowing costs and boosting consumer confidence.

The increase in mortgage approvals indicates that many prospective buyers are capitalising on more favourable market conditions. Lower mortgage rates entice previously hesitant individuals, suggesting an optimistic outlook for the housing market. This renewed activity could foster a more dynamic housing sector as buyers and sellers exploit these conditions.

SEIZING THE OPPORTUNITY TO SECURE BETTER DEALS

Moreover, approvals for remortgaging also rose from 25,200 in July to 27,200 in August.

This suggests that existing homeowners are seizing the opportunity to secure better deals, a move likely motivated by the decline in borrowing costs. The ability to lock in these advantageous rates may provide short-term financial relief and contribute to longer-term economic stability for many households.

The data reveals that net borrowing of mortgage debt reached £2.9 billion in August, a slight increase from £2.8 billion in July. This uptick, coupled with a £300 million rise in gross lending to £19.9 billion, signals sustained demand in the housing market.

POTENTIAL TO STIMULATE BROADER ECONOMIC GROWTH

Beyond the residential market, the increase in borrowing by private non-financial corporations reflects growing business confidence. This trend has the potential to stimulate broader economic growth as businesses invest more actively, potentially leading to job creation and increased

consumer spending.

The latest data and trends in the UK mortgage market highlight a sector on the rebound, buoyed by lower borrowing costs and rising confidence. This momentum points to a healthier housing market and suggests a positive ripple effect across the broader economy. As these trends continue, they herald a more robust economic landscape towards the end of the year. ♦

>> ARE YOU LOOKING FOR THE RIGHT MORTGAGE DEAL? <<

Please contact us if you require further information or have any questions about finding the right mortgage. Our team of experts is here to help. Speak to **Rothesay Bennett Financial Planning** – telephone **01676533692** – email enquiries@rothesaybennett.co.uk.



FIRST-TIME BUYER MORTGAGE PAYMENTS SEE A WELCOME DECLINE

Changes herald a more accessible entry point for those looking to climb the property ladder

THE LANDSCAPE FOR first-time homebuyers has shifted notably recently, with mortgage payments significantly lower than their peak levels just a few months ago. According to Rightmove's latest mortgage tracker, these changes herald a more accessible entry point for those looking to climb the property ladder. The average monthly mortgage payment for a first-time buyer has dropped to £949, a decrease from £1,096, marking a reduction of nearly £150 since July 2023.

CURRENT MORTGAGE CLIMATE

This welcome decrease is mirrored in the rates for fixed mortgages. The average 5-year fixed, 80% Loan-to-Value mortgage rate now stands at 4.76%, a substantial fall from 6.12% seen in July 2023. These figures illustrate a broader trend of improving affordability, partly due to favourable economic adjustments. While first-time buyers in London enjoy the most significant savings in cash terms, prospective homeowners in the South West experience the most significant proportional reduction in monthly outgoings.

ECONOMIC CONTEXT AND IMPLICATIONS

The financial environment is becoming increasingly conducive for new buyers, with average wages climbing by 4% over the same period. This rise in income, coupled with declining mortgage rates, paints a promising picture of affordability. The snapshot further reveals a decrease in the UK inflation rate to 2.2%, down from 6.8% in July, enhancing the purchasing power of first-time buyers.

PROPERTY MARKET DYNAMICS

The typical first-time buyer home is now valued at £227,191, slightly up from £225,552 in July 2023. Despite the slight increase in property values, lower mortgage rates and rising wages make home-buying more feasible. This trend is particularly pronounced in the South West, where property asking prices for first-time buyers have dipped below those recorded in July 2023, offering additional financial relief.

LOOKING FORWARD

As mortgage rate reductions gain momentum following a Bank Rate cut, first-time buyers and home-movers alike are finding increased opportunities to secure more affordable deals. The nearly £150 reduction in monthly payments for first-time buyers compared to last year is a notable milestone. Although many hope for further rate declines, the current trajectory is promising, especially as we transition into the Autumn season. ♦

>> READY TO EXPLORE YOUR MORTGAGE OPTIONS? <<

Our experts can provide further information or tailored advice on your mortgage options. Speak to us today to make informed decisions and confidently navigate your financial journey. Contact **Rothesay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothesaybennett.co.uk**.



Concerning gap in mortgage knowledge among consumers

Making informed decisions that support their homeownership goals



for potential homebuyers to be more aware of crucial financial factors that significantly impact mortgage applications. Only a third of those surveyed understand the importance of demonstrating the ability to repay debts.

This is a critical component of the mortgage application process, as lenders assess an applicant's debt-to-income ratio to determine their capacity to manage additional financial obligations. Without this understanding, potential buyers may face challenges securing a mortgage or settle for less advantageous terms due to perceived financial risk.

ESSENTIAL MORTGAGE KNOWLEDGE

Understanding the mortgage process is advantageous for consumers looking to secure a property. A fundamental aspect of this is maintaining a good credit score, which is a critical factor that lenders evaluate when determining a mortgage's interest rates and terms. A higher credit score can open the door to more competitive rates and favourable loan terms, potentially saving thousands over the life of the loan. Thus, regularly monitoring one's credit report and improving it, such as paying off debts and avoiding missed payments, can be immensely beneficial.

In addition to credit scores, prospective buyers need to be acutely aware of the total cost of a mortgage. This includes the headline interest rate and other associated fees and charges, such as arrangement fees, valuation fees, and ongoing costs like insurance. A comprehensive understanding of these components ensures that consumers are not caught off guard by unexpected expenses, allowing them to budget effectively and choose a mortgage that truly fits their financial situation. By grasping these essential aspects, buyers can confidently navigate the mortgage landscape, making informed decisions that support their homeownership goals in a sustainable manner.

RESEARCH BY THE Yorkshire Building Society has highlighted a troubling gap in mortgage knowledge among UK consumers. With less than one in five individuals feeling adequately informed about mortgages, this knowledge deficiency poses a substantial barrier to potential homebuyers.

The complexity of the mortgage process demands a certain level of financial literacy, yet 14% of the participants admitted they needed more certainty about the crucial financial factors involved in applying for a mortgage.

IMPORTANCE OF FINANCIAL LITERACY

The research findings also highlight the need

NAVIGATING THE HOME-BUYING JOURNEY

Navigating the home-buying journey with the right knowledge can transform a potentially daunting process into a manageable and confident experience. Key to this journey is understanding the different types of mortgages available, particularly fixed-rate and variable-rate options. A fixed-rate mortgage offers stability with an unchanging interest rate over the loan term, making it ideal for those who prefer predictable monthly payments. In contrast, a variable-rate mortgage may start with a lower interest rate that fluctuates with the market, appealing to buyers anticipating future interest rate reductions.

Being informed about these options lets homebuyers select the mortgage type that best suits their financial situation and long-term plans. Moreover, saving for a substantial deposit cannot be overstated. A larger deposit reduces the loan amount required, potentially leading to more favourable mortgage terms such as lower interest rates and smaller monthly payments. Additionally, a higher deposit may enhance the buyer's appeal to lenders, signalling financial stability and reducing perceived risk. ♦

>> TIME TO TAKE CONTROL OF YOUR MORTGAGE JOURNEY? <<

If you need more certainty about your mortgage options or the home-buying process. Discussing your options with our team will give you the clarity and confidence to make informed decisions. Whether you're a first-time buyer or looking to remortgage, our expert advice can help you navigate the complexities of the mortgage market. Contact **Rothesay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothesaybennett.co.uk**.

Rising property prices

Recent stimulus encouraging potential buyers to re-enter the market



PROPERTY PRICES IN the UK are experiencing their fastest growth in two years, driven by the Bank of England's strategic interest rate cut during the summer. This stimulus has encouraged potential buyers to re-enter the market, leading to a 0.7% increase in prices in September, according to figures from Nationwide.

As a result, property prices are now, on average, 3.2% higher than they were at the same time last year. This marks the highest annual price inflation rate since November 2022, a period that followed the mini-budget-induced rise in borrowing costs.

BORROWING COSTS HAVE CONTINUED TO DECLINE

The average property price in Britain now stands at £266,094, just 2% shy of the record heights reached in the summer of 2022. Despite this, income growth has outpaced house price increases in recent months, and borrowing costs have declined.

These trends have enhanced affordability for prospective buyers, supporting a modest rise in both market activity and house prices.

However, it's important to note that both indicators remain below historical norms.

REGIONAL DISPARITIES AND MARKET DYNAMICS

A pronounced north-south divide continues to characterise the UK housing market. While property prices in the southeast and southwest of England have seen slower growth, the northwest and Yorkshire are witnessing more robust increases. Northern Ireland has the fastest-growing property prices, recording an impressive 8% rise over the past year.

Regarding property types, detached homes saw rapid price appreciation following the lockdown period but have since cooled, with a 1.7% increase over the past year. In contrast, flats have appreciated by 2.7%, semi-detached houses by 2.8%, and terraced houses by 3.5%. These variations highlight the shifting preferences and economic conditions influencing different market segments.

IMPACT OF INTEREST RATE ADJUSTMENTS

In August, the Bank of England reduced

interest rates from 5.25% to 5%, marking the first cut in over four years. This move, coupled with falling mortgage rates, has made the market more attractive to buyers. Lenders are competing fiercely with competitive deals, further bolstered by rising consumer confidence and economic growth. With swap rates declining in September, there is potential for additional reductions in mortgage rates, which could spur further house price increases in the coming year.

The approval of new mortgages has reached its highest level since the mini-budget, signalling a recovery in the housing market after a prolonged downturn. In August alone, 64,858 mortgages were approved—an increase of 3.8% from July and a substantial 43% more than in August 2023. This uptick suggests that house prices will continue their upward trajectory, with some analysts predicting that annual price inflation could reach 5% by spring 2025.

THE FUTURE OF PROPERTY PRICE GROWTH

As the UK property market continues to navigate these dynamic conditions, the outlook for property price growth remains optimistic. The combination of lower interest rates, increased mortgage approvals, and regional growth disparities presents potential buyers and investors with challenges and opportunities. ♦

>> LOOKING FOR GUIDANCE TO FIND THE RIGHT MORTGAGE FOR YOUR UNIQUE NEEDS? <<

If you want to delve deeper into the nuances of the current property market or explore mortgage options tailored to your needs, please contact us for further information or assistance finding the right mortgage. Our experts are here to help you every step of the way. Speak to **Rothsay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothsaybennett.co.uk**.



ASSESSING MORTGAGE AFFORDABILITY

Various factors and costs influence your borrowing capacity

WHEN EMBARKING ON the journey to buy a home, the initial step is often determining how much you can afford to borrow for a mortgage. To make an informed decision, you must consider various factors and costs influencing your borrowing capacity.

First and foremost, your income plays a vital role. It's important to assess not only your current earnings but also the stability of your job and the potential for future pay rises. Additionally, consider anticipated moving and renovation costs, your monthly living expenses, and house prices and mortgage rate expectations. These elements will help you gauge the financial commitment you're ready to undertake.

EVALUATING YOUR INCOME AND MONTHLY OUTGOINGS

Moreover, reflect on the type of home you desire. Are you comfortable being house-poor

with a larger home but limited disposable income, or would you prefer a more modest property with more financial freedom? Your appetite for risk, savings safety net, and any family support are also crucial considerations.

Lenders generally allow you to borrow up to 4.5 to 5.5 times your annual salary. However, they conduct a thorough affordability assessment, evaluating your income and monthly outgoings. This includes household bills, loan repayments, and everyday expenses. Your credit score is also scrutinised, as lenders need assurance that you can maintain repayments if circumstances change, such as interest rate hikes or income fluctuations.

COMPREHENSIVE RANGE OF MORTGAGE OPTIONS

When it comes to deposits, a minimum of 5% is typically required. However, a larger

deposit opens up a more comprehensive range of mortgage options and usually secures better rates. Create a household budget to understand your available funds to calculate your potential deposit size. Consider your savings, financial support from your family, and the equity that can be released from selling an existing property.

Some might wonder if obtaining a mortgage without a deposit is feasible. While most lenders require at least a 5% deposit, options like 100% mortgages or guarantor mortgages backed by a relative do exist. However, these routes might come with additional risks and conditions.

“When it comes to deposits, a minimum of 5% is typically required.”

BETTER ASSESS YOUR BORROWING POTENTIAL

Once you have a clearer picture of your deposit size, you can better assess your borrowing potential. This will depend on factors such as your existing debts, income stability, and the mortgage term you choose. While 25 years is the standard mortgage term, opting for a 30-year term can lower monthly payments, though it may increase the total interest paid over time.

Understanding these elements will enable you to make informed decisions about your mortgage as you embark on your first or next home-buying journey. ♦

>> NEED FURTHER GUIDANCE AND WANT TO EXPLORE YOUR MORTGAGE OPTIONS? <<

Speak to our team of experts for further guidance and to explore your options confidently. We're here to assist you every step of the way. Contact **Rothsay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothsaybennett.co.uk**.



UNAFFORDABILITY ACROSS GREAT BRITAIN

Shedding light on a pressing issue affecting working households

“Since the onset of the pandemic in March 2020, rental prices have surged past house prices, particularly in regions like London and southern England where demand has waned due to affordability constraints.”

RECENT RESEARCH CONDUCTED by Zoopla has shed light on a pressing issue affecting working households across Great Britain: the unaffordability of average-priced two or three-bedroom homes when relying on an 80% loan-to-value mortgage.

The findings reveal that 40% of these households need help to secure such properties. The study takes a comprehensive look at both the rental and buying markets, highlighting the structural factors that drive up home values and worsen affordability while offering the Government insights on improving access to housing.

REGIONAL DISPARITIES IN HOME OWNERSHIP

The research underscores significant regional disparities, particularly affecting workers in southern England compared to the rest of Great Britain. In London, 74% of workers find themselves priced out of purchasing an average two or three-bedroom home. Similarly, over half of the workforce in the South East, South West, and East of England face the same predicament. Conversely, although accessibility is slightly better elsewhere, 20-30% of workers with the lowest incomes still struggle to enter the housing market.

ECONOMIC IMPLICATIONS AND SUGGESTED SOLUTIONS

The restricted access to home ownership in unaffordable markets has far-reaching

implications for economic growth, impacting labour mobility and inward investment. The report suggests potential solutions such as saving larger deposits or opting for smaller, lower-priced homes, though these provide only limited relief. While slower house price growth compared to income increases could improve buying power, this long-term solution requires years of gradual change.

SINGLE EARNERS AND HOUSING PRESSURE

The study also highlights the acute challenges single earners face, with 57% needing help purchasing homes even at the lower end of the market. This situation is more severe than for multi-earner households, as evidenced by Bank of England data showing a decline in single earners securing mortgages from 45% in 2007 to just 32% today. The issue around unaffordability is adding pressure on the private rented sector, which has seen static growth in rental properties since 2016.

IMPACTS ON THE RENTAL MARKET AND FUTURE HOUSING NEEDS

Since the onset of the pandemic in March 2020, rental prices have surged past house prices, particularly in regions like London and southern England where demand has waned due to affordability constraints. In contrast, regions with more affordable housing have experienced faster house price growth. The findings emphasise the

necessity for a nuanced approach to home building, focusing on the types and tenures of homes required to support economic growth and improve housing access.

BUILDING FOR THE FUTURE

The analysis suggests a shift in the narrative around home building, moving beyond mere numbers to address the specific types and tenures of homes needed. Increasing the construction of both social and private rented homes emerges as a crucial strategy to alleviate housing market pressures. Tailoring housing solutions to regional needs is essential to fostering a more balanced and sustainable housing market across Great Britain. ♦

>> READY TO DISCOVER YOUR MORTGAGE POSSIBILITIES? <<

Contact us today for personalised information and expert advice tailored to your needs. Our expert team is here to help you navigate the current market and find the right mortgage solution. Speak to our team and let us assist you in making informed decisions with confidence. Contact **Rothsay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothsaybennett.co.uk**.



TIME TO CONSIDER YOUR REMORTGAGING OPTIONS?

Making this informed decision is just as critical as
making your initial mortgage choice



“Some homeowners seek to remortgage to secure a more competitive deal, thus reducing their monthly mortgage repayments.”

WHEN YOU REMORTGAGE, you switch from your current mortgage agreement to a new one on your existing property. This process can involve negotiating a new deal with your existing lender or exploring potentially more favourable options with an alternative lender. Considering that your mortgage is likely one of your most substantial financial commitments, it's crucial to approach remortgaging with the same level of diligence and consideration as when you first chose your mortgage.

Making an informed decision can have significant long-term financial benefits, ensuring your mortgage aligns with your current and future financial situation and goals. Choosing the right deal is essential, as you'll typically be tied into it for several years. That is why you should obtain professional mortgage advice to consider all aspects of a potential deal, including interest rates, fees, and the flexibility of terms.

WHY SHOULD I CONSIDER REMORTGAGING?

Remortgaging is a financial decision that offers numerous benefits. As your current mortgage term nears its end, you may find yourself automatically rolled onto your lender's Standard Variable Rate (SVR), which is often substantially higher than other available rates. Avoiding the costly SVR is a key motivator for many homeowners to explore remortgaging options.

UNLOCKING FUNDS AND INCREASING BORROWING

One reason to remortgage may be to

increase your borrowing capacity to free up funds for significant expenditures. Whether you're planning to move home, embark on a major home improvement project, or need to fund your child's school fees, remortgaging can help release the equity tied up in your property. It also offers an opportunity to consolidate debts or invest in a buy-to-let property, making it a versatile financial tool.

REDUCING MONTHLY PAYMENTS

Some homeowners seek to remortgage to secure a more competitive deal, thus reducing their monthly mortgage repayments. This can make their mortgage more manageable, leaving them with extra monthly disposable income. While exit fees may be associated with leaving their current mortgage deal, the long-term savings may outweigh these costs, making it a financially sound decision.

OVERPAYING AND MANAGING INTEREST RATE CHANGES

Your financial situation might have improved, allowing you to overpay your mortgage. By switching to a lender that permits larger overpayments, you could pay off your mortgage faster and save on interest. Additionally, if you're on a variable rate mortgage and the Bank of England base rate changes, it might be the perfect time to shop around for a more competitive rate.

CAPITALISING ON INCREASED PROPERTY VALUE

If your property has appreciated in value,



you might benefit from a lower loan-to-value (LTV) ratio, which could qualify you for a more attractive mortgage rate. This is particularly advantageous for homeowners looking to reduce their interest rates and monthly payments.

FIXING YOUR PAYMENTS FOR FINANCIAL CERTAINTY

For those anticipating changes in circumstances or facing potential interest rate hikes, remortgaging to a fixed-rate deal can provide certainty in your monthly mortgage costs. This stability can be crucial for budgeting and financial planning, ensuring that your mortgage remains affordable in the long term.

CONSIDERING MORTGAGE PORTING WHEN SELLING

If you're selling a property with an existing mortgage, you may need to decide whether

to port your mortgage to a new property or pay it off and switch to a new deal. Each option has benefits and considerations, and seeking professional advice can help you determine the best course of action for your situation.

UNDERSTANDING THE OPTIMAL TIMING

Generally, it's advisable to start exploring your remortgage options three to six months before your existing deal concludes. Opting for the earlier side of this range, such as six months, gives you ample time to secure the most favourable deal for your circumstances without the stress of your current deal ending imminently.

Many mortgage lenders offer a six-month mortgage offer period, enabling you to lock in a new mortgage deal well before your existing one expires. This foresight ensures continuity and financial security. ♦

>> READY FOR A DISCUSSION ABOUT YOUR REMORTGAGE REQUIREMENTS? <<

Contact our expert team for personalised advice and to explore your remortgaging options. We're here to assist with your mortgage needs and guide you through the process to ensure you make the best financial decisions. Speak to **Rothesay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothesaybennett.co.uk**.

Exploring equity release in later life

A flexible financial solution for homeowners aged 55 and above



AS RETIREMENT APPROACHES, some homeowners seek innovative ways to access the wealth in their homes. Recent research by the Equity Release Council reveals a significant rise in interest among UK homeowners over 55 in equity release options. Over three in five (61%), representing about 18.7 million individuals, contemplate using their property's value to support their financial needs during retirement. This marks a notable increase from 57% in 2021.

UNDERSTANDING THE TYPES OF EQUITY RELEASE

If appropriate, equity release offers a flexible financial solution for homeowners aged 55 and above, with two primary types available.

The most prevalent is the lifetime mortgage, where you borrow money secured against your home. The loan is typically repaid when the property is sold after death or upon moving into permanent residential care. Alternatively, a home reversion plan allows you to sell all or part of your property while still living in it until similar conditions are met.

CHANGING ATTITUDES TOWARD RETIREMENT BORROWING

A survey of 5,000 UK adults, supported by Equity Release Supermarket, highlights a shift in attitudes toward borrowing in retirement. More homeowners now see it as common (39%) and acceptable (39%) to have a mortgage in later life, up from 34% in

2021. Only 26% dismissed using home equity in their older years. Almost half (46%) of homeowners aged 55 view property wealth as a key resource for addressing their later life needs.

FINANCIAL MOTIVATIONS FOR EQUITY RELEASE

The motivations behind tapping into property wealth are diverse. Meeting care-related expenses (17%), boosting pension income (16%), and funding travel plans (15%) are among the top reasons for considering equity release. Additionally, supporting younger family members financially is becoming a priority. The Equity Release Council found that one in seven (14%) homeowners are interested in 'giving while living,' using property wealth to help family members with a deposit for their first home—another 13% aim to support other financial goals for their younger relatives.

IMPACT OF LONGER LIFE EXPECTANCY

Historically, mortgages were expected to conclude at the end of their term. However, increasing life expectancy and changing attitudes have led to sustained demand for borrowing options in later life. Reduced pension provisions and savings have also contributed to this trend. As people live longer, there is a growing need to redistribute wealth, fund care, replace mortgages, or achieve lifestyle objectives. The equity release sector has adapted, offering broader opportunities to meet these evolving consumer demands. ♦

>> WANT TO DISCUSS HOW TO UTILISE YOUR PROPERTY WEALTH IN RETIREMENT? <<

If you want to explore equity release further, we can provide valuable insights tailored to personal circumstances, ensuring informed decisions about utilising property wealth in retirement. Contact

Rothsay Bennett Financial Planning
– telephone **01676533692** – email
enquiries@rothsaybennett.co.uk



LOOKING TO SELL YOUR HOME?

Downsizing, upsizing, or simply swapping city life for a
countryside retreat

WHETHER YOU'RE DOWNSIZING after children have flown the nest, upsizing to welcome new family members, or simply swapping city life for a countryside retreat, selling your home is an exhilarating yet challenging process. This article considers the essentials, from managing your finances to selecting the right solicitor.

PLAN YOUR FINANCES

Before searching for your dream home, it's important to understand your financial situation clearly. Mortgage criteria are ever-evolving, which might affect how much you're eligible to borrow. We can assist you in understanding current mortgage lending offers and reflecting on your borrowing comfort level. You'll also need to consider future financial commitments, like supporting a child at university or saving for a significant event, to ensure you set a realistic budget that won't lead to disappointment when you find a property you love but can't afford.

ENHANCE YOUR HOME'S APPEAL

While you may overlook your home's imperfections, potential buyers often won't. A little tender loving care can make your property more inviting, and help buyers envision it as theirs. Simple, cost-effective upgrades, such as a fresh coat of magnolia paint in the hallway or new cushions in the living room, can make a substantial difference. Adding a hanging basket or two can provide a welcoming touch.

UNDERSTAND YOUR HOME'S VALUE

We can discuss recent sales of similar properties in your area to help set a competitive asking price and provide a clearer picture of your property's market value. Remember, even houses that appear identical can vary in price due to factors like a converted garage, a south-facing garden, or proximity to noisy areas.



“Keep energy certificates, property title deeds, and proof of identity readily accessible to prevent delays should an offer come in swiftly.”

DETERMINE YOUR ASKING PRICE

With an informed estimate of your home's worth, it's time to set your asking price. The chosen price can influence how quickly your property sells. If you have a minimum sale price in mind, consider setting the asking price slightly higher, allowing room for negotiation.

ORGANISE ESSENTIAL PAPERWORK

Paperwork is an unavoidable part of selling a home. Keep energy certificates, property title deeds, and proof of identity readily accessible to prevent delays should an offer come in swiftly.

GET READY FOR VIEWINGS

Ensure your home is ready for viewing by tidying up and anticipating questions about utility costs, neighbourhood amenities, and broadband access. Highlight your home's best features to encourage potential buyers to picture themselves living in it.

SECURE LEGAL ASSISTANCE

Engaging a solicitor or conveyancer is essential. They are pivotal in ensuring a smooth transaction, potentially expediting the exchange process. Recommendations from recently moved friends or family can help you find a reliable professional.

REVIEWING OFFERS

If your home attracts multiple bids, prioritise chain-free buyers, such as first-time buyers or those ready to pay in cash, to increase the likelihood of swift completion.

FINALISE THE SALE

When you reach a satisfactory offer, allow yourself a few days to consider it before accepting. This careful approach allows for a calculated decision free from pressure.

CONCLUDE THE TRANSACTION

The sale becomes legally binding once contracts are exchanged and the buyer's deposit is secured. Remember to inform your home insurance provider about your move. ♦

>> READY TO DISCUSS YOUR NEXT MOVE? <<

If you need further information or guidance on selling your home or arranging your next mortgage, contact **Rothesay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothesaybennett.co.uk**.

Property market renewed confidence

Is now the ideal time to sell your property?



AS WE APPROACH the year's final months, the UK property market has a fresh sense of optimism. Despite earlier predictions of house price declines, recent data suggests otherwise. The Bank of England's interest rate cut has reduced borrowing costs, enhancing buyer purchasing power. This environment leaves many homeowners contemplating whether now might be the ideal time to sell their property.

HOUSE PRICE GROWTH AND MARKET EXPECTATIONS

In August, both Nationwide and Halifax reported annual house price growth exceeding 2%, marking a recovery from previous sluggish months. The Royal Institution of Chartered Surveyors (RICS) survey shows a positive outlook, with estate agents and surveyors expecting house prices to rise over the next year. Asking prices have also increased, with a notable rise of 0.8% in early September, bringing the average to £370,759.

IMPACT OF FALLING MORTGAGE RATES

The reduction in mortgage rates is another factor energising the housing market. Lenders began cutting mortgage costs even before the Bank of England's recent rate reduction to 5%. This trend has continued, boosting the market's appeal and encouraging more buyer activity. While high rates persist for some time, the current downward movement could entice sellers and buyers to re-enter the market with renewed confidence.

A TIMING DILEMMA: SHOULD YOU SELL OR WAIT?

Deciding the right time to sell is always challenging, especially in an unpredictable market. With interest rates declining and house prices showing signs of growth, potential sellers are revisiting conversations about moving that have been on hold. Although the market isn't experiencing a seismic shift, the change in mortgage rates



has rekindled enthusiasm, making it a potentially favourable time for sellers.

STEPS TO CONSIDER IF YOU ARE PREPARING TO SELL

If you're aiming to sell your property by Christmas, timing is crucial. Research from the HomeOwners Alliance suggests listing your property by 23 October to secure a sale before the festive season. However, if you're buying simultaneously, consider the financial implications and whether your new purchase costs more or less than your current home. Downsizers might opt to wait for further rate reductions and increased buyer interest to maximise profits.

MARKET RISKS AND FUTURE CONSIDERATIONS

With the housing market's future direction uncertain, selling now involves weighing potential risks. Although mortgage rates could drop further, there's no guarantee. The Bank of England cautions that rate cuts are contingent on inflation trends, leaving the timing of cheaper mortgages unclear. Sellers should focus on making their property attractive, pricing it realistically, and preparing the necessary documents to expedite the process.

NAVIGATING THE PROPERTY MARKET'S UNCERTAINTY

While the market is witnessing positive developments, it remains crucial for sellers to evaluate their personal circumstances and market conditions. For those ready to sell, acting promptly and strategically can be beneficial. For more guidance on navigating the current property market, our experts can help you to explore your options. ♦

>> READY TO DISCOVER THE RIGHT MORTGAGE SOLUTIONS TAILORED TO YOUR NEEDS? <<

Whether buying your first home, refinancing or exploring new opportunities, our team is here to help you navigate the complex mortgage landscape. Contact us today to find the right mortgage for your unique situation and take the next step toward achieving your property dreams.

Contact **Rothesay Bennett Financial Planning** – telephone **01676533692**
– email **enquiries@rothesaybennett.co.uk**.



INTRODUCING THE ART OF HOME STAGING

Emotional engagement can be a decisive factor for home buyers

HOME STAGING CAN be pivotal when attracting potential buyers to sell your property by transforming it into a compelling space that will captivate them. By definition, it is preparing a home for sale by accentuating its most appealing features, using furniture, decor, and strategic arrangements to create an inviting atmosphere. But why is home staging so necessary?

The significance of home staging cannot be overstated. A well-staged home highlights the property's best attributes and creates an emotional connection with potential buyers. This emotional engagement enables them to envision themselves living in the space, which can be a decisive factor in buying.

INFLUENCE OF HOME STAGING ON SALES

In today's competitive property market, first impressions matter immensely. Buyers often make up their minds within moments of entering a property. Home staging can significantly impact this initial perception, making the property more attractive and memorable. Proper staging can also increase the perceived value of a home, potentially leading to quicker sales and even higher offers.

A thoughtfully staged home stands out in online listings, potentially drawing more interested buyers to viewings. Home staging is a marketing approach that can also turn a property into a home that buyers can't resist. Now, let's explore some practical tips to stage your home effectively.

DECLUTTER AND DEPERSONALISE FOR SPACE

The first step in staging your home is decluttering. Remove personal items and excess belongings to create a clean, spacious environment. Clear countertops, shelves, and other surfaces to allow prospective buyers to imagine their possessions in the space. This simple yet crucial step can make rooms appear larger and more inviting.

“In today's competitive property market, first impressions matter immensely.”

Maximising space isn't just about removing clutter but creating a blank canvas. Depersonalising your home helps buyers visualise their life within its walls. Replace family photos and personal mementoes with neutral artwork or decor that appeals to a broad audience.

MAXIMISE KERB APPEAL

First impressions aren't limited to the interior. The exterior of your home sets the stage for what's inside. Start by ensuring the lawn is well-maintained, adding potted plants or colourful flowers to enhance charm. A fresh coat of paint on the front door can do wonders for your home's kerb appeal, inviting visitors to explore further.

Consider refreshing outdoor fixtures and cleaning pathways to ensure the entrance



is welcoming and attractive. The goal is to create an exterior that invites potential buyers to discover more.

CREATE A NEUTRAL PALETTE

Neutral colours are the unsung heroes of home staging. They create a timeless and versatile backdrop that allows buyers to project their style onto the space. Repainting bold or personalised walls with shades like taupe, grey, or soft whites can make rooms appear larger and more cohesive.

Neutral tones also help to unify different areas of the home, creating a seamless flow from one room to another. This continuity is essential in helping buyers imagine the entire space as their future home.

INVITE NATURAL LIGHT INSIDE

A home filled with natural light feels open, airy, and welcoming. Open curtains and blinds to encourage light to flood the home. Clean windows can make a surprising difference, allowing even more light to enhance the interior.

In darker areas, strategically place mirrors to reflect light and create an illusion of more space. A well-lit home feels more inviting and highlights the property's best features.

REARRANGE FURNITURE FOR FLOW

Furniture arrangement plays a crucial role in how a space is perceived. Ensure that furniture placement promotes a natural





flow, making it easy for buyers to navigate each room. Avoid obstructing pathways and aim to define each room's purpose clearly.

Rearranging furniture can make spaces feel more functional and spacious, encouraging buyers to appreciate the home's layout. Consider using smaller pieces of furniture in tighter spaces to prevent a cramped feel.

SHOWCASE KEY FEATURES

Every home has unique features that deserve the spotlight. Whether it's a stunning fireplace, elegant archways, or expansive windows, highlight these elements. Arrange furniture to draw attention to these features, making them focal points in each room.

Highlighting these aspects makes the home more appealing and helps potential buyers remember key selling points during their decision-making process.

FRESHEN UP WITH GREENERY

Incorporating plants and flowers into your home staging can add a refreshing touch of nature. Greenery improves air quality and brings life into the room, making spaces feel vibrant and welcoming.

Consider using low-maintenance plants that require little attention, ensuring they look their best throughout the selling process. A few well-placed plants can

significantly impact the overall ambience.

ATTENTION TO DETAIL MATTERS

Small details can speak volumes about a property's condition. Ensure everything is in perfect working order, from replacing outdated hardware to fixing leaky taps. These minor updates can reflect a well-maintained home, which is appealing to potential buyers.

Attending to these details demonstrates care and can leave a lasting positive impression, reinforcing the view of your home as a wise investment.

SET THE SCENE WITH AMBIENCE

Creating a warm and welcoming atmosphere can leave a lasting impression during showings. Soft lighting, scented candles, or the aroma of freshly baked goods can evoke a sense of home and comfort. These sensory experiences can impact a buyer's emotional connection to the property.

Consider playing soft music in the background to enhance the ambience further. The goal is to make buyers feel a strong desire to make the space their own.

INVEST IN PROFESSIONAL PHOTOGRAPHY

In the digital age, buyers often encounter your home first online. Investing in professional photography can make your

property stand out in listings. High-quality images capture the essence of your staging efforts, attracting more interest and leading to increased viewings.

Professional photographers know how to highlight your home's best features, ensuring that every room looks its best in photos. This investment can significantly boost your home's appeal on the market.

Home staging is invaluable in presenting your property in the best possible light. Following these practical tips can transform your home into a must-see listing that resonates with potential buyers. ♦

>> ARE YOU READY TO FIND THE RIGHT MORTGAGE DEAL FOR YOUR NEW HOME? <<

Our expert mortgage professionals are here to guide you every step of the way. Whether you're a first-time buyer or looking to move up the property ladder, we offer tailored advice to align your mortgage with your unique aspirations. Don't leave such an important decision to chance. For more information, contact **Rothesay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothesaybennett.co.uk**.



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Your dedicated mortgage adviser will learn about your situation and needs before narrowing down your mortgage options.

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

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UNDERSTANDING STAMP DUTY

Potential changes and keeping abreast of legislative developments



PROPERTY TRANSACTIONS CAN be complex, often requiring an understanding of various taxes and regulations. One of the most important elements to consider is stamp duty. Historically introduced in the UK to raise government revenue and regulate property transfers, stamp duty has evolved into what is now known as Stamp Duty Land Tax (SDLT) in England and Northern Ireland. During property transactions, this tax is generally the buyer's responsibility, not the seller's.

Understanding potential changes and keeping abreast of any legislative developments will ensure sellers are

prepared for any tax obligations and can adjust their financial plans accordingly. This proactive approach helps avoid unexpected costs and optimise financial outcomes during property transactions.

PROPERTY SALES: MAIN RESIDENCES AND INVESTMENT PROPERTIES

When selling your main residence, you'll be relieved to know that you do not have to pay stamp duty. However, all legal and financial documents must accurately reflect this fact. On the other hand, your buyer is tasked with covering the stamp duty upon purchasing the property.

In the case of selling an investment property or a second home, again, no stamp duty is required from the seller. Instead, the focus should be on understanding Capital Gains Tax (CGT) implications, as profits from such sales can attract tax obligations.

CONSIDERATIONS FOR INHERITED PROPERTIES AND GIFT TRANSFERS

Inherited properties present a different set of considerations. While selling these properties does not require the seller to pay stamp duty, potential liabilities such as Inheritance Tax and CGT should be evaluated. These taxes can vary depending on the property's value and the time elapsed since inheritance.

Transferring property as a gift or in the event of divorce also absolves the seller from stamp duty. Nevertheless, understanding how these transfers fit within broader tax regulations is vital for effective financial planning.

FACTORS INFLUENCING STAMP DUTY: VALUE THRESHOLDS AND BUYER INCENTIVES

Property value thresholds influence the amount of stamp duty payable by buyers. Higher-value properties are subject to increased rates, which can indirectly affect

sellers by impacting market demand and pricing strategies. Understanding these thresholds can assist you in timing the sale effectively and setting competitive prices.

Special considerations are available for first-time buyers, who often enjoy stamp duty relief, making such properties more attractive. Property developers, too, have distinct tax structures and potential reliefs to consider, which can influence their purchasing decisions and strategies.

LEGISLATIVE CHANGES AND THEIR EFFECTS ON PROPERTY TRANSACTIONS

Legislative changes can significantly impact property transactions, influencing both buyers and sellers. For instance, the government periodically adjusts stamp duty rates, introduces new thresholds, or modifies relief schemes.

This article was written before any announcements were made in the Autumn Budget Statement 2024. Any such changes relating to stamp duty, Capital Gains Tax and Inheritance Tax could affect the timing of property sales, the attractiveness of certain properties, and the overall market outlook. ♦

>> READY TO UNLOCK THE DOOR TO YOUR DREAM HOME WITH THE PERFECT MORTGAGE SOLUTION? <<

Our expert mortgage professionals are here to guide you through every step. Take advantage of the opportunity to make your homeownership dreams a reality. Contact us today for personalised assistance and discover how we can help to find the right mortgage for you. Your future home awaits! Speak to the team at **Rothsay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothesaybennett.co.uk**.

EXPLORING VALUE-ADDING PROJECTS

How to improve your property's functionality, efficiency, and aesthetics



AS A SELLER, adding value to your home involves concentrating on enhancements that will resonate with a broad audience. Whether planning major renovations or minor updates, the aim is to ensure that each change improves your property's functionality, efficiency, and aesthetics.

UNDERSTANDING VALUE-ADDING FACTORS

Before embarking on home improvement projects, it's essential to recognise which elements increase a property's market value. Location, size, and the state of the housing market are pivotal in determining a home's worth. Beyond these, specific upgrades can significantly enhance a property's appeal to buyers and financial value when selling.

Upgrades, such as modernising kitchens and bathrooms, improving energy efficiency, and expanding living space, are proven to attract a wider range of buyers and command higher prices. These improvements are smart investments for homeowners aiming to increase marketability and return on investment.

PRIORITISING KERB APPEAL

The exterior of your home is the first impression potential buyers have, making kerb appeal crucial. Simple changes can have a substantial impact. Painting the front door can freshen up your home's entrance, while



landscaping enhances the garden and makes the property more inviting.

Updating exterior lighting with modern fixtures improves appearance and boosts security and visibility. A well-maintained exterior suggests a meticulously cared-for interior, setting a positive tone for the entire property.

EXTENDING YOUR LIVING SPACE

Adding extensions can be a transformative investment, significantly enhancing your home's value by increasing available living space. Options like a light-filled conservatory, a snug loft, or a roomy rear extension can significantly boost usability and appeal to a broad spectrum of buyers.

These additions attract potential buyers by offering extra living spaces that cater to diverse needs and preferences. New additions should seamlessly integrate with existing structures, maintaining a unified appearance. Ensure compliance with local building regulations to avoid legal

issues and guarantee that the extension legitimately adds value.

UPGRADING KITCHENS AND BATHROOMS

Kitchens and bathrooms are pivotal when considering your home's value. Upgrading with energy-efficient appliances, durable materials, and innovative designs can make a substantial difference. Even minor improvements, like new taps or fresh cupboard doors, can enhance your home's value without needing a complete overhaul.

These updates make your home more practical and aesthetically pleasing, offering both functionality and style. For those on a tighter budget, consider exploring affordable renovation ideas to maximise impact without excessive expenditure.

ENHANCING ENERGY EFFICIENCY

Energy efficiency has become a high priority for many homebuyers.

Incorporating value-adding upgrades like enhanced insulation, energy-efficient windows, and modern heating systems can increase your home's market value. These improvements reduce utility bills and make your home more eco-friendly.

Conducting an energy audit can help identify impactful upgrades that enhance energy efficiency. Making your home more environmentally friendly will attract eco-conscious buyers, boosting its appeal and potential sale price.

LOW-COST STEPS TO INCREASE VALUE

Simple, cost-effective steps can also enhance your home's value. Decluttering and depersonalising can make a home appear larger and more inviting, aiding potential buyers in envisioning themselves living there. A fresh coat of paint in neutral tones can revitalise spaces, making them brighter and more attractive.

Flooring is another critical focus area. To improve overall aesthetics, consider replacing worn carpets. Updating lighting fixtures with modern, efficient solutions can transform a room's ambience, making it more welcoming. Invest in maintaining outdoor spaces. A tidy garden and well-kept exterior significantly enhance property attractiveness. Simple actions like mowing the lawn and planting flowers can have a notable impact. ♦

>> READY TO TAKE THE STEPS TOWARDS YOUR NEXT DREAM HOME? <<

Start your journey with confidence by finding and applying for the right mortgage. Our expert team of professionals will guide and simplify your mortgage options and help you make informed decisions. Begin today and unlock the door to your future home with ease. Contact **Rothsay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothsaybennett.co.uk**.



OPEN HOUSE EVENTS

A streamlined approach to showcasing and selling your property



On the flip side, buyers face their own set of frustrations. The market's competitive nature often means they must make quick decisions, sometimes placing offers on homes they haven't had the opportunity to inspect thoroughly. This can lead to a sense of uncertainty, as buyers may worry about committing to a property that might not meet all their needs or expectations upon closer examination. The process becomes a race against time, with desirable properties seemingly disappearing from the market as quickly as they appear.

STREAMLINING THE SELLING PROCESS

Enter the open house—an open house event can be incredibly advantageous for sellers, offering a streamlined approach to showcasing a property. Selling can eliminate the repetitive cycle of preparing for multiple viewings by hosting a single event. This means tidying up once and fielding questions in a single session, thus saving time and effort. Impressing numerous potential buyers simultaneously increases the chances of generating substantial interest in the property.

Moreover, the convenience of an open house cannot be overstated. Sellers with demanding schedules can find the constant rotation of individual viewings disruptive. An open house consolidates these into a singular timeframe, freeing up evenings and weekends that would otherwise be spent accommodating separate appointments. This approach not only saves time but can also lead to faster sales.

THE PROPERTY MARKET can often feel like enduring an endless marathon, fraught with hurdles and challenges for both buyers and sellers. Sellers are pressured to keep their homes immaculate while constantly rearranging their busy schedules to accommodate prospective buyers. The need for perfection can be daunting, as each viewing demands a spotless presentation and a welcoming atmosphere that appeals to potential purchasers. This balancing act can quickly become exhausting, turning what should be an exciting transition into a stressful ordeal.

ENHANCING SALE POTENTIAL

Open houses create an environment where potential buyers can visibly gauge their interest in a property. Numerous attendees can prompt serious buyers to act swiftly to avoid missing out. This competitive atmosphere can foster quicker decision-making, potentially leading to faster offers.

An open house can sometimes even incite a bidding war, mainly if the property garners significant attention. This competition can drive up the sale price, sometimes exceeding the original asking price, benefiting the seller significantly.

CLARITY AND COMFORT FOR BUYERS

Open houses offer buyers a unique opportunity to assess a property without the pressure of a typical one-on-one viewing. In a relaxed setting, buyers can explore the property at their own pace, allowing for a more thorough examination of the space. This freedom to move about and inspect the home in detail often results in a more informed decision-making process.

Buyers can also benefit from other potential purchasers' transparent display of interest. Observing the level of competition firsthand can provide valuable insights into the property's desirability, helping buyers gauge whether to proceed with an offer.

OPPORTUNITY FOR INFORMED DECISIONS

The open house setting also facilitates direct communication. Buyers can engage with the agent or seller on-site, asking pertinent questions and receiving immediate answers. This interaction satisfies curiosity and helps clarify any uncertainties about the property's features, history, or potential issues.

Open houses provide a comprehensive view of both the property and the market dynamics, enabling buyers to make well-informed decisions. ♦

>> READY TO TURN YOUR HOMEOWNERSHIP DREAMS INTO REALITY? <<

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Selling a second home

What tax can significantly impact the profits from your sale?

OWNING A SECOND home can be a rewarding investment, offering both personal enjoyment and financial gain. However, when it comes time to sell this additional property, the process could be more complex than it might first appear. One key factor to consider is the Capital Gains Tax (CGT), a tax that can significantly impact the profits from your sale.

UNDERSTANDING CAPITAL GAINS TAX

When selling a property that isn't your main residence, you must be aware of the CGT implications. CGT is levied on the profit from your sale, calculated as the difference between the purchase and sale prices, after deducting expenses such as solicitors' and estate agents' fees. It's crucial

to remember that this tax needs to be paid within 60 days of completing the sale to avoid fines and interest charges.

TAX RATES AND ALLOWANCES

Currently, basic-rate taxpayers are charged 18% on property gains, while higher-rate taxpayers face a 28% tax. Fortunately, an annual CGT allowance can offset some of this burden—in 2024/25, you can make tax-free capital gains of up to £3,000 - down from £6,000 in 2023/24. Couples who jointly own assets can combine this allowance, potentially allowing a gain of £6,000 without paying any tax. While this can help reduce the tax bill, these allowances are subject to change, so staying informed is vital. Please note that

this article was written before the Autumn Budget Statement on 30 October 2024.

PRIVATE RESIDENCE RELIEF EXPLAINED

Private Residence Relief significantly benefits those selling their main home, exempting you from paying CGT on any capital gains. Yet, there are exceptions to consider. CGT might still apply if you've let out part of your home, using a portion exclusively for business, or if the property exceeds 5,000 square metres. If the property has been your main residence other than during periods of letting, only the gains during those letting periods are taxable.

MAXIMISING BENEFITS OF JOINT OWNERSHIP

Joint ownership can be a strategic move for couples to minimise CGT. If one partner is a higher-rate taxpayer while the other is in the basic bracket, the CGT bill can be reduced by taking advantage of their differing tax thresholds. This division of ownership can be particularly beneficial when the property is not the main residence of either party.

Selling a second home requires careful consideration of tax implications and potential reliefs. Understanding these aspects can help maximise your financial outcome. ♦

>> DO YOU WANT TO REVIEW YOUR OPTIONS FOR YOUR NEXT MOVE? <<

Whether buying your first home, moving up the property ladder, or refinancing, our expert guidance will ensure you make informed decisions tailored to your financial goals. Don't leave such an important decision to chance. Our team is ready to provide personalised advice, ensuring you explore all available options and secure the right terms for your situation.

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PROTECTING YOURSELF FROM PROPERTY FRAUD

Understanding the risks and taking proactive measures

“If you suspect your property may be at risk, consider signing up for the Land Registry’s Property Alerts.”

PROPERTY FRAUD HAS become increasingly prevalent, with fraudsters employing increasingly sophisticated tactics. The high value of properties makes them prime targets for deception, leading to a rise in the number of victims. Understanding the risks and taking proactive measures can help safeguard your valuable assets.

Individuals currently engaged in the process of purchasing a home are often more vulnerable to property fraud. However, certain factors elevate the risk for specific groups. Properties that are unoccupied or rented out are notably more susceptible. Additionally, properties not registered with the Land Registry or those without a mortgage present higher risks of fraudulent activities.

Properties unregistered since 1990—often those not sold or mortgaged during this period—are particularly vulnerable. To mitigate this risk, homeowners should verify their property’s status with the Land Registry and promptly report any discrepancies.

WHAT TO DO IF YOU THINK YOU’RE AT RISK

If you suspect your property may be at risk, consider signing up for the Land Registry’s Property Alerts. This free service provides email notifications for any searches or applications filed against the property you’re monitoring. Such alerts can potentially notify you of unauthorised attempts to change the registered owner of your property. This service is especially beneficial for landlords as it allows them to monitor up to ten properties simultaneously without incurring costs.

ENHANCING PROPERTY PROTECTION

For an additional layer of security,

homeowners can apply for a restriction on their property’s title deeds. This measure ensures that no sale or mortgage can proceed without verification from your solicitor or conveyancer, offering peace of mind. There is a nominal fee of £40 for this service if you occupy the property, whereas it is free for non-resident owners.

SPOTTING COMMON SCAMS

Several scams circulating in the property market target unsuspecting individuals. Investment scams are rampant; fraudsters lure victims to part with money by promising high returns. One common scheme involves buy-to-let properties, where fraudsters claim lucrative rental returns from homes that are, in reality, vacant and in disrepair. Similarly, land banking scams involve selling plots advertised as investment opportunities, which often turn out to be unsuitable for development or non-existent.

To protect yourself, conduct thorough research before investing. Be wary of enticing mail marketing promising excellent returns. Verify the company’s legitimacy, ensuring they have a physical address and contact number. Only invest once you have visited the land, inquired about its history, reviewed development plans, and confirmed planning permission status.

EMAIL SCAMS AND PRECAUTIONARY MEASURES

Email scams pose another significant threat, with fraudsters intercepting communications between buyers and solicitors to alter bank details and divert funds. To reduce this risk, always verify bank details through direct contact with solicitors rather than relying solely on email. Ensure all communications from your conveyancer are carefully scrutinised.

For added security, consider delivering your bank details in person.

CHOOSING A GENUINE CONVEYANCER

Selecting a reputable conveyancer or solicitor is crucial. Verify their credentials against the lists provided by the Law Society or the Council for Licensed Conveyancers. Be cautious of anyone pressuring you to act quickly; this is a common tactic fraudsters use.

PROTECTING YOUR HOME

Homeowners concerned about potential fraudulent activity should contact the Land Registry immediately for expert guidance. The Property Fraud team is available to assist with any concerns and provide essential support to safeguard your home.

If you require further information on protecting your property from fraud, contact the Land Registry’s dedicated team for assistance and talk to one of their trained staff for proper guidance – you can call their Property Fraud team on 0200 006 7030. ♦

>> SEEKING EXPERT GUIDANCE AND CLARITY FOR YOUR MORTGAGE DECISION? <<

Everything’s easier when you know how to make the next move. Our expert team will guide you through finding the right mortgage. So you can make your next move confidently. To explore your options, contact **Rothsay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothsaybennett.co.uk**.



Property ownership

“Bank of Mum and Dad” assistance
amounted to £9.4 billion in 2023

IN THE EVOLVING landscape of property ownership, first-time homebuyers increasingly rely on family support to secure their first homes. Analysis from Savills reveals that in 2023, financial assistance from family members, affectionately dubbed the “Bank of Mum and Dad,” amounted to an impressive £9.4 billion.

This figure has nearly doubled since 2019, reflecting the mounting challenges faced by new buyers, including soaring house prices, elevated mortgage rates, and reduced availability of high loan-to-value (LTV) mortgages.

THE ROLE OF FAMILY SUPPORT IN HOME BUYING

The data uncovers that 164,000 first-time buyers received family assistance last year, making up 57% of all mortgaged first-time buyers. While many benefited from historically low interest rates earlier in the decade, the pandemic brought about stricter mortgage requirements, particularly impacting high LTV lending, which first-time buyers frequently utilise. As a result, a significant portion of these buyers leaned on familial support to navigate the financial hurdles and secure better mortgage rates.

IMPACT OF MORTGAGE RATES AND FUTURE PREDICTIONS

Despite recent declines,

mortgage rates remain high compared to two years ago, with Bank of England data showing average rates for 90% and 95% LTV standing at 5.66% and 6.08%, respectively, as of July 2024. The analysis forecasts a reduction in the reliance on family support as rates continue to fall. However, the financial aid from family is expected to remain substantial, with projections suggesting nearly £30 billion will be provided over the next three years.

DEMOGRAPHICS AND PATTERNS OF FINANCIAL ASSISTANCE

Zoopla's analysis highlights that nearly two-thirds of first-time homebuyers received familial financial aid in the past five years. This trend is particularly pronounced among younger buyers under 30, of whom over three-quarters benefited from such support. The majority of this assistance, about 74%, comes from parents, averaging £58,129 per contribution, closely aligning with the typical UK first-time buyer deposit.

ALTERNATIVE AVENUES FOR ASPIRING HOMEOWNERS

Several government schemes offer viable alternatives for those unable to tap into family resources. These include the Mortgage Guarantee Scheme, First Homes Scheme, Lifetime ISAs, and shared ownership options. The study indicates a significant awareness



gap, with many potential buyers unfamiliar with these opportunities that could expedite their journey onto the property ladder.

EMPOWERING FIRST-TIME BUYERS THROUGH KNOWLEDGE

The importance of family support in expediting home ownership is undeniable.

Financial aid enables buyers to purchase homes significantly earlier. Those receiving parental help typically buy more than six years sooner than their unsupported counterparts. However, even without this backing, understanding and leveraging available schemes can provide a pathway to ownership. ♦

>> READY TO MAKE AN INFORMED MORTGAGE DECISION THAT ALIGNS WITH YOUR HOME-OWNING GOALS? <<

For personalised guidance on navigating the first-time homebuyer landscape and exploring financial options, speak to our team of experts. We are here to assist you in making informed decisions that align with your home-owning goals. Contact **Rothsay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothesaybennett.co.uk**.

How to protect your home against flood damage

Equipping you with the knowledge to shield your home from the ever-looming threat of rising waters

IN RECENT YEARS, the increasing frequency and severity of floods have become a stark reminder of nature's unpredictable power. As climate change accelerates, many regions witness more intense precipitation, leaving homeowners vulnerable to devastating flood damage. The threat of rising waters is no longer limited to traditional floodplains; it extends to areas previously considered safe, pushing the importance of proactive measures to the forefront of homeownership discussions.

This article provides practical tips for flood prevention and damage mitigation. Whether you're looking to bolster existing defences or start anew with a watertight plan, these insights aim to equip you with the knowledge to shield your home

from the ever-looming threat of rising tides.

PREPARATION IS KEY

Preparation is crucial when it comes to mitigating the impact of floods. Before any warnings are issued, it's imperative to have a solid communication plan in place. This includes organising a comprehensive list of key contacts, such as family members, close friends, local emergency services, your insurance provider, and the Environment Agency Floodline.

Having these contacts easily accessible can streamline communication and coordination during a crisis. Make sure that every member of your household is aware of emergency meeting points and understands the protocol for checking in with each other to ensure everyone's safety.

Regularly practising your flood response plan can significantly reduce the chaos and stress that often accompany these emergencies.

SAFEGUARDING VALUABLES

Taking proactive steps to protect your valuables can save you considerable heartache and financial loss. Begin by identifying the most treasured items and important documents, such as birth certificates, passports, and insurance papers, and relocate them to higher, safer areas of your home.

Consider using waterproof containers to provide extra protection against water damage. Additionally, create a detailed inventory of valuable possessions, including furniture, electronics, and artwork. Document these items with

photographs and estimated values, which can be invaluable for insurance claims. When a flood warning is issued, planning to move these items to safety quickly can prevent unnecessary losses.

COMMUNITY SUPPORT

Fostering a strong sense of community can significantly enhance resilience in flooding. Identify vulnerable individuals in your area, such as elderly relatives or neighbours with mobility issues, and offer your assistance in their flood preparedness plans. This might include helping them set up their flood kits, moving their belongings to higher ground, or simply checking in with them during a crisis.

Building a support network ensures that everyone is better protected and more





resilient. Community efforts can also include organising group discussions about flood preparedness and creating neighbourhood watch systems to monitor potential flood risks.

UNDERSTANDING INSURANCE

Understanding your insurance coverage is important to being prepared for flood-related damages. Review your buildings and contents insurance policies to confirm they adequately cover flood damage. Pay attention to the terms related to limits on claims for repairs and replacements, as this can affect your recovery process.

It's wise to regularly update your policy to reflect the actual value of your belongings, ensuring that you're not left underinsured. Furthermore, familiarise yourself with the

claims process beforehand, so you're not caught off guard when you need to act quickly after a flood.

MANAGING UTILITIES

Properly managing your utilities during a flood can prevent secondary disasters from occurring. Ensure you and your household members know how to quickly and safely turn off the gas, electricity, and water supplies. This knowledge can avert additional damage and safety hazards, such as electrical shorts or gas leaks.

If you are unsure how to proceed, contact your utility provider for specific guidance. Documenting these procedures in a step-by-step guide can also be beneficial, ensuring everyone knows how to handle the utilities safely, even in a panicked situation. Having this guide easily

accessible can be a lifesaver during the chaos of a flood.

EMERGENCY FLOOD FIT ESSENTIALS

An emergency flood kit can be a crucial lifeline in the face of an impending flood. Such a kit should be comprehensive, ensuring you're prepared for the worst. Begin by securing copies of your home insurance documents in a waterproof bag, as they are essential for managing claims and understanding your coverage.

Compile a list of useful contacts, including emergency services, family, and local flood response teams, to keep communication lines open. Include clear instructions for turning off your mains supply, which will aid in safely shutting down gas, electricity, and water to prevent additional damage. Waterproof clothing and blankets are vital for staying dry and warm during the deluge. Stock up on non-perishable food and drinking water to last at least 72 hours, focusing on items that are easy to store and consume.

A first aid kit and any necessary prescription medications prepare you for minor injuries and health needs. A reliable torch with spare batteries is essential for maintaining visibility during power outages. At the same time, a wind-up or battery-operated radio will keep you informed of the latest weather updates and emergency

instructions, even when power and internet connections are compromised. Being prepared with this kit can significantly improve your safety and well-being during a flood emergency.

FLOOD RESISTANCE VERSUS RESILIENCE

Understanding the concepts of flood resistance versus resilience is crucial for anyone looking to protect their property from potential water damage. Flood resistance refers to measures taken to prevent water from entering a building. These measures are often structural and can include barriers or seals designed to keep water at bay.

On the other hand, flood resilience acknowledges that sometimes water ingress is inevitable and focuses on minimising the damage caused by such an event. This approach aims to adapt the property to reduce the impact of flooding, ensuring quicker recovery and less costly repairs.

IMPLEMENTING FLOOD RESISTANCE

Property owners can adopt permanent and temporary solutions to resist floodwaters effectively. Permanent resistance measures include repointing brickwork to seal gaps, installing flood barriers at entry points, and fitting anti-flood airbricks that close off during heavy rains to prevent water ingress.

These measures are designed to create a defence against

the elements. Meanwhile, temporary solutions such as sandbags and demountable barriers can be deployed when a flood warning is issued, providing an extra layer of defence. While permanent solutions offer more reliable protection, temporary measures provide flexibility and can be tailored to specific threat levels.

ENHANCING FLOOD RESILIENCE

When flood resistance is not feasible, enhancing your property's resilience becomes critical. This involves making strategic changes that minimise damage should water breach the defences. For instance, raising door thresholds can help delay water entry, and replacing carpets with tiles or other water-resistant flooring materials can prevent flooding from being ruined.

Kitchens and bathrooms can be fitted with water-resistant materials to stave off damage, and electrical outlets can be elevated

above expected flood levels to avoid electrical hazards. These adaptations reduce the potential cost of repairs and ensure that your home can return to normalcy more quickly after a flood.

DECODING FLOOD WARNING CODES

Flood warning codes issued by the Environment Agency are invaluable tools for understanding the severity and immediacy of a flood threat. The codes begin with flood alerts, which signal that flooding is possible and that preparations should be made. This is followed by flood warnings, indicating that flooding is expected and urging people to take immediate action to protect themselves and their property.

The highest level is the severe flood warning, which denotes a risk to life and extensive property damage, necessitating urgent evacuation and safety measures. Familiarity with these codes

allows individuals to respond appropriately and promptly, potentially saving lives and reducing damage.

STAYING INFORMED

Staying informed about potential flood risks is essential for effective flood management. Regularly monitoring water levels via the Environment Agency's website and subscribing to flood warning alerts ensures you receive the latest information as it becomes available. Despite

the best preventive efforts, there are times when floodwaters may still breach defences.

A well-thought-out contingency plan can make a significant difference in these situations, allowing you to act swiftly to protect your family and property. This plan should include evacuation routes, emergency contacts, and a checklist of essential items, reducing the chaos and uncertainty that flooding can bring. ♦

>> DO YOU WANT TO DISCUSS FINANCIAL SUPPORT FOR IMPLEMENTING FLOOD PROTECTION MEASURES? <<

Enhancing your property's resilience against flooding can protect your home and peace of mind. Remortgaging could be the key to unlocking the necessary funds for this vital investment. Refinancing your mortgage could secure the financial support needed to implement flood protection measures, safeguarding your property from future risks. To learn more, contact **Rothsay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothsaybennett.co.uk**.





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– email: enquiries@rothesaybennett.co.uk

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NEW REALITY OF HOMEOWNERSHIP

Survey highlights aspiring homeowners' hurdles



“The survey reveals a stark contrast between the average deposit savings of £9,533 and the £22,400 required for a 10% deposit on a typical first-time buyer home, as per Nationwide’s House Price Index.”

MANY PEOPLE HAVE significantly delayed their dream of owning a home in today’s challenging economic landscape. Recent findings reveal that one in five prospective homeowners expect to wait until at least their forties to purchase their first property.

This data, collected by the Nationwide Building Society, highlights a shift from the current average first-time buyer age of 33 as the cost-of-living crisis continues to impact financial decisions.

COST-OF-LIVING IMPACT

The survey highlighting aspiring homeowners’ hurdles indicates that 84% of respondents have felt the sting of rising living costs on their homeownership plans. Nearly half, at 49%, have postponed these plans due to affordability concerns, with 60% delaying by up to three years. When asked about the most significant barrier to buying their first home, 31% cited saving for a deposit as the primary challenge. However, affordability issues extend beyond deposits.

AFFORDABILITY CONCERNS

A significant 44% of potential buyers face affordability issues, with 20% needing help finding properties within their budget, 14% needing help managing monthly repayments, and 10% finding it difficult to secure sufficient mortgage loans. These challenges underscore the urgent need for solutions, prompting Nationwide to advocate for an independent review of the first-time buyer market.

FINANCIAL STRUGGLES

For those striving to save, the path is arduous. More than a quarter of prospective homeowners have been saving for their deposit for three to five years, and

10% for even longer. Despite these efforts, over half (52%) report having less disposable income to save due to escalating costs, with 29% acknowledging that financial pressures have reduced additional support from family.

THE DEPOSIT GAP

The survey reveals a stark contrast between the average deposit savings of £9,533 and the £22,400 required for a 10% deposit on a typical first-time buyer home, as per Nationwide’s House Price Index. Alarming, over half of these potential buyers have only up to £5,000 saved, with 26% having a mere £1,000 and 11% lacking any savings for a deposit.

EXPLORING ALTERNATIVES

The financial strain extends to mortgage payments, with 80% expressing concern over increasing rates and rising bills. Many face these challenges, exploring alternative options, including sharing purchases with partners or family members. A notable 55% are open to relocating to more affordable areas, with 70% willing to move up to 50 miles to secure a home. ♦

>> READY TO TALK MORTGAGE MATTERS? <<

If you are seeking further guidance on navigating the complexities of homeownership in today’s economic climate, please contact us for more information and support. To discuss your options, please contact **Rothsay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothsaybennett.co.uk**.

Leveraging property wealth

One in five parents and grandparents have helped family members get on the home ownership ladder

FAMILY SUPPORT IN property purchases has reached unprecedented levels as many parents and grandparents leverage their property wealth to assist younger generations. This shift is primarily driven by the escalating cost of home ownership, making it increasingly challenging for many young people to purchase their first home independently. The traditional notion of property as a long-term investment is evolving, as families are now more inclined to use this asset to provide immediate financial assistance.

This trend highlights the socio-economic pressures and rising costs of home ownership, which have made it easier for young people to enter the property market with external support. Recent research indicates that one in five (19%) family benefactors utilise their property assets by downsizing, releasing equity, or remortgaging to provide essential financial support^[1].

BANK OF FAMILY GROWING TREND

The 'Bank of Family' is emerging as a significant force in the property market. Predictions suggest that by 2024, 42% of homes purchased by those under

55 will be facilitated through family financial support. This trend underscores the vital role of familial contributions in helping younger generations achieve home ownership. As housing prices continue to rise, the reliance on family gifting is set to increase, with parental and grandparental gifts expected to reach £11.3 billion by 2026.

METHODS OF FINANCIAL SUPPORT

Families are adopting various strategies to support their loved ones. A notable 19% choose to downsize, releasing equity to aid younger family members. Meanwhile, 8% opt for equity release, a financial product allowing homeowners to access the equity in their property while retaining residence. Around 4% are turning to remortgaging to unlock funds. Data shows that 9% have already utilised equity release for financial gifting in the first half of the year, demonstrating the growing popularity of this option.

LONG-TERM FINANCIAL IMPLICATIONS

Despite the complexity of these financial manoeuvres, a substantial 74% of those

making significant gifts proceed without professional financial advice. This lack of guidance can pose risks, as products like lifetime mortgages involve long-term financial implications if not managed properly. Professional advice ensures that decisions remain sustainable and do not negatively impact the benefactor's financial health.

VALUE OF PROPERTY WEALTH

Property wealth remains one of the most significant assets for families across the UK, providing a solid foundation for financial support. Therefore, it is unsurprising that many are leveraging this wealth to assist younger family members in purchasing homes. However,

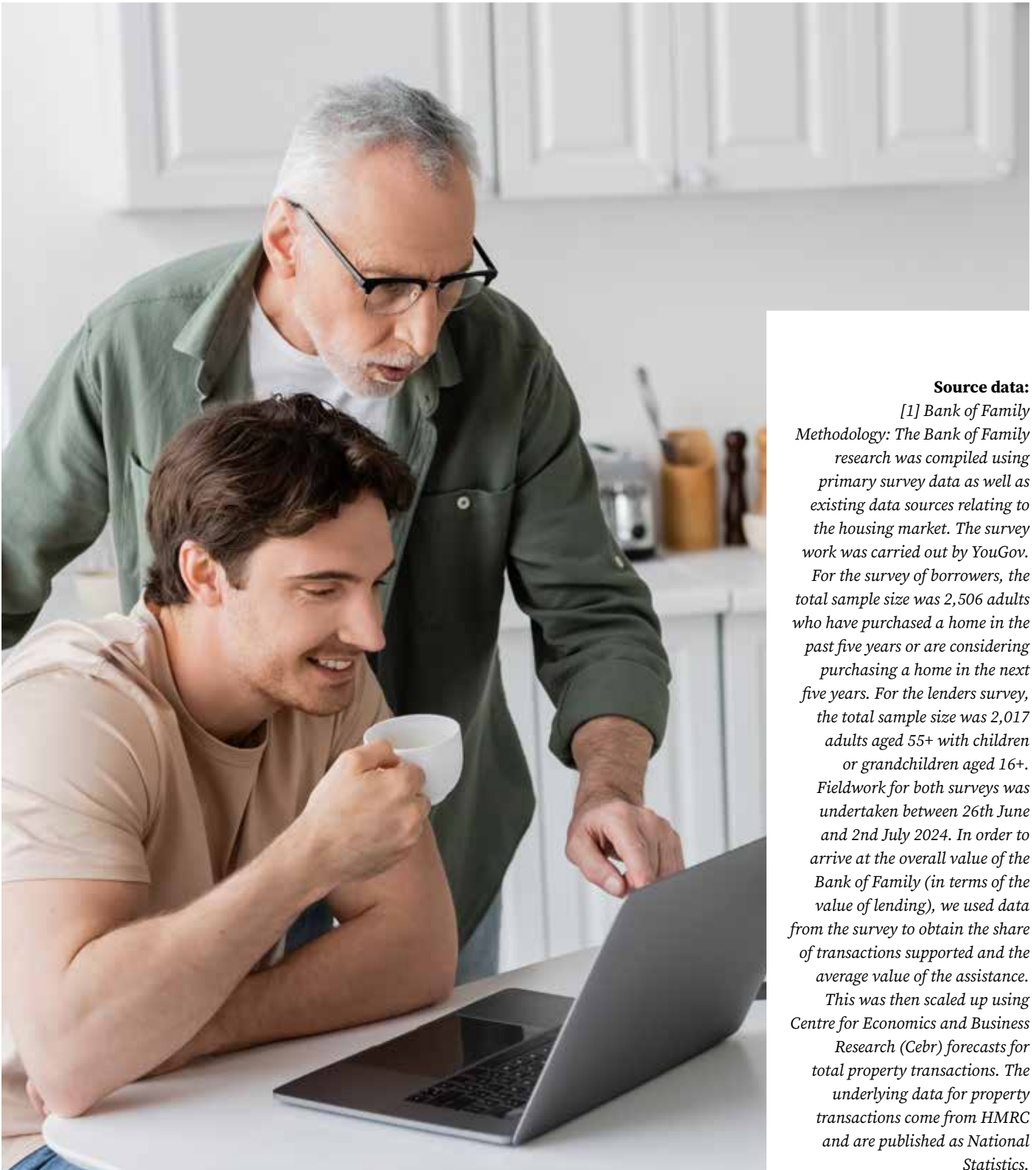
seeking professional advice is paramount to maintaining benefactors' financial stability over the long term and making informed decisions that benefit both the giver and the receiver.

UNDERSTANDING THE ECONOMIC IMPLICATIONS

The trend of family support in property purchases reflects broader economic dynamics, including stagnant wages, rising living costs, and strict mortgage requirements, which collectively challenge younger generations to secure home financing independently. As family contributions become integral to the property purchasing process, improved financial education and access to professional advice are crucial for effectively navigating these complexities. ♦

>> READY TO DISCUSS HOW YOU NAVIGATE THE COMPLEXITIES OF THE MORTGAGE MARKET? <<

For further information on navigating the complexities of the mortgage market and exploring tailored advice that's right for you, please contact our expert team. To discuss your requirements, contact **Rothsay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothsaybennett.co.uk**.



Source data:

[1] Bank of Family

Methodology: The Bank of Family research was compiled using primary survey data as well as existing data sources relating to the housing market. The survey work was carried out by YouGov.

For the survey of borrowers, the total sample size was 2,506 adults who have purchased a home in the past five years or are considering purchasing a home in the next five years. For the lenders survey, the total sample size was 2,017 adults aged 55+ with children or grandchildren aged 16+.

Fieldwork for both surveys was undertaken between 26th June and 2nd July 2024. In order to arrive at the overall value of the Bank of Family (in terms of the value of lending), we used data from the survey to obtain the share of transactions supported and the average value of the assistance.

This was then scaled up using Centre for Economics and Business Research (Cebr) forecasts for total property transactions. The underlying data for property transactions come from HMRC and are published as National Statistics.

Exploring “non-traditional routes” to step onto the property ladder

46% of first-time buyers considering property purchase with a friend or sibling



WITH THE DREAM of homeownership becoming increasingly elusive for many young Britons, new research reveals that half (51%) of aspiring first-time buyers are now open to exploring “non-traditional routes” to step onto the property ladder, according to Lloyds Bank.

Among these routes, purchasing a home with a friend (24%) or sibling (22%) is gaining consideration. While most (62%) of under-35s still prefer buying their first home with a partner, the landscape is shifting towards alternative pathways.

EXPLORING NON-TRADITIONAL ROUTES

The primary motivation for first-time buyers contemplating a joint purchase with a friend or sibling is financial feasibility, cited by 60% of respondents, and trust, noted by 56%. In fact, 14% believe this might be their only viable home-buying option.

However, there are inherent challenges, as purchasing with a friend or sibling introduces unique relationship dynamics compared to buying with a partner. Financial discussions can alter friendships, though addressing these topics openly can yield positive outcomes.

FAMILY SUPPORT AND TRENDS

Even the traditional “Bank of Mum and Dad” is less of a given, with nearly half (48%) of young first-time buyers expressing reluctance to seek family assistance for a deposit due to feelings of shame, compared to 34% who would approach family confidently.

A notable 32% of 18 to 34-year-olds who have yet to purchase a property express indifference to the method of home acquisition, provided they secure a place on the property ladder.

PRACTICAL TIPS FOR JOINT PURCHASES

With the growing trend of purchasing with friends or siblings, here are essential tips for navigating financial discussions and maintaining harmony:

Open communication: Before engaging in property searches, discuss financial standings, future aspirations, and practical living arrangements. Questions like whether you prefer dogs or cats can be surprisingly relevant.

Formal agreements: Disparities in deposit contributions or mortgage payments should be addressed through a legal co-ownership agreement. While it might seem excessive, such documentation prevents misunderstandings.

FINDING THE RIGHT PROPERTY

Property preferences: Decide collectively on the type of property, whether a flat or house, leasehold or freehold, and its location. Determine who will make final decisions or if all will be resolved jointly.

Conflict resolution: Expect disagreements, whether over garden preferences or kitchen renovations. Address issues promptly rather than letting them fester.

PLANNING FOR THE FUTURE

Future-proofing plans: Recognise

that circumstances, from new relationships to job relocations, may change. An exit strategy agreement is wise should one partner wish to sell or move out prematurely.

OVERCOMING FINANCIAL CONVERSATION HURDLES

Discussing finances openly is crucial despite it being a sensitive topic for many. Whether it's a traditional British reticence or past negative experiences, starting with a solid foundation can ease the process. Despite the potential benefits, 37% of those hesitant to buy with a friend or sibling fear complicating their relationship, while 32% still determine the impact on plans to buy with a partner.

SEEKING PROFESSIONAL GUIDANCE

For those considering a shared property purchase, consulting a qualified solicitor is advisable to navigate the legal implications and facilitate future sales. With numerous options for first-time buyers, understanding these choices and seeking advice is paramount. ♦

>> DO YOU WANT TO TALK TO US ABOUT YOUR MORTGAGE REQUIREMENTS? <<

If you're considering your first step onto the property ladder and need further mortgage information or guidance, please contact us to ensure a smooth and informed decision-making process. To explore your options, contact **Rothsay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothsaybennett.co.uk**.

PROPERTY PRICE VALUES SEE A SIGNIFICANT RISE

September marks the most considerable increase
in nearly two years



“Across England, house prices rose by 1.9% compared to Q3 2023. Northern England, comprising regions such as the North, North West, Yorkshire & The Humber, and the Midlands, outperformed its southern counterpart with a 3.1% year-on-year increase.”

PROPERTY PRICES ACROSS the UK have surged by 3.2% year-on-year in September, marking the most considerable increase in nearly two years, according to the latest data from Nationwide. The Building Society's House Price Index (HPI) reports that the average house price now stands at £266,094, reflecting a 0.7% uplift from August. The annual increase is the most substantial since November 2022, when prices grew by 4.4%.

Nationwide highlights that, despite recent gains, average prices are about 2% below the all-time highs in summer 2022. However, a combination of factors contributes to improved affordability, with income growth outpacing house price increases and borrowing costs easing in anticipation of potential interest rate cuts by the Bank of England in the coming quarters.

REGIONAL VARIATIONS IN HOUSE PRICE GROWTH

In the third quarter of the year, Northern Ireland emerged as the top performer, with house prices rising by 8.6%, bringing the average price to £196,197. Scotland and Wales also experienced positive growth, with 4.3% and 2.5% increases, respectively. Meanwhile, the North West recorded a 5% rise in house prices over the year to Q3, with Yorkshire and the Humber following closely with a 4.3% increase.

Conversely, London saw a more modest growth rate of 2%, with the average house price reaching £524,685. East Anglia was the only region to register a decline, with house prices slipping by 0.8% to £270,906.

NORTHERN ENGLAND LEADS THE CHARGE

Across England, house prices rose by 1.9% compared to Q3 2023. Northern England, comprising regions such as the North, North West, Yorkshire & The Humber, and the Midlands, outperformed its southern counterpart with a 3.1% year-on-year increase. In contrast, Southern England, including

areas like the South West, Outer South East, and London, experienced a 1.3% rise, with London standing out as the best-performing southern region with a 2% growth.

One of the driving forces behind these trends is the seasonal uptick in housing market activity, bolstered by falling mortgage rates and wages surpassing inflation. This dynamic has instilled renewed optimism among buyers, who are now just 2% shy of the pandemic-era pricing peaks.

ECONOMIC FACTORS FUEL BUYER ENTHUSIASM

With wages consistently outpacing house price growth, prospective buyers find it increasingly feasible to secure necessary financing. This financial leeway alleviates budgetary pressures and encourages potential homeowners to consider upgrading their properties. Additionally, mortgage rates have been downward, with the average two-year fixed rate dropping from 6.48% a year ago to 5.4%.

This combination of favourable economic factors is expected to maintain momentum in the housing market, fostering a climate of cautious optimism among buyers and sellers alike. Staying informed is crucial for making sound financial decisions as the market evolves. ♦

>> ARE YOU READY TO UNLOCK THE DOOR TO YOUR NEW HOME? <<

If you require further insights or personalised advice on navigating the current housing market, we're here to help you find the right mortgage and guide you through every step. To discuss your options, please contact **Rothesay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothesaybennett.co.uk**.

MORTGAGE PROCESSING TIMES IMPROVE SIGNIFICANTLY

Technology stands out as a pivotal success factor for lenders

HIGH STREET LENDERS

have made impressive strides in reducing the average time to process mortgage applications. According to Finova's Mortgage Efficiency Survey 2024, the average processing time has decreased by 30%, from 14 days in 2022 to just 10 days in 2024. Larger lenders are performing particularly well, averaging 11 days per application, while smaller regional lenders have improved their times from 23 to 19 days over the last year.

Despite these advancements, challengers and specialist banks continue to grapple with longer processing times, which average 28 days. This delay is primarily attributed to their focus on handling more complex lending cases. Nevertheless, the overall gains illustrate how lenders leverage technology to provide faster services to borrowers,

addressing challenges highlighted by the mini-budget.

TECHNOLOGY ACCELERATES LENDING INNOVATION

The mortgage market, traditionally slower to innovate than other sectors, is now witnessing a technological revolution. The mini-budget exposed longstanding inefficiencies within the industry, and it is encouraging to see lenders adopting new technologies to streamline processes and enhance borrower outcomes. In fact, of the 43 lenders surveyed, 91% of mortgage applications were sourced through intermediaries in 2024, up slightly from 90% the previous year.

Technology stands out as a pivotal success factor for lenders. A significant portion

(75%) express satisfaction with automation in the mortgage process, rating it between three and four out of five. This indicates that technological advancements are improving efficiency and gaining approval among industry professionals.

OPERATIONAL CHANGES AND FUTURE PROSPECTS

Looking ahead, over three in five (61%) lenders reported enhancements in their product launch processes since the mini-budget in 2022. Many attribute these improvements to operational changes, such as streamlined approvals and investments in new technologies. Additionally, more than half (56%) have noted advancements in product criteria and policy changes, further refining their offerings.

However, some larger societies and smaller regional lenders

feel they have yet to progress as swiftly as their counterparts. Despite this, high-street lenders, with their abundant resources, are at the forefront of this technological shift. Remarkably, even smaller regional players are making considerable progress in reducing processing times, demonstrating that innovation is more comprehensive than just the industry giants. ♦

>> WANT TO DISCUSS

YOUR MORTGAGE REQUIREMENTS? <<

To explore your mortgage options, contact

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“The mortgage market, traditionally slower to innovate than other sectors, is now witnessing a technological revolution.”



School catchment 5% property premium

Proximity to quality schools is now a critical consideration

MANY UK PARENTS face a growing financial burden as they attempt to secure places for their children in top-state primary schools. According to the latest analysis from Santander, some families are paying a premium of 5%—equivalent to £21,215—to live within the coveted catchment areas of these schools. This trend is gaining momentum as homebuyers are willing to move up to 25 miles to ensure their

children can attend a high-performing school.

As private schools prepare to increase their fees due to the government's decision to apply VAT charges, more families are considering alternative options. From 1 January 2025, standard 20% VAT will apply to private school fees, adding a significant financial burden. Additionally, private schools that hold charitable status will lose their

business rates relief from April 2025. These changes will likely drive more parents towards state schools, further inflating property prices in desirable areas.

RIISING DEMAND AND SHIFTING PRIORITIES

The analysis has highlighted a significant shift in homebuyer priorities, with proximity to quality schools now a critical consideration. The importance of education is overshadowing traditional factors such as transport links and proximity to family and friends. As a result, almost two-thirds of parents are either already paying or are willing to pay extra for a home within their desired catchment area—an increase from 26% just five years ago.

However, the analysis identified that this focus on educational opportunity has its pressures. One in five parents reported experiencing stress during the school application process, and many have difficulty concentrating at work or suffer from sleepless nights. The

emotional toll is compounded by the financial sacrifices parents are willing to make, with some foregoing holidays or stretching their budgets to make the move possible.

HOUSING MARKET IMPACT

The current market dynamics show a significant premium for homes near top-rated state schools. Data from Yopa supports this finding, revealing that homes near outstanding schools cost an average of £359,000, compared to £243,000 for homes near inadequate schools. This difference of £116,000 underscores parents' substantial financial commitment to their children's education.

As more families opt for state over private schooling due to escalating fees, the demand for properties in these catchment areas is expected to grow. This could widen the price gap between homes near top-performing schools and those near less desirable ones. However, despite these challenges, the combination of largely stable house prices





“The current market dynamics show a significant premium for homes near top-rated state schools.”

and currently lower mortgage rates may make moving more feasible for some families than initially thought.

LOOKING AHEAD TO FUTURE TRENDS

The landscape of education-driven property purchasing is set to evolve as financial pressures mount on some parents. With the

potential for further increases in premiums due to private school fee rises, families will need to consider their options carefully. The trend suggests that living near a top state school will continue to be a key driver in the property market, influencing both emotional and financial decisions for parents across the UK. ♦

>> READY TO DISCUSS MORTGAGES? <<

Are you looking to support your adult children on their path to homeownership? Our team of mortgage experts is here to provide all the information and guidance you need. Don't hesitate to contact us—we're dedicated to helping you make well-informed decisions. To discover more about how we can help you – speak to **Rothesay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothesaybennett.co.uk**.

Homeownership challenges for young adults

Financial ramifications of remaining a lifelong renter are significant

RECENT RESEARCH

CONDUCTED by the Yorkshire Building Society has unveiled a concerning trend among young adults in the UK. One in five individuals aged 18 to 34 express uncertainty about owning a home or have ruled out the possibility entirely. This finding underscores the growing apprehensions surrounding homeownership, particularly among the younger demographic who face numerous economic hurdles.

The financial ramifications of remaining a lifelong renter are significant. The study suggests that those who opt out of purchasing a home could be £2.6 million worse off over their lifetime. This stark figure highlights the long-term economic disadvantage of renting compared to owning property, traditionally considered a cornerstone of

financial security and wealth accumulation.

BARRIERS TO HOMEOWNERSHIP

Young prospective buyers were asked about the obstacles that deter them from acquiring their own homes. The responses highlight several critical concerns, with many citing homeownership's daunting financial commitment. Affordability issues and the escalating cost of living are significant deterrents, with two in five respondents (41%) identifying the cost of living as a primary challenge.

High property prices further exacerbate the situation, leading 43% of young adults to delay their home-buying plans. The complexity of the current housing market is also a significant barrier, causing half

of the respondents (50%) to feel overwhelmed and eventually abandon their search for a property. These sentiments reflect a broader crisis of confidence in the housing market among young people.

IMPACT ON THE HOUSING MARKET

The reluctance of young adults to enter the property market has broader implications for the UK's housing landscape. The potential shift away from the traditional aspiration of homeownership could lead to significant changes in housing demand and market dynamics. If this trend continues, it could prompt reconsiderations in housing policy and the types of financial products offered to support first-time buyers.

This growing disillusionment with homeownership as a



“The reluctance of young adults to enter the property market has broader implications for the UK’s housing landscape.”



priority is a pressing issue for the UK. As the younger generation grapples with economic uncertainty and high living costs, there is a risk that the dream of owning a home

may slip further out of reach for many. This highlights the urgent need for stakeholders across the housing sector to address these challenges and support young buyers. ♦

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Our experienced team is here to provide expert guidance through every step of the mortgage application process. With our comprehensive knowledge in all areas of mortgage advice, we ensure you secure the necessary funding while maintaining complete peace of mind. Let us help you navigate the complexities of mortgage financing. Your dream home is just a step away!

Don't hesitate to contact **Rothesay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothesaybennett.co.uk**.

SUPPORTING FIRST-TIME BUYERS

Cultivating the future wealth creators of our society

A RECENT REPORT BY MONEYBOX has illuminated the diverse challenges first-time home buyers face across the UK. Titled ‘Voice of FTBs,’ it focuses on gender disparities and the increasing hurdles for solo buyers.

The comprehensive study reveals that nearly two-fifths of women who are first-time buyers have had to cut back on spending to save for a deposit, compared to a third of their male counterparts. This financial strain is further compounded by the fact that 30% of women have delayed starting a family until they have secured a home, a sentiment shared by only 24% of men.

GENDER GAPS IN HOME BUYING

The research also highlights that the home-buying process is more stressful for women, with 32% reporting a negative impact on their mental health, compared to just 18% of men. One of the most alarming findings is the £7,400 deposit savings gap between millennial men and women, attributed to both a gender pay gap and what the study describes as a “significant gender deposit gap.”

Such findings underscore the broader issue of how women’s financial opportunities are disproportionately hindered. The gender pay gap is not just a disparity in earnings; it echoes through various aspects of women’s lives, affecting their ability to buy homes and save for the future.

STRUGGLES OF SOLO BUYERS

Another striking revelation from the report is the “penalty” single first-time buyers face. As more individuals choose to remain single later in life, these

solo buyers climb a much steeper hill than those purchasing with a partner. Single buyers reportedly save £3,000 less than their coupled peers, with the average deposit standing at £44,000.

The journey to homeownership is notably more arduous for solo buyers, with a tenth taking up to 10 years to save for a deposit. The stress of this process is palpable, as a third of solo buyers describe the experience as “overwhelming.” To mitigate these challenges, the report calls for more support for single buyers to prevent their financial marginalisation.

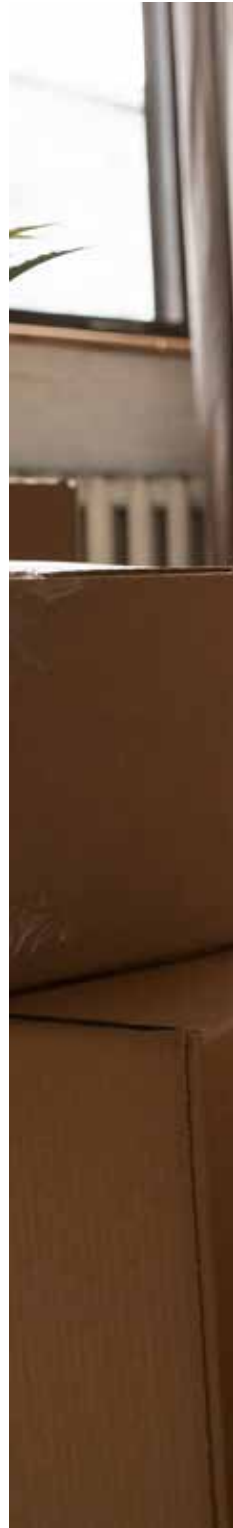
MILLENNIALS FACING UNIQUE PRESSURES

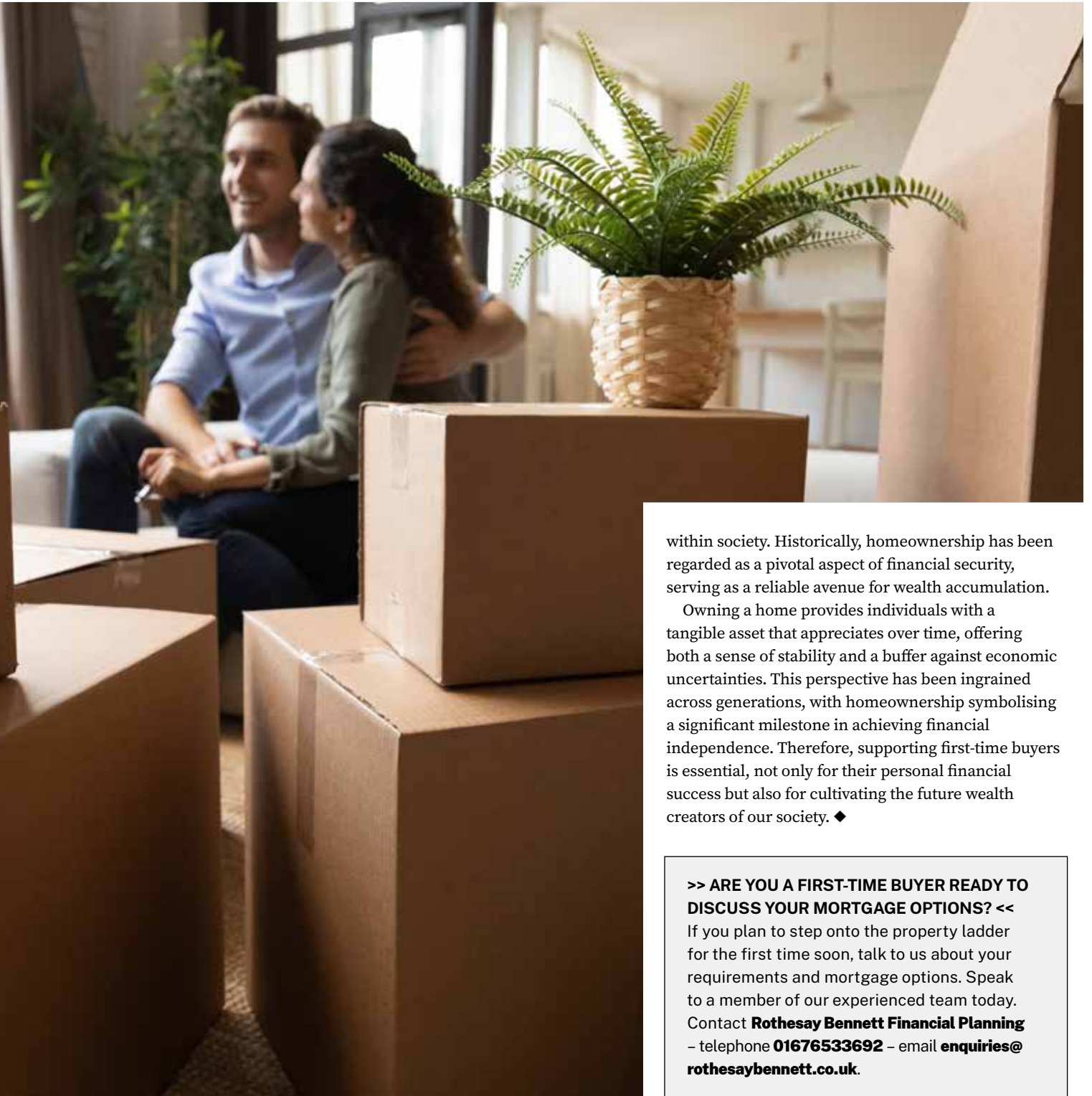
The millennial generation, in particular, faces unique challenges regarding homeownership. With societal pressure mounting, millennials place greater importance on owning a home than previous generations. This pressure often leads to significant life delays, such as postponing family life or retirement savings to achieve the dream of homeownership.

According to the study, 71% of recent first-time buyers received financial support, and 46% of aspiring homeowners hope to get assistance within the next year. Higher earners received an average of £35,000 more in support, allowing a quarter of them to focus on longer-term savings. Alarming, 67% of millennials believe they will still be paying off their mortgage in retirement.

BROADER IMPLICATIONS FOR SOCIETY

The report’s findings underscore the personal challenges first-time buyers face and the profound implications for financial stability and wealth creation





within society. Historically, homeownership has been regarded as a pivotal aspect of financial security, serving as a reliable avenue for wealth accumulation.

Owning a home provides individuals with a tangible asset that appreciates over time, offering both a sense of stability and a buffer against economic uncertainties. This perspective has been ingrained across generations, with homeownership symbolising a significant milestone in achieving financial independence. Therefore, supporting first-time buyers is essential, not only for their personal financial success but also for cultivating the future wealth creators of our society. ♦

>> ARE YOU A FIRST-TIME BUYER READY TO DISCUSS YOUR MORTGAGE OPTIONS? <<

If you plan to step onto the property ladder for the first time soon, talk to us about your requirements and mortgage options. Speak to a member of our experienced team today. Contact **Rothsay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothsaybennett.co.uk**.

Harnessing solar power

Can solar panels substantially reduce your energy expenses?

AS THE WORLD INCREASINGLY TURNS TOWARDS RENEWABLE ENERGY,

solar panels have become popular for some homeowners looking to reduce energy costs and increase their property's value. Nearly a million homes across the UK have embraced this sustainable energy solution by installing solar panels on their roofs.

By capturing the sun's energy and converting it into electricity, solar panels offer the dual benefit of cutting down on utility bills while enhancing the market value of your home. However, the initial investment can be significant and warrants careful consideration.

FINANCIAL CONSIDERATIONS IN AN ENERGY CRISIS

The current energy crisis has strained household finances, with the Ofgem energy price cap rising by 10%. This escalation is expected to keep energy bills elevated well into the New Year. Although some fixed tariffs offer temporary relief, they pose the risk of locking consumers into higher rates should energy costs decline in 2025. This scenario raises the question: Can solar panels substantially reduce your energy expenses? Understanding the

costs and benefits of solar panel installation is crucial for making an informed decision.

EVOLVING COST OF SOLAR PANELS

Historically, the prohibitive cost of solar panels deterred many potential buyers, especially after government subsidies dwindled post-2016. This led to a significant drop in installations as individuals hesitated to shoulder the full financial burden.

However, the landscape has changed since 2022, with the removal of VAT on solar panels and increased market competition driving prices down by as much as 45%. Coupled with the VAT-free status of batteries from 2024 onwards, the financial feasibility of installing a comprehensive solar system has improved markedly.

INVESTMENT AND MAINTENANCE OF SOLAR SYSTEMS

The typical cost of a 10-panel solar array is approximately £7,100, as estimated by MCS, the solar panel standards body. To maximise savings, additional investments in a battery (£2,500 to £10,000) and a diverter (£300+), which uses solar energy to heat water, are advisable. Solar panels require minimal upkeep despite the initial costs,

typically needing a yearly cleaning to function optimally.

GOVERNMENT SUPPORT AND INSTALLATION CRITERIA

While grants for solar installations are mainly available to low-income households or those with poor energy performance ratings, such as through the Energy Company Obligation scheme, which offers up to £14,000, broader changes might be imminent. The new government's enthusiasm for solar energy could herald increased support for sustainable energy initiatives.

INSTALLATION AND PLANNING CONSIDERATIONS

When planning an installation, it's essential to source multiple quotes from MCS-registered contractors to ensure quality and safety. The number of panels you can install depends on roof size and panel dimensions, with the average home accommodating eight to ten four-kilowatt panels. These installations can generate sufficient electricity to meet most households' annual requirements, with excess power potentially sold back to the grid, offering further financial benefits.

LOCAL PLANNING AND REGULATORY REQUIREMENTS

Most solar panel installations are classified as 'permitted development', negating the need for planning permission. However, restrictions apply to listed buildings and homes in conservation areas or national parks, where consultation with local planning offices is recommended. These bodies might require more expensive alternatives, such as solar tiles.

MAXIMISING THE BENEFITS OF SOLAR PANELS

To fully leverage solar power, consider factors such as roof orientation (south-facing is optimal), shading, and energy consumption patterns. While the UK's weather may seem unfavourable, solar panels can still offer substantial returns, as they remain effective even in cloudy conditions. The time to recoup your investment varies, with estimates ranging from 14 to 25 years, depending on location and usage habits. However, Solar Energy UK suggests a typical payback period of around 10 years. For further insights and guidance on solar panel installation, contact local solar energy experts to explore the best options available for your home. ♦



“Historically, the prohibitive cost of solar panels deterred many potential buyers, especially after government subsidies dwindled post-2016. This led to a significant drop in installations as individuals hesitated to shoulder the full financial burden.”

**>> READY TO TRANSFORM YOUR PROPERTY AND
LOOKING TO FUND HOME IMPROVEMENTS? <<**

If you're considering remortgaging to fund home improvements, our team is here to help. Speak with our experts today to explore the right remortgage options tailored to your needs. Let us assist you in making your dream home a reality with professional advice and support. Contact us now to get started! Speak to **Rothesay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothesaybennett.co.uk**.

RENEWED OPTIMISM IN THE PROPERTY MARKET

Buyer numbers are rising at their fastest pace in three years

RECENT DATA FROM the Royal Institute of Chartered Surveyors (RICS) reveals an encouraging shift in the UK housing market. Buyer numbers are rising at their fastest pace in three years, alongside an increase in sales agreements and property listings, indicative of a market gaining momentum.

The August survey by RICS identifies a positive shift, influenced mainly by a recent dip in mortgage rates. This dip has invigorated buyer interest and prompted estate agents and surveyors to anticipate further growth as we head towards the end of the year.

HOUSE PRICES ON THE RISE

After nearly two years of decline, house prices are beginning to show signs of recovery. Most survey respondents predict a steady price increase over the next three months, reflecting improved sentiment among buyers. The modest drop in mortgage rates has been a key driver of this renewed enthusiasm, enabling more buyers to consider stepping onto or moving up the property ladder. This newfound optimism, however, is tempered by uncertainty surrounding the upcoming Autumn Budget and potential interest rate adjustments.

ANTICIPATED BUDGET IMPACTS

The Labour government has hinted at challenging decisions in the forthcoming Budget, with speculation rife about possible tax increases set to be announced by Chancellor Rachel Reeves on 30 October. While commitments have been made not to adjust Income Tax, VAT, or National Insurance, there is potential for hikes in other areas, such as Capital Gains Tax, Inheritance Tax, and Stamp Duty. These changes will impact the housing market by influencing buying and selling behaviours.

GROWING BUYER INTEREST

The RICS survey highlights a marked rise in potential home buyers, with a net balance of +15 respondents noting increased interest—a significant jump from +4 in July and a negative balance in June. This uptick is attributed to the Bank of England's recent rate cut, which has boosted buyer confidence by suggesting an easing financial landscape in the coming months. Consequently, many buyers feel more equipped to make property investments, contributing to this period of buoyant market activity.





SUPPLY SIDE IMPROVEMENTS

On the supply side, there has been a modest increase in new property listings, with RICS reporting a rise from +3 in July to +7. This trend is expected to continue, offering prospective buyers a broader selection of properties. Enhanced availability could further stimulate market activity as buyers have more options to explore.

PREPARING FOR FUTURE CHALLENGES

As the market absorbs these changes, attention turns to the Autumn Budget Statement and its possible repercussions. While optimism prevails, many industry commentators and potential buyers will remain watchful of fiscal policy shifts that could alter the landscape. ♦

>> READY TO DISCOVER THE RIGHT MORTGAGE SOLUTION TAILORED TO YOUR FINANCIAL NEEDS? <<

Our expert team is here to guide you through the complexities of the mortgage landscape, ensuring you find the right fit for your home-buying journey. Connect with us today to explore how our personalised services can turn your property dreams into reality. Contact **Rothsay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothesaybennett.co.uk**.

What is Labour's Freedom to Buy Scheme?

Concentrating efforts on newcomers to the market to address the specific challenges they face



THE LABOUR PARTY'S FREEDOM TO BUY SCHEME emerged as a key proposal during the 2024 general election campaign aimed at gaining the support of potential first-time homebuyers. Sir Keir Starmer's 'Change' manifesto outlined several ambitious reforms, including modifying the planning system and reinstating the 300,000-a-year housebuilding target. Among these initiatives was the Freedom to Buy scheme, designed to enable 80,000 young individuals to climb the housing ladder.

AIMING FOR HOMEOWNERSHIP

While the Freedom to Buy scheme wasn't featured in the King's Speech, anticipation surrounds its potential enactment. Chancellor

Rachel Reeves is preparing to deliver Labour's first budget speech since 2010, hinting at possible tax increases due to unexpected public finance challenges. This context underscores the significance of the Freedom to Buy scheme as part of Labour's broader strategy to support young homebuyers and address housing affordability.

OVERCOMING THE BARRIERS TO HOMEOWNERSHIP

In essence, the Freedom to Buy scheme is a variant of the Mortgage Guarantee Scheme introduced by the Conservative government in April 2021. Its primary goal is to assist young people in overcoming the barriers to homeownership exacerbated by rising house

prices. Acting as a guarantor, the government aims to encourage lenders to offer high loan-to-value (LTV) mortgages, allowing buyers to secure homes with a smaller deposit.

KEY DIFFERENCES FROM THE MORTGAGE GUARANTEE SCHEME

Freedom to Buy is a permanent solution, unlike the temporary Mortgage Guarantee Scheme. The existing scheme allows lenders to purchase government guarantees for high-risk loans, covering up to 80% of the property value in case of default. However, its temporary nature has limited the number of 95% mortgages available, as lenders hesitate to integrate them fully into their offerings.



BOOSTING THE LOW-DEPOSIT MORTGAGE MARKET

The Labour Party's plan involves a rebranding effort to establish Freedom to Buy as a permanent fixture in the mortgage market. The government hopes to incentivise lenders to include high-LTV mortgages in their product ranges and enhance awareness among prospective buyers. Labour aims to emulate the successes in countries like Australia and Canada, where similar schemes have facilitated greater homeownership.

ELIGIBILITY AND POTENTIAL IMPACT

Details about eligibility for the Freedom to Buy scheme remain sparse, though initial indications suggest a focus on first-time buyers. The current Mortgage Guarantee Scheme is open to both existing homeowners and first-time buyers, but Labour's approach may narrow this scope. By concentrating efforts on newcomers to the market, the scheme aims to address the specific challenges they face. ♦

>> WANT TO DISCUSS YOUR HOMEOWNERSHIP OPPORTUNITIES? <<

To discuss your mortgage requirements, speak to our expert team for personalised advice and guidance on navigating the evolving landscape of your homeownership opportunities.

Contact **Rothesay Bennett Financial Planning** – telephone **01676533692**
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SHIFTING LANDSCAPE OF HOMEOWNERSHIP

Impact of rising mortgage costs on millennials

IN RECENT YEARS, the landscape of homeownership has shifted dramatically, particularly for millennials who embarked on their property journey around 2011, according to Hamptons' Generational Affordability Index. This cohort is now facing an unprecedented challenge as they experience rising mortgage costs in the second half of their 25-year term. With property prices reaching an average of £246,000, these individuals initially enjoyed monthly payments of £863, adjusted to 2024 prices. However, the looming increase in interest rates is set to change their financial landscape significantly.

COMPARISON ACROSS GENERATIONS

To understand the gravity of the situation, comparing these figures with those of previous generations is essential. Generation X, for example, began their homeownership journey with an average property price of £149,000 and monthly payments of £923. Meanwhile, baby boomers paid £74,000 for their homes with repayments of £775, all adjusted to 2024 prices. These figures illustrate a considerable shift in the financial burden across generations, influenced mainly by inflation-adjusted mortgage repayments.

ROLE OF INTEREST RATES

The discrepancy becomes even more apparent when considering the interest rates faced by each generation. Millennials initially benefitted from ultra-low rates of around 1.5%, while Generation X encountered rates of 6.7% and baby boomers faced a staggering 13.5%. The current economic climate, however, suggests that millennials will now see their monthly payments rise as they progress into the latter half of their mortgage



term. This shift is set to begin from the first remortgage post-2022, leaving millennials with approximately 61% of their total mortgage repayments still pending.

GENERATIONAL CHALLENGES AND FINANCIAL PLANNING

In stark contrast, baby boomers and Generation X had only 41% and 40% of their repayments remaining at the same stage, benefitting from falling inflation and interest rates during their terms. The current trajectory of rising rates paints a bleaker picture for Generation Z, who are entering the property market with expected repayments of £1,739 monthly—nearly double that of millennials when they first purchased their homes.

UNIQUE SQUEEZE ON MILLENNIALS

Millennials have found themselves uniquely squeezed by this economic shift. Initially, they took on substantial debt at historically low rates, only to face an increase as the market evolves. This adjustment period is likely to see them allocate more of their income towards mortgage payments in the coming years, a stark contrast to the financial freedom enjoyed by previous generations.

FUTURE FINANCIAL IMPLICATIONS

As millennials navigate these financial waters, it's crucial to consider the broader economic implications. The funds that many previous generations could invest or enjoy at this stage of their lives are likely to remain tied up in mortgage payments for both millennials and Generation Z. This shift affects personal finances and has broader implications for the economy as these generations delay other investments and expenditures. ♦

>> LOOKING FOR A SOLUTION TO MANAGE RISING MORTGAGE COSTS? <<

If you require further information on managing rising mortgage costs and understanding the broader financial landscape, speak to our expert team, who can provide tailored guidance to help navigate these challenging times. To learn more, contact **Rothsay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothsaybennett.co.uk**.



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

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

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

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

Contact **Rothsay Bennett Financial Planning**
– telephone: 01676533692
– email: enquiries@rothesaybennett.co.uk

– website: www.rothesaybennett.co.uk
– address: **Rothsay Bennett, 287/289**
Kenilworth Road, Balsall Common, CV7 7EL



ROTHESAY BENNETT
FINANCIAL PLANNING

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FAMILY SUPPORT FUELS PROPERTY MARKET GROWTH

Generosity from parents and grandparents is forecasted to reach a staggering £11.3 billion by 2026

“Generosity from parents and grandparents is forecasted to reach a staggering £11.3 billion by 2026. This trend highlights the enduring significance of property wealth as a key asset for families nationwide.”

THE ‘BANK OF FAMILY’ is increasingly becoming pivotal in the UK property market. New research from Legal & General and the Centre for Economics and Business Research indicates that it will support 42% of property purchases by individuals under 55 in 2024. This substantial backing is expected to facilitate approximately 335,000 housing transactions, underscoring the vital role of familial financial assistance in the housing sector.

Generosity from parents and grandparents is forecasted to reach a staggering £11.3 billion by 2026. This trend highlights the enduring significance of property wealth as a key asset for families nationwide. As housing prices soar, many relatives provide essential financial support to younger generations looking to secure their first homes.

FINANCIAL STRATEGIES FOR FAMILY ASSISTANCE

Many supporters are opting for strategic measures to manage these financial commitments. Currently, 19% of those assisting are downsizing their properties (12%), using equity release (8%), or opting to remortgage (4%). Notably, 9% of gifts in the year's first half were funded through equity release, reflecting its growing acceptance as a mainstream financial tool.

Despite the widespread use of such products, individuals must seek professional financial advice when making significant gifts, even if the funds do not originate directly from their property. The research identified that many parents and grandparents only pursue expert guidance if they utilise fully advised products like equity release, which may have long-term financial impacts.

IMPORTANCE OF PROFESSIONAL ADVICE

As equity release becomes more prevalent, more families are expected to turn to this option for assistance. The ‘Bank of Family’ is on track for its busiest year yet, suggesting a rise in people leveraging their property equity to support loved ones. This trend emphasises the necessity of informed decision-making regarding financial gifts.

While the desire to help is commendable, families must recognise the potential financial implications and seek professional advice. This ensures that their generosity does not inadvertently affect their financial stability over the long term, allowing them to support their relatives while safeguarding their financial health. ♦

>> WANT TO ENSURE YOUR FINANCIAL DECISIONS ARE INFORMED AND BENEFICIAL FOR YOU AND YOUR LOVED ONES? <<

With the ‘Bank of Family’ playing a crucial role in property purchases, understanding the available financial strategies is more important than ever. If you’re considering supporting family members, we can help ensure you take the right proactive steps to ensure your financial decisions are informed and beneficial for you and your loved ones. With our expert help, you can maximise the amount you can borrow for home improvements. Contact **Rothesay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothesaybennett.co.uk**.

Landlords Embrace Limited Company Structures

Trend underscores a significant evolution in the buy-to-let market

IN RECENT YEARS, there has been a notable shift by landlords toward utilising company structures to manage their property portfolios. Paragon Bank has highlighted this trend, revealing a sharp increase in landlords incorporating their portfolios over the past four years. As of the second quarter of 2024, 81% of landlords using a limited company structure have incorporated their portfolios, a significant rise from 48% in the same quarter of 2020.

This growing inclination towards incorporation is expected to persist, with two-thirds (67%) of landlords planning to purchase properties in the next 12 months opting to do so through a limited company. This is a marked increase from the 45% who intended to adopt this structure in 2020. Conversely, only 31% of landlords now plan to buy properties in their personal names, a decline from 36% four years ago.

EXPERIENCED LANDLORDS LEAD THE WAY

More seasoned landlords are leading this trend, with the propensity to own properties through limited companies

increasing alongside portfolio size. Among landlords with four or more buy-to-let (BTL) mortgaged properties, 37% have adopted this ownership mechanism, compared to just 15% of those with one to three BTL homes. This strategic shift is partly a response to the phased tax changes introduced in 2016, which have prompted landlords to seek more efficient ways to manage their investments in a challenging economic climate.

The move towards incorporation is not just about tax efficiency; it also reflects a broader strategy among landlords to streamline their operations and adapt to an evolving market landscape. Despite the growing popularity of this approach, the research highlights that 78% of landlords still hold their properties solely in individual names, indicating room for further adoption.

DRIVEN BY THE NEED FOR GREATER EFFICIENCY AND RESILIENCE

While incorporating properties into a limited company structure offers several potential benefits, it may only suit some landlords. Professional financial or tax advice ensures this strategy aligns with individual

circumstances and goals. Nevertheless, the trend underscores a significant evolution in the buy-to-let market, driven by the need for greater efficiency and resilience amid ongoing economic challenges.

As the landscape for property investment continues to evolve, it is essential to stay informed about the benefits and implications of incorporating your portfolio. If you're considering this strategy or need further insights, consulting with industry experts can provide the guidance necessary to make well-informed decisions. ♦

>> READY TO EXPLORE THE DYNAMIC WORLD OF PROPERTY INVESTMENT? <<

Whether you're a seasoned investor or just starting, staying informed and seeking expert advice can unlock new opportunities. Take the first step today and set your property investment journey on the path to success! Contact **Rothsay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothsaybennett.co.uk**.

“81% of landlords using a limited company structure have incorporated their portfolios, a significant rise from 48% in the same quarter of 2020.”



FINANCIAL VULNERABILITY AMONG UK RENTERS

The critical role insurance plays in safeguarding financial well-being



A RECENT STUDY BY

Scottish Widows has identified that over half (56%) of private renters in the UK lack any form of financial protection. This is alarming, as the research identifies a third of renters who have needed to take extended time off work due to illness or injury. On average, renters take nearly five months off for such reasons, which can severely impact their financial stability.

The financial implications of taking time off work are significant. The research highlights that nearly one in ten (9%) renters would only manage for a month before their finances run dry. This



vulnerability is exacerbated when absence from work due to health issues leads to a loss of earnings, affecting renters' ability to meet their financial obligations.

“Almost a third (32%) admitted they have never considered why their financial protection levels are low, and 20% of renters believe they have no protection at all.”



BARRIERS TO FINANCIAL SECURITY

A worrying 29% of private renters reported receiving no employer support during their time off work. This lack of support and insufficient financial protection leave many renters exposed to financial risk. Furthermore, almost a third (32%) admitted they have never considered why their financial protection levels are low, and 20% of renters believe they have no protection at all.

Cost remains a significant barrier for many, with 16% of renters exploring financial protection options but assuming these are unaffordable. Traditionally, protection insurance is more

commonly associated with purchasing a property. However, with the average age of first-time buyers now at 34, more people find themselves renting for extended periods.

IMPORTANCE OF INSURANCE COVER

Despite the challenges, 44% of renters have some form of protection insurance. For a fifth of these individuals, the decision was influenced by having children, while 15% were motivated by witnessing the benefits of insurance when someone close needed it. These experiences underline the critical role insurance plays in safeguarding financial well-being.

Millions of renters are financially vulnerable. Rising rents, coupled with persistent cost-of-living pressures, mean financial strains are far from easing. Insurance against serious illness or loss of income should not be reserved solely for those with children or mortgages. Financial security is necessary for everyone to meet obligations and maintain stability at any life stage. ♦

>> NEED TO TAKE ACTION TO PROTECT YOUR AND YOUR FAMILY'S FINANCIAL SECURITY? <<

If you're a renter concerned about your financial security, now is the time to explore your options. Talk to us and understand the range of protection insurance products available to suit your needs. Taking proactive steps can ensure peace of mind and safeguard your financial future against unforeseen circumstances. Don't wait until it's too late—secure your financial protection today to keep a roof over your head and confidently meet life's challenges. Contact **Rothesay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothesaybennett.co.uk**.

Energy efficiency in the private rental sector

Ambitious efforts are necessary to align with the 2030 targets

THE PRIVATE RENTAL SECTOR in the UK is grappling with a significant challenge to meet the Government's newly proposed energy efficiency targets. Research from Hamptons paints a complex picture, revealing that at the current pace of upgrades, it could take until 2042 for all privately rented homes to achieve an Energy Performance Certificate (EPC) rating of A to C. This timeline extends well beyond the Government's suggested target of 2030, highlighting the scale of the task ahead for landlords.

CURRENT PROGRESS AND FUTURE OUTLOOK

If improvements continue at the current rate, it is projected that it will take approximately 18 years for rental properties across England and Wales to reach the desired EPC standards. While this may seem lengthy, it is a marked acceleration from 2016 projections, which estimated 89 years would be needed to achieve

similar goals. This progress underscores positive momentum, highlighting the need for a more aggressive approach to meet impending deadlines.

THE PATH TO MEETING 2030 TARGETS

Ambitious efforts are necessary to align with the 2030 targets. Around 340,000 rental homes must undergo energy efficiency upgrades each year to achieve at least an EPC C rating. This represents a threefold increase from the anticipated 115,000 homes expected to meet these standards in 2024. Essentially, the number of homes requiring upgrades over the next five years equals the number improved over the past three decades, emphasising the urgency for change.

IMPLICATIONS FOR LANDLORDS AND TENANTS

The Government's previous plans to prohibit rentals with an EPC rating below C by 2025 were scrapped last year, but many landlords have anticipated the need for change. The importance of achieving an EPC C rating continues to rise, with rental properties moving from a D to a C rating.

“Notably, half of the homes initially rated D have been reassessed to achieve at least a C rating this year. Similarly, 29% of homes with an EPC E rating have been upgraded to a C or above, illustrating a proactive shift among landlords.”

Notably, half of the homes initially rated D have been reassessed to achieve at least a C rating this year. Similarly, 29% of homes with an EPC E rating have been upgraded to a C or above, illustrating a proactive shift among landlords.

NAVIGATING ENERGY EFFICIENCY CHALLENGES

Understanding and navigating the energy efficiency landscape is crucial for landlords and tenants alike.

As the sector faces increasing regulatory pressures and expectations, staying informed about the latest developments and available resources is essential. Whether you are a landlord looking to enhance your property's energy performance or a tenant seeking energy-efficient housing options, expert advice can steer you in the right direction. ♦

>> READY TO EXPLORE YOUR PROPERTY INVESTMENT FUNDING OPTIONS WITH CONFIDENCE? <<

Our team of experts is here to provide you with the guidance and support you need to navigate the funding landscape effectively. Whether you're a seasoned investor or new to the market, we can help tailor solutions to meet your unique goals. Let's discuss how we can assist you in achieving your property investment ambitions. Your next successful investment is just a conversation away! Contact **Rothsay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothesaybennett.co.uk**.

EVs CHARGING AHEAD

Could incorporating charging points in rental properties command higher rents?

AS THE WORLD SHIFTS towards sustainability, landlords have a unique opportunity to align with this transition and enhance their investment potential. With the growing popularity of electric vehicles (EVs) and the government's push towards phasing out new petrol and diesel cars by 2030, buy-to-let investors have a unique opportunity to enhance their property portfolios.



“Landlords can still apply for an EV charge point grant that offers a discount of either £350 or 75% off the purchase and installation costs, whichever is lower.”

Incorporating EV charging points in rental properties is a forward-thinking move and a potential catalyst for commanding higher rents. This trend is gaining traction, with property listings featuring car chargers on the rise, according to Rightmove, and the National Association of Property Buyers reporting that an electric car charger could potentially add up to £5,000 to a property's value.

WIN-WIN FOR LANDLORDS AND TENANTS

The benefits are manifold for landlords and tenants alike. Tenants gain convenient and cost-effective charging options, while landlords can boost property value and attract environmentally conscious renters. This added amenity aligns with efforts to reduce carbon emissions and positions properties as desirable living spaces. As the demand for EV-compatible rentals grows, providing such facilities can significantly impact a competitive market.

IMPACT OF EV CHARGERS ON RENT AND PROPERTY VALUE

While having an electric vehicle charger doesn't automatically justify higher rents, it significantly enhances a property's

lettability. Including a charging point is becoming a top priority for many tenants, especially among older demographics. During the first half of this year, the research identified tenant enquiries specifically requesting an EV charging point increased by approximately 40% compared to the same period last year. This trend highlights the growing importance of EV infrastructure in rental properties.

ADDING VALUE WITH ELECTRIC VEHICLE CHARGERS

Parking has long been a valuable asset in the rental market, and EV charging points have introduced a new dimension to this. As electric vehicles become more prevalent, the demand for on-site charging facilities will likely continue to rise. Landlords who invest in this amenity not only cater to current market needs but also future-proof their properties.

PRACTICAL STEPS FOR INSTALLING EV CHARGERS

Although grants for homeowners to install EV chargers are no longer available, landlords can still benefit from financial support. The typical installation cost of a car charger is around £1,000.



Landlords can still apply for an EV charge point grant that offers a discount of either £350 or 75% off the purchase and installation costs, whichever is lower. This grant is available for residential properties provided the property has a clearly defined parking space.

NAVIGATING GRANTS AND INSTALLATION

Installations must be carried out by an approved installer from the Office for Zero Emission Vehicles to qualify for the grant. Additionally, some energy companies, like British Gas and Scottish Power, offer tariffs that include EV charger installation. Landlords must inform insurance providers of any property upgrades to ensure continued coverage. ♦

>> LOOKING TO UNLOCK THE POTENTIAL OF YOUR PROPERTY INVESTMENT WITH A TAILORED BUY-TO-LET MORTGAGE? <<

Our experienced team is here to guide you through every step, ensuring you make informed decisions to maximise your investment. Contact us today to discover how a buy-to-let mortgage could open doors to your next property investment. Let us help you achieve your investment goals with expert advice and personalised support. To learn more, contact **Rothsay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothsaybennett.co.uk**.

What are the costliest cities for renters outside London?

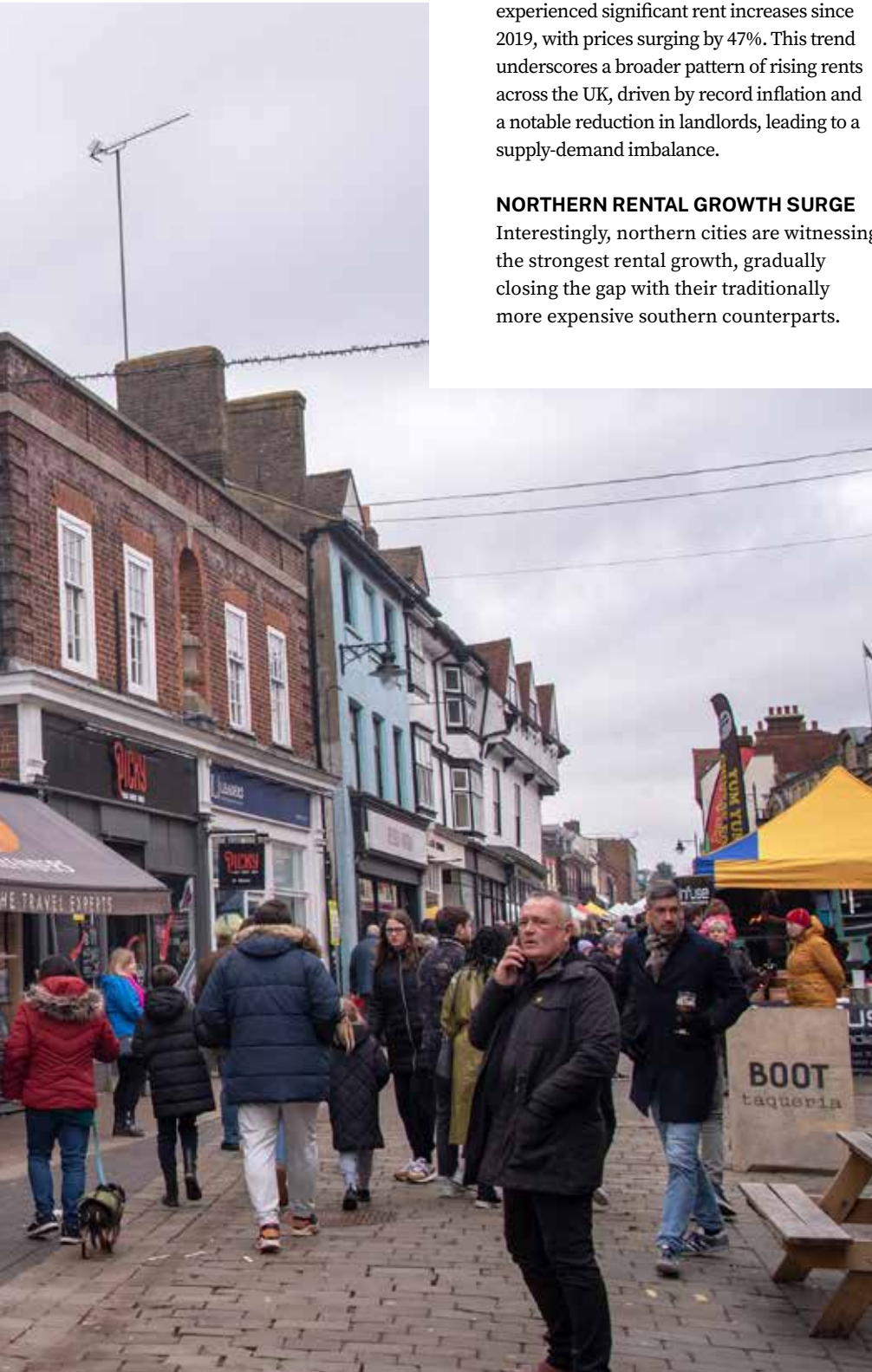
Record inflation and a notable reduction in landlords, leading to a supply-demand imbalance



THE LATEST FINDINGS from Rightmove reveal a stark picture of the rental market outside London, with the south of England dominating the list of the most expensive cities for renters. Taking the top spot is St Albans, Hertfordshire, where typical monthly rents reach a staggering £2,307. This figure is 71% above the UK's average rent of £1,349 per calendar month.

REGIONAL CONTRASTS

In stark contrast, Carlisle emerges as the most affordable city to rent in, with average monthly rents at £791, a complete 41% below the national average. However, despite its relatively lower cost, Carlisle has



experienced significant rent increases since 2019, with prices surging by 47%. This trend underscores a broader pattern of rising rents across the UK, driven by record inflation and a notable reduction in landlords, leading to a supply-demand imbalance.

NORTHERN RENTAL GROWTH SURGE

Interestingly, northern cities are witnessing the strongest rental growth, gradually closing the gap with their traditionally more expensive southern counterparts.

According to Hamptons, this trend has been particularly pronounced over the past year, highlighting a shift in the rental landscape. Legislative changes are also on the horizon as the Labour government's Renters Rights Bill progresses through Parliament, promising enhanced tenant rights similar to the Conservatives' earlier Renters Reform Bill.

IMPLICATIONS FOR STUDENTS AND GRADUATES

This rental divide has significant implications, especially for students entering a new academic year. The disparity in rental costs is becoming crucial in deciding where to study or settle post-graduation. Prospective students are advised to thoroughly research the affordability of areas surrounding their universities and consider using accredited agencies for better service.

STAYING AHEAD IN THE RENTAL MARKET

The rental market continues to evolve, influenced by economic pressures and potential legislative shifts. Understanding these dynamics is essential to making informed decisions for renters, particularly students and their families. ♦

>> TIME TO UNLOCK THE POTENTIAL OF PROPERTY INVESTMENT WITH A BESPOKE BUY-TO-LET MORTGAGE SOLUTION? <<

Our seasoned experts are ready to guide you through the intricacies of the mortgage landscape, ensuring you make well-informed decisions to maximise your investment returns. Contact us today to explore how a buy-to-let mortgage can open up lucrative opportunities and help you achieve your financial goals with confidence and support. Contact **Rothsay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothsaybennett.co.uk**.



CHANGING LANDSCAPE FOR PROPERTY INVESTORS

Tax benefits of furnished holiday lettings set to be withdrawn

FROM APRIL 2025, property investors will face significant changes as the tax benefits of furnished holiday lettings (FHLs) are set to be withdrawn. This change stems from a revived plan by the current Labour government, initially proposed in the previous administration's Spring Budget, to free up property stocks and funding National Insurance cuts.

While these measures didn't pass before the general election, HM Revenue & Customs (HMRC) confirmed their return in a policy paper released in July 2024. The abolition of the FHL tax regime represents the latest challenge for landlords, who have already

faced increased stamp duty charges and reduced mortgage interest relief in recent years.

UNDERSTANDING FURNISHED HOLIDAY LETTINGS

The FHL tax regime, established in the 1980s, offered a compelling alternative to the traditional buy-to-let market. It enabled landlords and second homeowners to utilise rental platforms like Airbnb, enjoying full mortgage interest relief, capital allowances for furniture, and reduced Capital Gains Tax rates upon property sale. However, HMRC's recent policy paper argues that repealing these benefits ensures fairness by aligning FHL tax rules with those governing other property investments.

IMPLICATIONS OF THE TAX REGIME CHANGE

Post-April 2025, furnished holiday lets will be taxed similarly to other buy-to-let investments. Mortgage interest relief will be capped at the basic Income Tax rate, and capital allowances for property expenditures will be eliminated. Income and gains from holiday lets will be incorporated into the property owner's overall UK or overseas property business income, subject to the same tax treatment as other property income and gains.

“Higher or additional-rate taxpayers will encounter increased Capital Gains Tax rates, with profits from holiday let sales above £3,000 taxed at 24% compared to the current 10%.”

NAVIGATING NEW TAX CHALLENGES

Higher or additional-rate taxpayers will encounter increased Capital Gains Tax rates, with profits from holiday let sales above £3,000 taxed at 24% compared to the current 10%. While transitional rules allow

investors to carry forward losses until April 2025, the long-term impact will be felt as these changes are fully implemented. Investors are encouraged to expedite any planned property work to leverage existing capital allowances before they expire.

STRATEGIC PLANNING FOR PROPERTY INVESTORS

These changes will require strategic adjustments for those with mortgages on holiday lets. Reduced capital allowances and potentially higher Capital Gains Taxes will pose challenges for those looking to sell properties. Future property investments may need to be reconsidered

in light of these evolving tax landscapes.

LOOKING AHEAD AND POTENTIAL DEVELOPMENTS

As property investors brace for these changes, the upcoming Autumn Budget Statement on 30 October may introduce further considerations. Staying informed and proactive will be crucial for navigating this shifting terrain. ♦

>> DO YOU NEED A FUNDING OPTION TO PURCHASE THE PROPERTY YOU WANT TO RENT OUT? <<

You may have seen a property you'd like to purchase and rent out and are ready to discuss your funding options. To speak to our team and consider your options, contact **Rothsay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothesaybennett.co.uk**.





LEASEHOLD REFORM

Shift towards more favourable conditions for leaseholders,
with long-term implications for the buy-to-let market

THE EVOLVING LANDSCAPE of property ownership in England is undergoing a substantial transformation with the introduction of the Leasehold and Freehold Reform Act. As this legislation seeks to make homeownership more equitable and transparent for many leaseholders, landlords must comprehend its nuances and potential implications on buy-to-let properties.

The Leasehold Reform (Ground Rent) Act 2022 marks a pivotal change, becoming effective for most new leases as of 30th June 2022. This act effectively ends ground rents for new, qualifying long residential leasehold properties in England and Wales. Moreover, the government has pledged to prohibit the sale of new leasehold houses except in exceptional cases, further adjusting the terrain for property investments.

ANTICIPATED CHANGES AHEAD

While some reforms are already in motion, others are on the horizon. The current ban on ground rents for most new long residential leases signifies a significant shift already in effect. However, the government is also working towards introducing a comprehensive

Leasehold and Freehold Reform Bill to overhaul the system further.

The specific timeline for all these reforms remains tentative, as the government has committed to rolling out these changes as soon as parliamentary time permits. This ongoing reform process signifies a shift landlords must be prepared to navigate.

IMPLICATIONS FOR PROPERTY INVESTMENTS

For landlords, these reforms may have far-reaching effects on property investments. One immediate consideration is that new leasehold properties purchased will now feature ground rents of zero financial value. This change could alter investment calculations, necessitating a reevaluation of potential returns.

Furthermore, the proposal allowing leaseholders to extend their lease term to 990 years, with ground rent reduced to zero, could significantly enhance the value and marketability of leasehold properties. This adjustment introduces an opportunity for landlords to capitalise on more attractive property offerings.

NAVIGATING THE INVESTMENT LANDSCAPE

The ban on new leasehold houses presents another layer of complexity, potentially

constraining specific types of property investments in the future. Landlords must stay informed and adaptable, ensuring their investment strategies align with the evolving regulatory framework.

As these reforms unfold, landlords must remain vigilant, assessing both existing and prospective investments under the new regime. The changes herald a shift towards more favourable conditions for leaseholders, with long-term implications for the buy-to-let market. ♦

>> LOOKING TO DISCOVER THE RIGHT BUY-TO-LET MORTGAGE TO SUIT YOUR NEEDS? <<

If you want to purchase an investment rental property, whether you are a seasoned or new landlord, our team of experts can help you find the right fit to maximise your investment potential. Begin your journey today and explore the diverse mortgage solutions to support your property goals. Speak to **Rothsay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothsaybennett.co.uk**.

HOW TO UNLOCK MAXIMUM RENTAL RETURNS

Proven ways landlords can elevate the value of a rental property



AS A LANDLORD, continuously enhancing your property investment and maximising returns is paramount. The evolving property market offers numerous approaches you can take to elevate the value of your rental property, making it a more enticing prospect for potential tenants and potentially increasing your rental income. Let's delve into some of the top ways to achieve these goals.

KITCHEN AND BATHROOM REVITALISATION

The kitchen and bathroom are pivotal in determining a property's charm and worth. When modern and well-maintained, these spaces

can significantly enhance a property's allure.



Here are budget-friendly updates that can make a considerable impact:

- Swap outdated taps and shower heads with contemporary fixtures
 - Refresh cabinet handles and drawer pulls for a modern look
 - Re-grout tiles to enhance cleanliness and appeal
 - Install a new toilet seat for a quick update
 - Opt for a glass screen over the bath instead of a traditional curtain
 - Apply a fresh coat of paint to revitalise the space
- These seemingly minor changes can dramatically transform the look and feel of your property without breaking the bank.

BOOSTING ENERGY EFFICIENCY

In today's world, energy-efficient properties are

highly coveted by tenants eager to cut down on utility expenses.



Consider implementing these improvements:

- Install double-glazed windows to enhance insulation
- Upgrade to energy-efficient appliances to reduce consumption
- Improve insulation in both the loft and walls for better heat retention
- Offer energy-efficient lightbulbs to minimise electricity usage
- Introduce a smart thermostat to regulate energy use efficiently

Sealing draughts around doors, windows, and skirting boards can further reduce energy loss. These enhancements lower energy bills and may justify a higher rental price.

EXPANDING LIVING SPACE

Adding additional usable space to your property can significantly enhance its value.



Explore these options:

- Convert the loft into an extra bedroom or office space
- Transform the garage into a living area for versatile use
- Consider adding a conservatory for more natural light and space

Before any significant structural changes, it's crucial to consult local planning regulations to ensure compliance.

ENHANCING KERB APPEAL

First impressions are lasting, making the exterior of your property a key selling point.



To increase its kerb appeal, consider the following:

- Refresh the front door and exterior walls with a new coat of paint
- Maintain a neat garden with attractive, low-maintenance plants
- Install outdoor lighting for added safety and aesthetic appeal

Converting the front garden into a driveway could offer additional benefits if parking is scarce in your location.

UPGRADING FLOORING

Quality flooring not only enhances the aesthetic but also improves the longevity of the property.



Explore these options:

- Replace worn carpets with hardwood or quality laminate flooring for a modern look
- Install tiles in high-traffic areas for durability and ease of maintenance
- Use area rugs strategically to add warmth and style to a room

INCORPORATING SMART HOME FEATURES

The integration of smart home technology is becoming increasingly desirable for modern tenants.



Consider these features:

- Video doorbells for improved security and peace of mind
- Smart lighting systems or bulbs to create customisable lighting environments
- Wi-Fi-enabled thermostats for convenient climate control

These intelligent features can distinguish your property in a competitive rental market.

MAXIMISING STORAGE SOLUTIONS

Tenants value ample storage options, making it essential to utilise space efficiently.



Consider these options:

- Installing built-in wardrobes in bedrooms for sleek storage solutions
- Adding shelving units in living areas to optimise space
- Maximising under-stair space for additional storage
- Incorporating shelves or rails in any built-in cupboards for better organisation

While these enhancements can increase your property's appeal and value, it is important to weigh the cost of upgrades against potential returns. When deciding on improvements, always consider your target market and local rental trends. ♦

>> LOOKING TO KICKSTART OR GROW YOUR PROPERTY INVESTMENT PORTFOLIO WITH A BUY-TO-LET MORTGAGE? <<

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

Rothsay Bennett
Financial Planning –
telephone **01676533692**
– email **enquiries@**



Renters' Rights Bill

What is the new Labour Government's landmark move?

THE NEWLY ELECTED LABOUR

government has introduced a landmark legislative proposal to reshape the private rental sector across England. Known as the Renters' Rights Bill (RRB), this ambitious reform aims to provide greater security and fairness for tenants while imposing new responsibilities on landlords.

As a landlord, it's imperative to comprehend how these forthcoming changes may affect your obligations and property management strategies.

TIMELINE FOR CHANGE

The Renters' Rights Bill is in its preliminary stages, having had its first reading in Parliament on 11th September 2024. The government is pushing towards implementing the new tenancy regulations by the summer of 2025. This timeline underscores a swift progression aimed at overhauling the existing rental framework, ensuring that both landlords and tenants have ample time to prepare.

KEY REFORMS ON THE HORIZON

Among the most significant proposals is the abolition of Section 21 'no-fault' evictions. This change will apply to all new and existing tenancies, offering immediate security to private renters. The government intends to enforce this provision by next summer, with a singular date set for removing Section 21 evictions, irrespective of parallel court reforms.

In addition, rent increase limitations are



“For landlords renting to students in Houses in Multiple Occupation (HMOs), a new ground for possession will enable seeking possession ahead of each academic year.”

Homes Standard. Failure to meet these safety standards could result in fines of up to £7,000 and the potential for prosecution. This initiative aims to elevate the quality of housing and ensure safe living conditions for all tenants.

EQUALITY AND NON-DISCRIMINATION

The RRB also seeks to eliminate discrimination within the rental sector. It will become unlawful to discriminate against tenants based on their benefits status or if they have children. This move is designed to foster inclusivity and prevent bias in tenant selection.

To support these changes, the bill proposes establishing a digital database to assist tenants in making informed decisions and landlords in maintaining compliance. A new Property Ombudsman will also be instituted to mediate disputes, reducing the need for court intervention.

TRANSITIONING TENANCY AGREEMENTS

The RRB also ends fixed-term tenancies, shifting towards rolling periodic tenancies. This change allows tenants to remain in their homes until they choose to end the tenancy with two months' notice or until landlords can provide a valid ground for possession. Landlords will be required to give four months' notice if they wish to move into or sell the property, although a 12-month protected period for tenants will be observed at the start of a tenancy.

For landlords renting to students in Houses in Multiple Occupation (HMOs), a new ground for possession

will enable seeking possession ahead of each academic year. Additionally, Rent Repayment Orders will be broadened to cover a wider array of offences, with increased fines for repeat offenders.

ADDRESSING RENTAL BIDDING WARS

Lastly, the government seeks to ban rental bidding wars, compelling letting agents and landlords to publish rental prices for properties and preventing them from accepting offers above the stated price. This aims to curb unfair rental practices and provide transparency in the market.

TAKING PROACTIVE STEPS

While the Renters' Rights Bill is still under legislative scrutiny, transformative changes are imminent for the private rental sector. Landlords should stay informed about the bill's progression and evaluate how these changes could influence their property management approaches. Understanding the evolving regulatory landscape is crucial for making strategic property investment and operations decisions. ♦

proposed, restricting landlords to raising rents just once annually, only to align with the current market rate. This includes a stipulation that prevents in-tenancy rent increases from being written into contracts, ensuring renters are not subjected to unexpected financial burdens.

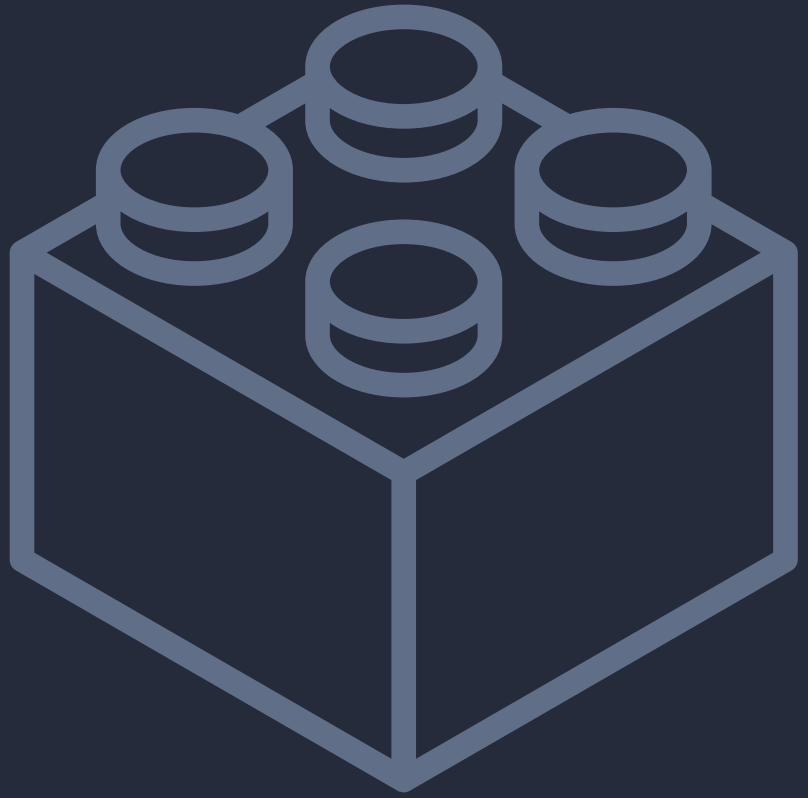
ACCOMMODATING PETS AND ENSURING SAFETY

The bill also addresses the issue of pets in rental properties. Landlords will be required to consider tenants' requests for pets reasonably, though they may ask for insurance to cover any potential damage caused by the animals. This move aims to create a more pet-friendly rental market in England.

Furthermore, all private rental properties must adhere to a newly introduced Decent

>> LOOKING FOR A BUY-TO-LET MORTGAGE FOR YOUR NEXT RENTAL PROPERTY? <<

Speak to our highly experienced team today. They'll be able to discuss your personal circumstances to help you find the right mortgage. To learn more, contact **Rothsay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothsaybennett.co.uk**.



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

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

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

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

Contact **Rothesay Bennett Financial Planning**

– telephone: 01676533692

– email: enquiries@rothesaybennett.co.uk

– website: www.rothesaybennett.co.uk

– address: Rothesay Bennett, 287/289

Kenilworth Road, Balsall Common, CV7 7EL



ROTHESAY BENNETT
FINANCIAL PLANNING

THINK CAREFULLY BEFORE SECURING OTHER DEBTS AGAINST YOUR HOME.

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

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LANDLORDS' SAFETY DUTIES

Providing properties that are both safe and habitable that meet all health and safety standards

FOR LANDLORDS, ensuring the safety and well-being of tenants is not just a moral obligation but a legal one. In the UK, landlords must provide safe and habitable properties, meeting all health and safety standards. While the responsibilities may appear extensive, they are crucial in safeguarding both tenants and the investment itself.

GAS SAFETY

One of the foremost responsibilities is gas safety.

It's mandatory for landlords to have all gas appliances and installations checked annually by a Gas Safe registered engineer. This ensures all equipment is in safe working order, significantly reducing the risk of gas leaks or carbon monoxide poisoning. Furthermore, it's essential to provide tenants with a copy of the gas safety certificate within 28 days of the inspection, ensuring transparency and trust.



ELECTRICAL SAFETY

Electrical safety is another critical area. Landlords must ensure that all electrical systems, including wiring, sockets, and appliances, are safe and functional. A practical approach is to conduct an Electrical Installation Condition Report (EICR) every five years, which helps identify potential hazards before they become severe issues. Regular checks and maintenance can prevent electrical faults that may lead to fires or accidents.

FIRE SAFETY

Fire safety cannot be overlooked, with regulations stipulating the installation of smoke alarms on every

floor and carbon monoxide detectors in any room containing solid-fuel-burning appliances. It's not only about installation but also regular testing and maintenance to guarantee their effectiveness. Landlords should also provide fire-safe furniture and furnishings, contributing to a safer living environment.

MAINTAINING STRUCTURAL INTEGRITY

A property's structural integrity is vital for tenant safety. Landlords should routinely inspect for damp, mould, or roof leaks and promptly address any issues to prevent further damage. Ensuring the property is free from such hazards not only protects tenants but also preserves the value of the investment.

SECURITY MEASURES

Security is another pillar of tenant safety, requiring landlords to fit secure locks on all doors and windows. Any broken fixtures that could compromise security should be repaired without delay. A secure home is a fundamental right for tenants and enhances their overall living experience.

STAYING COMPLIANT AND BUILDING RELATIONSHIPS

Compliance with safety legislation is non-negotiable. Landlords must stay informed about the latest regulations and best practices, maintaining comprehensive records such as safety certificates and inspection reports. These documents are

crucial if ever required for legal or insurance purposes.

Investing in property safety is beneficial beyond legal compliance. By offering a secure and well-maintained home, landlords foster positive relationships with tenants, potentially reducing turnover and ensuring a steady income stream from the property.

Our team can provide more information on fulfilling your responsibilities as a landlord or advice on specific safety measures. Ensuring the safety of your tenants is paramount, and professional guidance is always available to help you navigate these obligations effectively. ♦



>> READY TO TAKE THE NEXT STEP IN YOUR PROPERTY INVESTMENT JOURNEY? <<

Whether you're exploring buy-to-let mortgage options or looking to expand your existing portfolio, our team is here to help. Contact us today for expert advice and personalised support to achieve your investment goals. Let's build your future together! Speak to **Rothsay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothsaybennett.co.uk**.

FURNISHED OR UNFURNISHED

Which is the right option for letting your investment property

WHEN RENTING A PROPERTY, landlords often face the crucial question: Should the property be furnished or unfurnished? This decision can significantly impact the rental process, tenant attraction, and financial outcomes. Choosing whether to let your property be furnished or unfurnished as a landlord can substantially affect your rental investment business.

Each option carries its own set of advantages and potential drawbacks, influenced by factors such as tenant demographics, property type, and geographic location. Understanding these elements is key to making an

informed decision that aligns with your financial and strategic objectives.

UNDERSTANDING TENANT DEMOGRAPHICS

Furnished properties often attract a specific tenant profile, particularly young professionals or corporate clients seeking a hassle-free living arrangement. These individuals typically appreciate the convenience of moving into a fully equipped home, allowing them to settle quickly without the burden of sourcing and transporting furniture. This demographic is usually drawn to short-term or transitional housing, where ease and speed of relocation are paramount.



“Landlords should consult with local letting agents to understand market trends and tenant expectations in their specific area. This insight can help landlords tailor their offerings to meet local demand, optimising occupancy rates and rental income.”





In contrast, unfurnished properties generally appeal to families or long-term tenants who have already accumulated their own furnishings. These renters value the ability to personalise their living space, creating a home environment that reflects their individual tastes and lifestyles. Unfurnished homes are often seen as a blank canvas, offering the flexibility to incorporate personal belongings and establish a more permanent residence.

PROPERTY TYPE AND LOCATION CONSIDERATIONS

The type of property and its location can also heavily influence whether to furnish or not. Urban apartments in bustling city centres might benefit from being let as furnished, given the demand from transient professionals who prioritise convenience. Conversely, suburban houses could be more attractive to families seeking unfurnished properties to tailor to their needs and preferences.

Landlords should consult with local letting agents to understand market trends and tenant expectations in their specific area. This insight can help landlords tailor their offerings to meet local demand, optimising occupancy rates and rental income.

LEGAL OBLIGATIONS AND FINANCIAL INCENTIVES

For landlords choosing to offer furnished rentals, adhering to legal safety standards is imperative. All furniture must meet fire safety regulations, with proper labelling to verify compliance. Ensuring safety not only protects tenants but also shields landlords from potential legal liabilities.

Financially, furnished properties can potentially command higher rents, offering landlords increased returns. Additionally, the cost of furnishings may be tax-deductible, providing further

financial benefits. However, landlords must also be prepared for the upkeep and eventual replacement of these items, which can add to long-term expenses.

ADVANTAGES OF UNFURNISHED PROPERTIES

Unfurnished rentals generally require less maintenance, as landlords are not responsible for the wear and tear of furniture and appliances. This can lead to lower ongoing costs and reduced hassle. Furthermore, insurance premiums on unfurnished properties might be lower, as there's less content to cover under typical policies.

The appeal of an unfurnished space to long-term tenants often results in longer lease agreements, providing landlords with stability and consistent income. This tenant profile typically seeks a home they can make their own, which can lead to higher tenant satisfaction and better retention rates.

MAKING THE RIGHT DECISION

Ultimately, the choice between furnished and unfurnished will depend on the landlord's goals, tenant preferences, and market conditions. By carefully weighing the advantages and disadvantages of each option, landlords can better align their property offerings with tenant demands and maximise rental potential. ♦

>> DO YOU REQUIRE A MORTGAGE TO FUND YOUR NEXT INVESTMENT PROPERTY? <<

Contact our experienced team today to discuss your buy-to-let mortgage options that align with your investment goals. To find out how we can help, speak to **Rothsay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothsaybennett.co.uk**.

REASONS WHY HIRING A LETTING AGENCY CAN BE TRANSFORMATIVE

A valuable solution for managing demanding tasks professionally and efficiently

FOR LANDLORDS, the decision to hire a letting agency can be transformative. It offers many advantages that significantly ease the demands of property management. The intricate and often overwhelming nature of handling detailed administrative tasks can weigh heavily on landlords, diverting attention from more strategic aspects of property investment.

Additionally, navigating the complexities of tenant relations, from resolving disputes to managing lease agreements, can present further challenges. These aspects of property management require time, attention, and expertise, which many landlords may need help to balance with other commitments.

EFFICIENT COMMUNICATION MANAGEMENT

At the core of a letting agent's responsibilities is

the central communication hub between landlords and tenants. This means they efficiently handle all tenant interactions, from routine maintenance requests to unexpected emergencies, ensuring that issues are resolved swiftly and effectively. This streamlined communication process saves landlords significant time and guarantees that tenant concerns are addressed promptly, fostering a positive landlord-tenant relationship.

EXPERT MARKET INSIGHTS

Letting agents bring a wealth of expertise to the table, offering invaluable guidance on navigating the rental market. With a deep understanding of local trends, legislative requirements, and compliance matters, they empower landlords to make informed decisions that align with current market conditions. This expertise

extends to effective property management strategies, ensuring that properties are marketed and maintained to attract and retain desirable tenants.

ROUND-THE-CLOCK EMERGENCY ASSISTANCE

One of the standout advantages of employing a letting agency is their provision of 24/7 emergency support. Landlords can rest easy knowing that urgent property issues will be addressed at any hour, minimising potential damage and tenant dissatisfaction. This level of support not only preserves the property's condition but also enhances tenant retention, as tenants value the assurance of immediate response to their urgent needs.

ENSURING LEGAL COMPLIANCE

Another area is understanding the complex landscape of legal obligations. Letting agents

complete all necessary safety certificates and Right to Rent checks reduces the risk of non-compliance and its associated penalties. This meticulous management of legal requirements gives landlords peace of mind, knowing that their properties and tenancies adhere to the latest regulations.

OVERSEEING PROPERTY MAINTENANCE

From routine upkeep to unforeseen repairs, letting agents manage all aspects of property maintenance. They coordinate and supervise necessary work, ensuring that properties remain in optimal condition and tenants enjoy a high standard of living. This proactive maintenance approach protects the property's value and enhances tenant satisfaction and retention.

ACCESS TO TRUSTED CONTRACTORS

Leveraging their extensive

networks, letting agents can connect landlords with preferred contractors who offer competitive rates. These vetted professionals ensure high-quality work at cost-effective prices, resulting in significant savings for landlords. Partnering with a letting agency assures reliable, affordable maintenance services.

SEAMLESS TENANT TRANSITIONS

Managing tenant transitions is another area where letting agents provide significant value and letting agents oversee the entire process, from coordinating necessary refurbishments to managing utility setups, ensuring a smooth experience for new tenants. This seamless transition enhances tenant satisfaction and minimises vacancy periods, maximising rental income for landlords.

COMPREHENSIVE REPORTING TOOLS

Many letting agents offer detailed reporting through online portals to keep landlords informed. These platforms allow landlords to track property status, rental income, and other key metrics in real-time. This transparency and ease of access empower landlords to control their investments, even from a distance.

STREAMLINE DAILY OPERATIONS

Letting agents provide a valuable solution by managing these demanding tasks professionally and efficiently. Their expert management services are designed to



streamline daily operations, ensuring that all aspects of property administration are handled with precision and care by taking charge of tenant communications, maintenance requests, and legal compliance, letting agents allow landlords to focus on maximising the financial potential of their investments.

Furthermore, their ability to optimise rental income

potential through strategic property evaluations and market insights makes them

an indispensable partner in the journey toward successful property management. ♦

>> ARE YOU CONSIDERING A BUY-TO-LET MORTGAGE FOR YOUR NEXT INVESTMENT PROPERTY? <<

If you're seeking further details on securing funding for your next buy-to-let venture or need expert advice speak to **Rothesay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothesaybennett.co.uk**.

Unlock the secrets to successful buy-to-let property investment

How to maximise rental yields and capital growth while managing risks effectively

PROPERTY INVESTMENT PRESENTS

a compelling opportunity to generate steady income and build long-term wealth. However, unlike purchasing a home for personal residency, buy-to-let investments demand a different mindset and thorough market analysis. The goal is to maximise rental yields and capital growth while managing risks effectively.

Choosing a buy-to-let property is a critical decision that can significantly impact the success and value of your investment portfolio. Whether you're a seasoned investor or a newcomer to the property market, understanding the nuances of buy-to-let investments is essential.

DETERMINE A BUDGET

Setting a budget is the cornerstone of any property investment. It's crucial to ascertain how much you're prepared to invest in a buy-to-let property. Start by researching property prices and average rental yields in your preferred areas. This initial research will help you identify properties within your financial reach.

Sticking to your budget is vital. Overextending could lead to financial strain, especially if you encounter unexpected costs or experience void periods without tenants.

Maintaining a financial buffer is advisable to manage unforeseen expenses comfortably.

UNDERSTANDING BUY-TO-LET MORTGAGES

Incorporating mortgage costs into your financial plan is essential. A buy-to-let mortgage often requires a larger deposit than a standard residential mortgage. Setting the right rental price for your buy-to-let property ensures your investment remains profitable. Your financial strategy must consider both mortgage payments and the potential for capital growth. Lenders typically require that your rental income covers 125–150% of your mortgage repayments, and a 25% minimum deposit is often necessary when purchasing the property.

For those transitioning from a residential mortgage, it's essential to switch to a specific buy-to-let mortgage or obtain consent to let from your current lender. This shift is vital because mortgage rates and interest rates can vary significantly depending on current market conditions and property prices. Buy-to-let mortgage rates are often higher than those for residential properties, making thorough research and comparison of available options imperative.

Exploring an interest-only mortgage might be a viable alternative to a fixed-rate

mortgage for some landlords. This approach allows you to pay only the interest on the loan, preserving capital. Speak to our highly experienced team, who will ensure you find the right mortgage deal based on your individual circumstances. They provide clarity and ensure that your investment is financially viable.

Beyond mortgage considerations, landlords must also account for additional financial obligations, including tax and stamp duty. Higher-rate taxpayers may face increased burdens, but strategic planning around Capital Gains Tax could offer some relief. Understanding these financial nuances and seeking expert guidance can position you for success in the competitive buy-to-let market

CHOICE OF TENANTS

The type of tenants you wish to attract should significantly influence your property selection. Young professionals often prioritise properties with excellent transport links and vibrant leisure options. Conversely, families might prefer proximity to reputable



schools and community amenities. If targeting students, choosing a location near universities or colleges is advantageous.

Additionally, the type of property dictates tenant suitability. For instance, families might shy away from city-centre flats, favouring more spacious suburban homes. Consider the property's layout, particularly if planning to let shared accommodation, to ensure it meets tenant expectations.

THE APPEAL OF GARDEN SPACE

Outdoor space can enhance your property's attractiveness, especially for families. A garden or patio area adds value and can be desirable for tenants seeking a home-like feel. However, remember that gardens require maintenance. Opt for easy-to-care-for spaces to minimise upkeep costs and responsibilities.

AGE CONSIDERATION OF THE PROPERTY

Choosing between new and older properties presents different advantages. Newer properties generally demand less maintenance and can appeal to tenants seeking modern amenities. In contrast,

older homes exude character and charm, potentially attracting those interested in unique architectural features.

While older properties may be available at a lower price, factor in renovation costs if needed. Renovations can enhance the property's appeal but ensure you are prepared for the time and financial investment required to bring an older property up to modern standards.

LANDLORD RESPONSIBILITIES

Understanding your responsibilities as a landlord is paramount to maintaining a successful rental business. Ensuring the property meets safe and liveable standards is just the beginning. You must also navigate a complex landscape of financial, tax, and legal obligations, particularly if you own commercial properties. Engaging estate or letting agents can streamline property management, but bear in mind the associated stamp duty and agent fees.

Financial resilience is crucial, as landlords must repay mortgages without rental income. It is advisable to have a detailed business plan

that accounts for projected annual rental income and unforeseen expenses—such as repairs and maintenance. Investing in essential safety features like smoke alarms and maintaining gas appliances not only complies with regulations but also enhances tenant satisfaction and retention.

Legal adherence is non-negotiable, as breaches can lead to criminal charges. Staying informed about landlord regulations is vital to avoiding legal pitfalls. In negotiations, assertiveness can yield significant financial benefits. Securing a favourable purchase price leaves more room for property improvements and contingency savings. Sellers eager to expedite sales might entertain lower offers, presenting an opportunity for prudent buyers.

PROTECTING YOUR INVESTMENT

Landlord insurance is a wise move. This cover shields against unexpected costs, including accidental or malicious damage, periods of vacancy, and tenant default on rent payments. While the financial rewards of property rental are enticing, costs such as tenant-induced damage or rental income loss are inevitable. Insurance can mitigate these risks, ensuring your financial stability is not jeopardised.

TRANSITION TO NEW VENTURES

Considering an exit strategy is also prudent; should you decide to liquidate your investment, having a clear plan can facilitate a smooth transition to new ventures. ♦

>> READY TO UNLOCK YOUR NEXT PROPERTY'S INVESTMENT POTENTIAL? <<

Our expert team is here to provide tailored advice and support, ensuring you find the right funding solution for your needs. Don't leave your investment decisions to chance—contact us today for personalised guidance. Speak to **Rothsay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothesaybennett.co.uk**.



INFLATION AND UNDERINSURANCE

A growing concern for UK households



MILLIONS OF UK households find themselves inadequately insured, leaving them vulnerable in the event of loss or damage due to inflationary rises over the previous few years. Recent reports indicate that two-thirds of UK households are underinsured, with their existing cover failing to account for inflation-driven price increases. MoneySuperMarket's research highlights this troubling trend, which also found that home insurance costs have reached a five-year high, averaging £281 annually.

The data reveals that millions of residential properties remain underinsured and unable to keep pace with the escalating costs of replacing home contents. The study also uncovered that another 12 million properties have no home contents insurance whatsoever, exposing these homeowners to potentially crippling financial risks.

REASSESSING HOME CONTENTS VALUE AMID INFLATION

Data from the Association of British Insurers (ABI) also underscores the urgency of this issue. In 2016, the average value of contents in a three-bedroom family home was estimated at £55,000. Adjusted for inflation, this figure now exceeds £72,928—a more than 33% rise since 2016. Such figures suggest that many homeowners may lack sufficient protection, with policies that cover only a fraction of their possessions' actual value.

The discrepancy is stark for the underinsured. Typically, households have just £10,000 to £20,000 in coverage, less than a third of what they may need.

This shortfall highlights the necessity for policyholders to regularly review and adjust their insurance to reflect the current value of their belongings.

ENSURING COMPREHENSIVE COVER FOR PEACE OF MIND

Contents insurance is designed to safeguard policyholders against losing or damaging items within their homes. However, since these policies don't automatically adjust for inflation, homeowners should evaluate their cover routinely. A failure to do so can lead to unexpected expenses should a disaster occur, compounding the stress of such events.

Unfortunately, many people undervalue their possessions, considering only obvious items like jewellery, electronics, and furniture at their purchase price rather than their current replacement cost. Essential yet costly items such as carpets, curtains, and household appliances are often overlooked, which can accumulate substantial replacement costs.

PRACTICAL STEPS FOR ADEQUATE INSURANCE COVER

Industry experts recommend a meticulous approach to valuation. Homeowners should document the contents of each room, including fixtures and fittings, with accurate replacement costs. Given that most policies offer 'new-for-old' coverage, it's important to base valuations on today's market prices rather than original purchase costs.

Maintaining records, such as receipts or digital copies for high-value items, can facilitate claims processes if necessary. Additionally, taking an inventory,

“Recent reports indicate that two-thirds of UK households are underinsured, with their existing cover failing to account for inflation-driven price increases.”



photographing valuables, and using a mobile phone to video the home's contents are pragmatic steps to ensure comprehensive coverage.

SPECIAL CONSIDERATIONS FOR HIGH-VALUE AND EXTERNAL ITEMS

Standard policies typically have a single item limit of typically around £1,000, requiring separate cover for valuables exceeding this amount, such as jewellery and antiques. Furthermore, items stored outside the primary home may not be covered, necessitating additional insurance for these possessions.

Garden furniture, potted plants, and items in garages or sheds often slip through the insurance net but should be considered in valuations. With potential risks from flooding or accidental damage, it is wise to obtain comprehensive quotes that include these elements.

SECURING YOUR HOME'S FUTURE

As you navigate the complexities of home insurance, remember the importance of regular reviews and accurate valuations. Protecting your home and its contents against inflation and other risks is critical to safeguarding your financial future. ♦

>>LOOKING AT SECURING THE RIGHT HOME INSURANCE FOR YOUR CONTENTS? <<

For more detailed advice on securing the right home insurance or to discuss your specific needs, please speak to our team. We are ready to assist you with tailored solutions that provide peace of mind in an ever-changing economic landscape. Contact **Rothsay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothsaybennett.co.uk**.

Income protection insurance

Do you have enough to pay for what you need now and in the future?



WHEN LIFE THROWS UNEXPECTED

challenges our way, such as severe illness or injury, the impact can be emotionally and financially overwhelming. While it's never pleasant to contemplate misfortune, it's crucial to consider how you would cope if a severe health issue left you unable to work.

Would your savings or workplace sick pay be sufficient to support you and your family? If not, it's time to explore income protection

insurance as a viable option for covering your expenses during such times of need.

SAFETY NET FOR THE UNEXPECTED

Income protection insurance is a long-term safety net, providing monthly payments if you cannot work due to illness or injury. This coverage typically continues until you can return to work, retire, pass away or reach the end of the policy term – whichever comes first.

To tailor the policy to your financial needs, you can choose when payments begin, typically after sick pay ends or other insurance coverage ceases. Opting for a more extended waiting period can result in lower monthly premiums, offering flexibility based on your current financial situation.

COMPREHENSIVE COVER FOR PEACE OF MIND

This insurance covers a wide range of illnesses and disabilities, both short and long-term, ensuring that you are protected regardless of your incapacity. As long as your policy is active, you can make multiple claims, guaranteeing continuous financial support throughout your recovery journey.

WORKPLACE SICKNESS BENEFITS

While some employees enjoy generous workplace sickness benefits until their intended retirement date, others might need to rely on state support, which can be challenging.

Income protection insurance provides a tax-free monthly income up to retirement age if you cannot work due to long-term sickness or injury. This ensures that financial struggles prevent you from dipping into savings or incurring debt.

TAX-FREE INCOME TO ALLEVIATE FINANCIAL STRAIN

Income protection insurance aims to restore your financial situation to its pre-illness state without allowing for undue profit.

“As the market evolves, innovative new products are regularly introduced. Professional financial advice is invaluable to determine how your state benefits might be affected.”



The maximum cover amount is typically based on your after-tax earnings minus applicable state benefits. This structure helps maintain your standard of living even during challenging times.

SPECIAL CONSIDERATIONS FOR SELF-EMPLOYED INDIVIDUALS

For self-employed individuals, no work often means no income. Income protection insurance can be customised to account for fluctuating income, with some policies averaging earnings over the past three years.

This ensures that self-employed individuals receive appropriate support during their recovery, providing a critical lifeline when traditional employment benefits are unavailable.

COST OF COVER

Premium costs depend on various factors, including gender, occupation, age, health status and smoking habits. Insurers use the ‘occupation class’ to determine policyholders’ ability to resume work. If a policy only offers payouts for those unable to work in ‘any occupation’, benefits might be short-lived or non-existent.

More comprehensive options include ‘Own Occupation’ or ‘Suited Occupation’.

The latter allows claims if you can’t perform your specific job, while the former requires being unable to perform any job without considering equivalent earnings from your previous position.

YOU CAN SELECT BETWEEN LEVEL COVER OR INFLATION-LINKED COVER:

Level cover: Provides a fixed monthly income, determined at the beginning of your plan, with no future adjustments. However, rising inflation could reduce the purchasing power of your monthly income over time.

Inflation-linked cover: If a claim is made, the monthly income increases according to the Retail Prices Index (RPI), protecting against inflation.

WHEN OBTAINING COVER, YOU TYPICALLY HAVE TWO OPTIONS:

Guaranteed premiums: These remain constant throughout your plan’s term. If you opt for inflation-linked cover, your premiums and coverage will automatically increase yearly based on RPI.

Reviewable premiums: These may fluctuate over time. Generally, premiums won’t change during the first five years of your plan but may afterwards. If your premiums increase or decrease, they’ll remain stable for 12 months.

MAKING A CLAIM

The waiting period after making a claim depends on your policy. Opting for a longer waiting period results in lower premiums but also means you’ll wait longer after becoming unable to work before receiving policy payments.

Remember, premiums must be paid throughout the entire term of the plan, including during the waiting period. Your specific circumstances may affect how plan payments impact any state benefits you receive.

PEACE OF MIND AND FINANCIAL STABILITY

As the market evolves, innovative new products are regularly introduced. Professional financial advice is invaluable to determine how your state benefits might be affected. Income protection insurance offers a reliable and customisable solution for maintaining financial wellbeing during recovery from illness or injury. Whether employed or self-employed, this insurance provides peace of mind and financial stability when needed. ♦

>> ARE YOU AND YOUR LOVED ONES PROTECTED FINANCIALLY? <<

Income protection insurance is not just a policy – it’s a proactive step towards securing financial stability in the face of life’s uncertainties. To ensure that you and your loved ones are protected financially, allowing you to focus on recovery and maintaining your quality of life, this prudent planning provides peace of mind, knowing you have a safety net to rely on, regardless of the future. To find out more, contact **Rothsay Bennett Financial Planning** – telephone **01676533692** – email **enquiries@rothsaybennett.co.uk**.



Property jargon buster

NEED CLARIFICATION on waffly terms and property speak? Though the world of mortgages and property is filled with unfamiliar vocabulary, there is no need to be intimidated. Our jargon buster will help you navigate the terms you are likely to encounter as you search for your new home in 2024.

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

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

AGREEMENT IN PRINCIPLE (AIP)
A statement from a mortgage lender confirming they'll lend a certain amount before the purchase of your property is finalised.

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

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

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

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

BASE RATE

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

BREAK CLAUSE

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

BRIDGING LOAN

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

BUILDING INSPECTION

See 'Survey'.

BUY-TO-LET

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

CHAIN

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

COMPLETION

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

COMPLETION STATEMENT

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

CONDITIONS OF SALE

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

CONTRACT

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

**CONVEYANCER/
CONVEYANCING**

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

CREDIT SEARCH REFERENCES

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

DECISION IN PRINCIPLE (DIP)

See 'Agreement in Principle (AIP)'.

DEEDS

The legal documents establishing the ownership of a property.

DEPOSIT

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

**DEPOSIT
PROTECTION
SCHEME (DPS)**

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

DILAPIDATIONS

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

DISBURSEMENTS

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

**DISCOUNTED RATE
MORTGAGE**

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

DRAFT CONTRACT

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

**EARLY REPAYMENT
CHARGES (ERCS)**

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

EASEMENT

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

ENDOWMENT MORTGAGE

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

**ENERGY PERFORMANCE
CERTIFICATE (EPC)**

A document that displays a property's energy efficiency rating and environmental impact. Legally required for the sales and lettings process.

EQUITY

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

EXCHANGE OF CONTRACTS

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

FITTINGS

Items current within a property that do not constitute part of the property and are not included in the sale, such as furniture.

FIXED RATE MORTGAGE

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

FIXTURES

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

FREEHOLD

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





GAS SAFETY RECORD

A document legally required of all landlords to demonstrate that all gas appliances have been checked by a qualified engineer and declared safe.

GAZUMPING

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

GAZUNDERING

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

GROUND RENT

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

HOMEBUYER REPORT

See 'Survey'.

INTEREST-ONLY MORTGAGE

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

INVENTORY

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

LAND REGISTRY

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

LEASEHOLD

A type of property ownership (see also 'Freehold') that

indicates that an individual has purchased the right to live in a property for a fixed period, although the land and building belong to a freehold owner.

LISTED BUILDING

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

LOAN-TO-VALUE (LTV)

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

MARKET VALUE

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

MORTGAGE VALUATION

A report on the value of a property

by an independent surveyor on behalf of the mortgage provider.

NEGATIVE EQUITY

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

OFFSET MORTGAGE

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

REMORTGAGE

Changing a mortgage without moving property to save money, change to a different type of mortgage or 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

On 23 September 2022, the government increased the nil rate threshold of Stamp Duty

Land Tax (SDLT) from £125,000 to £250,000 for all purchasers of residential property in England and Northern Ireland and increased the nil rate threshold paid by first-time buyers from £300,000 to £425,000.

The maximum purchase price for First-Time Buyers' Relief was increased from £500,000 to £625,000. Following the Autumn Statement 2022 this is now a temporary SDLT reduction. The SDLT cut will remain in place until 31 March 2025.

If you're buying a second home, you'll usually have to pay 3% on top of Stamp Duty rates if buying a new residential property.

If you're buying a home in Scotland you will pay Land and Buildings Transaction Tax (LBTT) on properties costing more than £145,000. If you're buying an additional property, you might need to pay an extra 4% on the total purchase price of the property, as well as the standard rates of LBTT that may apply.

If you're buying a home in Wales you will pay Land Transaction Tax (LTT) if the property costs more than £180,000. If you're buying your main home, you will pay no LTT on purchases under £250,000. If you're buying an additional property, you will need to pay the higher residential rates for each band.

STANDARD VARIABLE RATE (SVR)

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

SUBJECT TO CONTRACT

A phase of a property sale after an offer has been made and accepted but before contracts have been signed and exchanged.

SURVEY

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

TENANCY/TENANT

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

TRACKER MORTGAGE

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

TRANSFER DOCUMENT

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

UNDER OFFER

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

VALUATION

An appraisal of a property to establish its market value.

VARIABLE RATE MORTGAGE

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



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

Let us help you find the right mortgage for your home. To discuss your particular situation and find out how much you could borrow, contact

**Rothsay Bennett
Financial Planning** –
telephone **01676533692**
– email **enquiries@
rothsaybennett.co.uk**.



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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.

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Contact **Rothesay Bennett Financial Planning**

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ROTHESAY BENNETT
FINANCIAL PLANNING

THINK CAREFULLY BEFORE SECURING OTHER DEBTS AGAINST YOUR HOME.

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

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