

CONSUMER GUIDE



Buying a home in Scotland

A clear, impartial guide

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The process

Choosing your property

Decide on the kind of property and location you want. Speak to a mortgage adviser to check the likely level of mortgage you need and can afford.

Research property online, visit the local agents and look around several properties, to get a feel for the market before you buy.

Agreeing the purchase

Before you agree a price or sign anything you should confirm the list of fixtures and fittings (including items like carpets, built in cookers) in the offer you make via your solicitor. Your offer will usually be made on the basis of the inclusion of fixtures and fittings unless excluded from the sale by the seller.

Furniture isn't usually included, unless it is specifically listed.

Financing your property

The next step is to secure a mortgage or if you are financing the purchase without a mortgage, make sure you have the funds ready.

The Home Report

Since December 2008, it has been mandatory for a Home Report to have been carried out on properties for sale. A Home Report is carried out on the instructions of the seller and can be relied on by a purchaser. Single surveys may only be produced by RICS members.

You should obtain a copy and thoroughly read the Home Report and follow any recommendations stated in the report.

See page 4 for more information on the Home Report.

Instructing your solicitor/ conveyancer

You will need a solicitor or conveyancer and costs vary considerably so it pays to get estimates. Scots property law underwent a radical overhaul in 2004, which included abolishing the feudal system. A binding contract to purchase or sell is reached on acceptance of all points in a missive letter.

Missives

The contracts for either your purchase or sale transactions are contained within formal letters between the parties solicitors. This will usually then be met by a qualified acceptance, which agrees the terms that are acceptable and proposing alternatives to any that are not.

Further qualified acceptances are issued until no outstanding issues remain, at which point there is a legal binding contract. Missive letters may also contain suspensive contracts. These are conditions which, if not satisfied, may allow for automatic termination of the contract.

A common example of this is the refusal of a planning application. However, the contract is concluded and binding until such a condition fails to be satisfied or a party withdraws.

Missive letters are not required to be signed by the parties themselves, but are signed on their behalf by their respective solicitors.

Conclusion of missives

The contract to purchase or sell is contained within the missive and the full purchase price will usually be paid on completion on the contractual date of entry. There is no requirement to pay a deposit unless that is agreed between the parties.

Choosing your property

Decide on the kind of property and location you want, such as semi-detached, terraced or flat – then ask yourself a few questions each time you view somewhere:

- Is it affordable? Speak to a mortgage adviser at an early stage
- What are your 'must have' and 'nice to have' requirements in a property?
- Is it near the transport links, schools or facilities you need?
- Do you like the area?
- Is it big enough?
- Does it have the right mix of rooms?
- How old is the property?
- What is the energy rating (EPC)? How expensive will it likely be to heat?
- Does it have enough outdoor space, such as gardens and garages?
- Is there history of flooding in the area?

To find suitable properties, you can search the internet or look through local papers. It's a good idea to look around several properties and get a feel for the market before you buy.

The Home Report

The Home Report is a legal requirement for homes marketed for sale in Scotland.

The Home Report is a document that contains information about a residential property (house, flat, apartment, tenement, villa, etc.) that is on the market for sale in Scotland. It should be given to anyone interested in buying that property and a copy of the report can be obtained from the vendor or their selling representative.

The Home Report has three parts:

- A single survey and valuation of the property that must, by law, be carried out by a surveyor who is an RICS member. The single survey will give information about any problems that materially affect the value of the property and will categorise the repair. It will also state the property value and how accessible it is for disabled people.
- Energy Report with an Energy Performance Certificate that also must be carried out by a surveyor who is an RICS member. The report is a standard format and will show how 'green' the property is and will rate the home A-G for energy efficiency. The report will recommend how to improve some of the property's energy efficiency
- Property Questionnaire that will be filled out by the home owner or their agent showing, for example, who the electricity, gas and broadband supplier is; whether the home has satellite TV; what the parking arrangements are and the council tax band as well as other general information.
- The Home Report documents can be no more than 12 weeks old when the property is put on the market for sale.



Additionally, on request of the homeowner, the chartered surveyor can provide a generic Mortgage Valuation Report for inclusion in the Home Report, which the buyer can take to a lender to discuss a mortgage. It is not a legal requirement of the Home Report but has been included to assist potential buyers.

If the home you are buying doesn't need a Home Report, the seller must still provide an Energy Performance Certificate.

For more information on Home Reports visit [The Scottish Government](#) website.

Properties exempt from a Home Report

There are number properties that do not require a Home Report:

- new homes sold off plan or recently completed
- newly converted premises where a property converted to a home has never been used in its converted state
- right to buy homes
- seasonal and holiday accommodation that legally can only be lived in for up to 11 months of the year (this does not include second homes or holiday cottages, which could be used all year)
- a portfolio of residential properties – a group of homes which will be sold in one transaction, to one 'commercial' buyer and not as separate homes
- mixed sales where the home is sold as part of the business such as a farmhouse, which is part of a working farm or a flat above a shop that is sold with the shop
- dual use of a dwelling house where the home is, or forms part of, a property most recently used for both residential and non-residential purposes, such as a commercial studio where the owner also lives in the home
- unsafe properties that are dangerous for people to live
- properties to be demolished that have the consents needed for demolition and consents obtained for redevelopment.

Viewing a property

A Home Report can be obtained from the selling agent ahead of a visit to a property.

First impressions count for a lot – but you should view a property at least twice, preferably at different times of the day, to give you a better idea of what's on offer.

Location is an important consideration, so check the surrounding area and local amenities. Here are a few things to consider to make sure it meets your requirements:

- nearby main roads, pubs, clubs or restaurants – they can be handy, but will they be noisy?
- are there any nearby railway lines or overhead flight paths?
- do the neighbours and the community seem friendly?
- the aspect of the house – does it get enough light?
- is the property well maintained?
- what is the age of the property?
- is the garden size right for your needs?
- what is the condition of nearby properties?
- if the property needs updating, how much work would you want to do and when?
- how much will it cost to carry out any necessary renovations?
- do the essential things function properly, such as the lights, taps, plugs and do the windows open?
- are the rooms big enough?
- which fixtures and fittings are included in the sale?
- do you like the views?

New properties – things to keep in mind

New properties are very popular and often sell at a premium price. After a few years, the price of new property moves into line with the local property market.

Before you buy a new property, your solicitor will need to check that the property:

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- has proper planning permission and is correctly built on its allocated plot
- hasn't been built on contaminated or filled land – or if it has, you have valid certificates ensuring the land has been properly treated first. This is crucial for building insurance
- has proper guarantees, such as an NHBC Buildmark or similar certificates
- has test certificates and user guides for any electrical, gas or built-in appliances
- has the final certificate from the local authority building inspector
- has confirmation the property's energy efficiency matches the provisional SAP (Standard Assessment Procedure) rating.

If you'd like to know more about what to look for when buying a new home visit the [National House Building Council](#) website.

Older properties and those needing work

The Home Report provided for a property that you are interested in contains a 24-point condition survey, an EPC, a valuation and property questionnaire completed by the seller. A Home Report provides potential buyers with information on the condition of the property based on a non-disruptive visual inspection.

However, should you wish to instruct your own survey you can.

Information on RICS Home Buyer products and all RICS surveys can be found on the [RICS website](#).

An RICS member will help to identify problems and could help you avoid spending a small fortune to fix things at a later date.

When you buy a property for renovation, you need to check building regulations carefully. Your RICS surveyor can help ensure this is done accurately and professionally. Some major building repairs may also need permission from your local authority building regulations department.

Before you buy a property to renovate, work out the total cost of repairs on top of the initial outlay – and decide whether the property is still worth renovating. Bear in mind the cost of repairs and improvements are not always cost effective in terms of increasing the value of the property.

Listed buildings

If the property is a listed building or in a conservation area, any work you do on it may be restricted and you will have to follow certain guidelines. The scope for any structural change could be extremely limited and you'll need to discuss any proposals with your local planning authority. You may also have to get consent from Historic Scotland before work can begin.

Off-site construction

If you're looking for something different, you could check out the possibilities of pre-fabricated buildings, constructed in a factory to your specifications and delivered on-site. Off-site construction can include anything from simple extensions built ready to plug into main services, right through to entire pre-fabricated houses, though arranging mortgage finance may not be as straightforward as for conventional buildings.

If you'd like to know more about non-traditional housing visit [The Housing Forum](#) or [Buildoffsite](#).



Buying at auction

Most property is bought and sold through a 'private treaty' sale. However, you can also buy property at auction. If you buy at auction you must conclude missives straight away. This means you will be legally bound to the sale and can't back out. We advise you to employ an RICS member to undertake a survey of the property prior to the auction. You will also need to have any finance in place and have checked the legal documents with your legal adviser.

For further information on buying at auction please see the [RICS consumer guide on property auctions](#).



Agreeing the sale

Most property is bought and sold through selling agents. Once you have chosen your property, you may be able to negotiate with the seller on the asking price.

Before you sign anything, make sure that you know what is included in the asking price. Check whether you wish to keep all the fixtures and fittings that are listed in the property details. Furniture isn't usually included unless it is specifically listed but some items may be negotiable.

All homes being sold require an Energy Performance Certificate (EPC) to record the energy efficiency of the building. The certificate provides a rating A to G, where A is very efficient and G very inefficient. The EPC will also include recommendations on how to improve the efficiency of the home. An EPC is contained in the Home Report.

Buying a home with the Green Deal

The Green Deal was a UK government scheme from 2013 to 2015. The UK government stopped funding the Green Deal scheme in July 2015. Green Deal loans were sold to customers to pay for energy saving home improvements such as new boilers, double glazing and underfloor heating.

The Green Deal is a loan attached to the electricity supply rather than a personal loan. This means if you buy a property with a Green Deal loan you become liable for paying it, provided you have been told about it. For the Green Deal repayments to transfer to you of the following legal requirements must be met:

- When selling, the owner of the property must tell the buyer about any Green Deal on the property's electricity supply before they can sell it.
- The buyer must acknowledge that they have been told about the Green Deal.
- If formal disclosure and acknowledgement are not made you can challenge your obligation to make any Green Deal payments.

Financing your property

Unless you're a cash buyer, you'll need to arrange a mortgage to buy a home. There are a huge range of mortgages available from banks, building societies and other lenders.

Mortgage rates vary so it's worth researching the best deals. Be aware of additional costs like arrangement fees.

What can you afford?

Based on your income, your mortgage lender can help you work out how much you can afford to spend on a property and the minimum deposit you will need.

Most lenders will give you an 'offer in principle' (the amount they'd be prepared to lend). It's useful to get this before you start looking for a home.

Remember there are additional expenses like legal fees and moving costs.

Other costs you'll need to consider include:

Typical moving costs

- mortgage repayments and lender charges
- Home Report (cost of which is borne by the seller and only applicable when selling)
- solicitor's/conveyancer's fees, including registration and search fees
- Land and Building Transaction Tax
- removal costs
- possible reconnection costs for phone, gas, electricity and water
- estate agent's fees.

Monthly costs

- mortgage
- buildings and contents insurance
- council tax
- electricity and gas
- phone line and internet
- ongoing repairs and decoration.



Moving costs checklist

Legal fees

Solicitors/conveyancers

These vary from place to place. Consider choosing a solicitor on the recommendation of a friend or colleague or otherwise contact the Law Society of Scotland.

Land Registry fee

This is a charge on the purchase of the property and is related to the buying price – your solicitor will have a list of charges.

Other searches

There are various searches that can be instructed in the purchase or sale of a property. These can depend on the location and may include such things as a local authority search to see if planning permission has been granted over an adjoining property or a Coal Authority search to see if there have been coal workings in the vicinity. Your solicitor will be able to advise on the searches that are required.

Mortgage lender charges

Valuation fee

This is usually included in the mortgage arrangement charges.

Mortgage arrangement fee

This varies from one lender to another and can be a significant amount.

Mortgage indemnity policy

This is a one-off charge some lenders make in case they need to repossess your property and sell it at a loss. The cost of the policy varies and will depend on the percentage of the loan in relation to the value of the property. You only pay it if your loan is for a high percentage of the purchase cost of the property.

Mortgage redemption charge

You only pay this if you change lenders and break the terms of the mortgage – and it often applies to fixed rate mortgages.

Bridging loan

If you complete the sale on your new property before you sell the one you already own, you may have to take out a bridging loan. There are two types:

- closed loan: you will know in advance when you can repay it.
- open loan: no set repayment date and it carries a higher risk so can be expensive.

An alternative may be taking out a flexible short-term loan from your bank.

Land and Buildings Transaction Tax

This is a tax on buying property, based on the price you pay. For more information visit the [Scottish Government](#) website.

Building insurance

It is normal practice that you need building insurance on your new property from the date of entry. This should be confirmed by your legal adviser. Insurance rates vary between companies, so get quotes from several different insurers – and make sure you know exactly what is covered in the policy.

Services

You don't usually have to pay for gas or electricity to be reconnected, but there may be a charge to reconnect the phone line or internet.

Moving expenses

Moving costs vary depending on how much there is to pack, how difficult it is to pack, how far you're moving and the time of year. Compare quotes for the best deal and check whether the quote includes insurance.

Storage

Consider storage options if you're not moving straight into a new home. The cost for this varies according to the quantity of possessions being stored.

Specialist advice from RICS members

RICS members specialising in construction, restoration or conservation can help with:

- property extensions – designing alterations and additions and applying for planning permission
- redesigning a property – advising you how to demolish or erect structural walls and other building elements
- any work affecting boundaries or party walls
- safety features, including means of escape
- energy performance recommendations and certificates
- repairing listed buildings and building in conservation areas.

Useful links

Here are some useful websites for advice when you're buying a home:

[Which?](#)

[Inland Revenue](#)

[Council of Mortgage Lenders](#)

[Scottish Government](#)

[Law Society of Scotland](#)

[Registers of Scotland](#)

[Historic Scotland](#)

Free RICS guides

RICS has a range of free guides available for the following property issues:

Development issues

- Compulsory purchase
- Home extensions

Home hazards

- Fire safety
- Dilapidations
- Flooding
- Subsidence

Neighbour issues

- Boundary disputes
- Party walls
- Right to light

Residential

- Buying a home
- Buying and selling art and antiques at auction
- Home surveys
- Letting a property
- Property auctions
- Renting a property
- Selling a home

Visit [our consumer guides website](#) or the [RICS website](#).

Find a Surveyor

[Contact us](#) if you want to find independent, impartial advice from a qualified professional with good local knowledge.

Surveying firms that are regulated by RICS are easy to spot as they use 'Regulated by RICS' on their stationery and promotional material.

Delivering confidence

We are RICS. Everything we do is designed to effect positive change in the built and natural environments. Through our respected global standards, leading professional progression and our trusted data and insight, we promote and enforce the highest professional standards in the development and management of land, real estate, construction and infrastructure. Our work with others provides a foundation for confident markets, pioneers better places to live and work and is a force for positive social impact.

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