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Five key steps to buying property in the UK

Your quick-reference guide

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3 WHY SHOULD I READ THIS GUIDE?



2016. The year everything changed. The result of June's EU Referendum sent shockwaves through the UK, Europe and beyond. Within 24 hours of the Brexit result being confirmed, the Pound had fallen to record lows against most major currencies, nearly \$2 trillion had been wiped off the global market, and fears of the UK entering a widespread recession were commonplace.

It would be fair to say that the uncertainty caused by the shock result yielded something of a panic. At the time of writing, nine months on from the vote that changed everything, the dust is yet to settle. The UK's future remains uncertain. The simple fact is that no one knows quite what will happen once Prime Minister Theresa May finally invokes Article 50. Somewhat worryingly, this seems to include the British government.

However, through all the doom and gloom of the past few months, the UK economy has not collapsed – and in some areas has seen some really strong results. There is arguably one group of people for whom the current economic climate has proven to be hugely beneficial, namely, overseas property buyers; as well as British expats looking for a way back into the British property market. Falling house prices and favourable currency exchange rates have combined to give overseas-based investors some of the best property investment conditions in many years. Of course, it doesn't have to be purely an investment property. It could be a holiday home; somewhere to enjoy your retirement; or perhaps a permanent home. Whatever the reason for your interest in purchasing a UK property right now, by following the five key steps in this guide, you should have the right tools to get the job done.



Handy Halo Hint

Brexit and the property market – at a glance

- The UK's largest estate agency group, Countrywide, has predicted a one percent fall in UK house prices in 2017, with Brexit-fuelled uncertainty and higher inflation contributing factors to the drop.
- However, the Royal Institute of Chartered Surveyors (RICS) predicts that prices will grow by three percent – roughly half the growth seen in 2016. Simon Rubinsohn, chief economist at RICS, said that the property market in 2016 was "characterised by the stamp duty change" in April 2016, rather than Brexit. "The stamp duty impact has been a much bigger factor in the profiles of activity over the year than the referendum," he said.
- Since the referendum, estate agents have reported increased interest from overseas buyers attracted by the weak pound. According to deVere Mortgages, mortgage enquiries from overseas buyers were up by 45 percent in the final quarter of 2016 compared to the previous quarter.
- In November 2016, Skipton International revealed that it had recorded an 80 percent increase in buy-to-let mortgage applications from British expats in the past two months, mainly due to the dramatic slide in Sterling's value since the Brexit vote.

5 STEP ONE: GETTING TO KNOW THE UK



Population in 2016:
65,111,143

Capital City:
London

Time Zone:
GMT

Currency:
Pounds Sterling (GBP)

Average national
property price:
£217,000

Highest average property
price by region:
London, £474,000

Lowest average property
price by region:
North East, £125,000

Average Temperatures:

January	6°C
February	6°C
March	8°C
April	10°C
May	13°C
June	16°C
July	19°C
August	19°C
September	16°C
October	12°C
November	9°C
December	7°C

Britain is one of the world's most multicultural countries. London alone is estimated to be home to more than 270 different nationalities. However, all four countries that make up the UK – England, Scotland, Wales and, to a lesser extent, Northern Ireland – have significant expat populations, especially in the larger cities.

There are many other reasons why the UK has long been viewed an attractive destination for both expats and overseas property investors. The UK's education system is of a high standard and some of the world's best universities are located in the country. The excellent (yet much maligned) and mostly free healthcare system provided by the National Health Service (NHS) is the envy of many other countries, while the UK boasts some of the world's best infrastructure throughout all areas of the country.

Brits are, on the whole, extremely welcoming towards foreign residents; and while you shouldn't expect any of the locals to converse with you in anything other than English, most expats are free to enjoy and celebrate their own cultures. On the subject of language, one point to note is that regional accents do vary wildly throughout the UK and some expats may have trouble understanding some of the stronger dialects; indeed, even some British people do!



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Halo Handy Hint:
Fun facts about the UK

- The highest point in the UK is Ben Nevis at 1,343 metres. The lowest point is -4 metres at The Fens.
- No point in UK is more than 120 kilometres (75 miles) away from the sea.
- The UK is the only country not required to name itself on its postage stamps because it was the first country to issue national stamps.
- The highest temperature ever recorded in the UK was 38.5°C (101.3°F) in Faversham, Kent, in August 2003.
- The coldest temperature recorded was -27.2°C (-17°F). This low has been recorded three times, twice in Braemar, Aberdeen (February 1895 and January 1992), and once in Altnaharra, Sutherland (1995).
- London and Moscow are the only two cities above the 50th parallel with a population of more than five million.
- Every day, the British drink 165 million cups of tea, which is over 20 times more than the average American.
- About 30 percent of today's Londoners were born outside the United Kingdom.
- People from Poland make up the largest foreign-born group in the UK. According to the 2014 Census, an estimated 831,000 Poles lived in the country. The four next largest groups came from India (795,000), Pakistan (503,000), Ireland (382,000) and Germany (286,000).
- There are over 300 languages spoken in the UK – more than in any other country in the world.

7 STEP TWO: DOWN TO BUSINESS

The UK has long been a popular location in which to buy a property, often for investment purposes. UK centres of business and finance such as London are a continued draw for those who are emigrating for work and the housing and rental markets are both strong, post-financial crisis. Intense demand for housing in London has pushed house prices up 86 percent since 2009, when the property market dropped due to the global credit crunch. Until recently, this has led to the average overseas-based purchaser being priced out of the UK property market – particularly those looking for a home in London and the South-East region.

However, the aftermath of the Brexit vote has led to small price falls – although nothing as alarming as those witnessed during the late noughties financial crisis – and this, along with a weak Pound, has opened up the market for thousands more buyers. Recent studies also show that cities outside the South East of England are confident in the ability to buy property and have not been overly affected by the UK's vote to leave the EU in the June Referendum.

UK property investment hotspots

Southern England

The cities of London, Cambridge and Oxford and Bristol in the South West have all seen impressive house price growth in recent years.

However, property firm Savills revealed that prices in the prime market for central London were set to end 2016 down 9 percent, while in other upmarket parts of the capital they were forecast to be down by 5 percent – largely due to the June referendum.



Northern England

In the North of England, Manchester, Liverpool and Newcastle have seen house price growth throughout 2016, as cities outside the London hub gain greater recognition as centres for business, finance and culture. Some of the places tipped as top property investment hotspots include several Northern regions. But investors are catching on as well. LendInvest recently published a report which revealed that Manchester provides the most profitable rental returns in the UK for landlords. Over the last six years, rental yields in the Northern city averaged 6.8 percent, whilst London only managed to get up to a median of 5.7 percent. What's more, between 2013 and 2016, almost half of all residential sales in Manchester were completed for less than £125,000.



Scotland



In Scotland, the average residential house price increased 0.6 percent during the second quarter of the 2016/17 financial year, compared to the same period in 2015/16. Glasgow and Aberdeen have proved popular, with the City of Edinburgh the biggest property market for Scotland, representing a 2.3 percent year-on-year increase in house prices.

Wales

Cardiff, in South Wales, is also seeing a boost in property prices, being one of the top ten places in Wales for increasing property prices. There has also been a big house price increase in areas with considerable regeneration, such as Newport, which has major building work around the Newport Transporter Bridge and the International Sports Village.





Halo Handy Hint for buying in the UK

1. Check you are eligible to buy a property in the country

At the time of writing, the UK is open for investment and investors of all nationalities are eligible to buy a property in the UK. Whether this will change in any way once Britain leaves the UK remains to be seen. Foreigners who live abroad will require proof of income and may be asked to pay up to a 40 percent deposit up front.

2. Identify why you want to buy a property

Are you looking for a holiday home? A property with investment potential? An abode to live in at a later date? Your own individual reason for your purchase should play a huge part in your investment decision. If you're looking for a property with investment potential, research which areas have property markets that have performed consistently well in previous years. Check out whether there are any events happening that could lead to increased demand for property. For example, property prices in East London grew exponentially during the build up to the 2012 Olympics as the area underwent huge regeneration. Likewise, if you are seeking a holiday home, take a look at the climate for the area in which you wish to buy, and try to find out exactly how busy your desired location is during peak – and off-peak – season.

3. Check you can stay in the UK

If you are looking for a permanent home in the UK, then you will need to check that you are allowed to stay in the country. While the UK remains a member of the EU, residents from any fellow member state continue to have the right to reside in the UK for as long as they want. Once it leaves, however, it still remains unclear whether the freedom of movement agreement will remain in place. Therefore, EU residents will become subject to the same immigration conditions that surround non-EU immigrants. Generally, in order to secure residency, non-EU immigrants will need a job offer from an employer in an occupation considered to be in demand in the UK. Britain offers opportunities for self-employed workers and entrepreneurs from outside of the EU to become resident there.



4. Check an area out first

While the internet is undoubtedly an invaluable tool for research, there is nothing quite like checking out an area for yourself. A fact-finding trip is almost essential prior to purchasing a home. You can see for yourself what the neighborhood is actually like; get a feel for the place; check out how close it is to the local amenities and public transport. Just because an agency may say that the house is located minutes away from the town centre, doesn't mean it definitely will be. It's the agency's job to find the property; it's your job to check that it really is as good as they say. In the UK, a property deemed as being located on the 'wrong end' of a street could affect its value and rental yield.

5. Set a budget

It's important to have an idea in your mind of how much your property will cost – in total – and how you will be paying for it. A clear idea of budget helps you set specific goals and will mean you can make the most of any funds you have available to you to find the right property. Buying property in the UK will usually mean you will have to exchange your currency to Pounds Sterling (at the start of 2017, of course, this has been one of the main attractions, given the strength of most major currencies against the Pound. Currency markets move all the time and are very sensitive to political and economic events – something that seems to be making the headlines constantly these days. As exchange rates move so quickly, it's important to understand the impact this can have on the price of your property and to protect any currency exchanges you make while currency markets are in flux. With this in mind it is worth looking at currency specialists, such as Halo Financial, as opposed to banks, as such firms almost always offer far superior exchange rates.

6. Beware extra charges and hidden fees

Beware additional charges when purchasing a house. A solicitor can – and should – provide all buyers with a list of additional costs, which will include Stamp Duty and various other ancillary charges included in purchasing a property. Never buy a property in the UK without seeking legal advice first.

11 STEP THREE: MONEY MATTERS

When buying a property in the UK, there are several important financial matters that must be considered and planned carefully.

Here are our Top Ten Tips for foreign property finance:

1. **What is your total budget?** How much money do you have to spend on your property, the property buying process – including fees – and its ongoing upkeep and maintenance?
2. **How will you fund the property purchase** – with a mortgage, releasing equity from another property, or are you paying cash? If looking to take out a mortgage, it is worth noting that while, in theory, buyers of most nationalities are eligible for investment loans, there are now far fewer banks and lenders are offering them than once was the case. Barclays is one bank that does offer a range of services to overseas buyers, including those looking to purchase a buy-to-let property, while UK nationals who live abroad are also catered for. Foreigners can often secure loans in their own country as they may already have established assets they can charge against and have mature relationships with their existing banks. There may be tax implications with this that you will need to check out first, however.
3. **Factor in all additional costs**, such as property viewings and visits to the country before buying the property, legal fees, agent fees, taxes, valuation and registration costs, and exchange rates when moving money between countries.
4. **Be aware of currency market movements** and their effect on the price of your property. Consult a currency specialist to understand what this means for you and your property.
5. **Don't forget the ongoing costs** associated with owning a property in the UK. You will need to ensure any regular bills, such as council tax and mortgage payments, are covered, as well as

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ongoing maintenance, amenities, and so on. Remember that if you are paying these in another currency, the same currency market movements mentioned above will affect the price of these payments. Consider any recurring and regular payments and discuss how you could potentially save money on these with a currency specialist.

6. **Get reliable estimates for removals and shipping costs** if you are moving to the UK permanently, and ensure these are included in your overall budget. Find a professional relocation and removals firm to give you a quote. If you are purchasing a home for investment purposes, and therefore not planning on moving any belongings to the country, then you will need to ensure that the house you buy is furnished or budget to furnish it once you have bought it. Unfurnished homes command less rental value than furnished ones, and are harder to find tenants for.
7. **Consider any inheritance implications**, including Inheritance Tax, your will, and the effects of the property purchase on your estate. If you've got non-domicile status in the UK, then only UK-based assets will be liable to Inheritance Tax in the UK. If you are UK domicile and your estate is valued at over £325,000, your estate will be subject to inheritance tax – either 40 percent or 36 percent on the amount over the threshold. *
8. **It may be worth opening a UK bank account from your home country.** While most major British banks – particularly those with global branches – do offer bank accounts to non-UK residents, quite often the services these accounts offer are limited. You will need to discuss your options with a number of banks to see which one offers the best choice for your particular needs.
9. **Organise salary or pension payments.** If you are moving to the UK long-term, ensure that your salary or pension can be paid directly to you. If you are a British expat who is planning on moving back to the UK, and you have a Qualifying Recognised Overseas Pension Scheme (QROPS), then you are able to keep this when you move back. However, whether you will be liable for income tax on this will depend on where your QROPS is held and whether or not the country in which the QROPS is established has a dual taxation agreement (DTA) with the UK. Always consult an independent financial advisor (IFA) for any financial decisions of this nature and to find out what best suits your individual needs we can recommend trusted advisors.
10. **Plan ahead** as much as possible and as far ahead as is feasible, to ensure you have accounted for all the financial aspects of your property purchase

* You are classed as UK domicile if you either spent more than 183 days in the UK during the tax year or if your only home is in the UK and you have spent at least 91 days in it in total and at least 30 days in the current tax year.

halo Handy Halo Hint

David Johnson, Director at currency specialist, Halo Financial, has monitored currency trends for over 20 years, seeing dramatic exchange rate movements in response to economic and political events.

“Sterling has been immensely volatile in the months since the fateful Brexit vote. Undoubtedly, the fall in the Pound has contributed to increased demand for UK properties from overseas buyers. From its high of \$1.50 in June 2016, the Sterling – US Dollar rate has fallen to \$1.19 on two occasions. That is its lowest level since 1985. It isn't often the case that a property or business investment offers a 20% discount or such an improvement in yield in just 6 months.”

halo Handy Halo Hint - Salary and income tax information

The average UK salary for the tax year ending 5th April 2015 was £27,600. This is a median average and an increase of 1.6 percent over the 2014 median average, which was £27,200. These are the latest figures available through the Office of National Statistics Average Annual Salary Survey.

The amount of Income Tax you pay depends on how much you earn. As of the 2016/17 tax year, those who earn less than £11,000 a year are exempt from paying any Income Tax. Those who earn between £11,001 and £43,000 will face Income Tax of 20 percent, those who earn between £43,001 and £150,000 pay 40 percent, while the highest earners – those who earn more than £150,001 – pay 45 percent. You can find out more at:

<https://www.gov.uk/income-tax-rates/current-rates-and-allowances>

13 STEP FOUR: BUYING YOUR PROPERTY

Estate Agents and viewing properties

Regardless of location, it's critical to find a good real estate agent. Here are our five top tips for finding the right agent.

Top tips for finding a good property agent

1. When researching potential agents, look at some of the overseas property portals to compare regions and agents, which will give you a feel for what's available and the different services they can offer.
2. Establish how long the agent has been operating in that area; their range of properties available and local and regional knowledge.
3. Check their professional qualifications and accreditations. Find out if they are members of any professional associations or membership bodies, thereby ensuring they adhere to a code of ethics and high professional standards.
4. Ensure they are responsive and can answer any queries or questions you have along the way.
5. Take the opportunity to call or email the agent to ask them a question, not just about the property itself, but about the local area and life in that country. They should also be able to help you with getting your new property set up, either for rental purposes or for you to move in to, as a holiday home or for a permanent move. Local, multilingual estate agents should be able to help you with practical matters in the area, too, such as opening a bank account, how to connect to utilities, and finding local amenities.

Viewing properties with an agent – “The Viewing Trip”

As mentioned elsewhere in this guide, it is highly recommended that you view any potential property purchase prior to making an offer. If you can, stay in the area in which you are viewing the property – rent an apartment or try out a holiday let to get a feel for the properties and what it's really like in the area in which you wish to buy.

It's always a good idea to look at any potential property investment at different times of the year and in different situations – visit both day and night, if you can – and comparing and contrasting what the property's like in both summer and winter is advisable.

If it is a long journey for you, you will need to make the most of any specific trips to view properties and be organised – plan ahead as much as possible and make sure your agent works for you to ensure a solid schedule of viewings of properties that fit your criteria.



Halo Handy Hint: Renting before you buy

Mimzee Brewer, Head of Overseas Property at Halo Financial, shares her Top Tip:

“Overseas buyers who are looking to emigrate or buy a holiday home often try before they buy in their country and area of choice by renting beforehand. Many agents offer both short and long term rentals as well as properties for sale – speak to some agents and look around to see what's on offer that suits your needs.”

15 STEP FOUR: BUYING YOUR PROPERTY

The buying process

The following is a step by step guide on how the property buying process in the UK actually works.

Step one: Find the property

The internet will undoubtedly be the first place most people turn to when it comes to finding the right property. However, if you are visiting the area in which you wish to buy, then take time to visit all the local estate agencies and peruse local newspapers and any free neighbourhood magazines.

Step two: Visit the property

Once you have selected a property – or properties; it never hurts to have options – then it's important to visit to make sure it's everything the agent says it is. When visiting a property, it's a good idea to talk to locals about what the area is like. In the UK, people are often only too happy to either chat and point out any flaws in life in their home town.

Step three: Ensure finances are in place

Okay, so you've found the property for you. It's time to make an offer! However, before you do, it's essential to check that all your finances are in place. Can you definitely get the mortgage you need? Do you have enough money set aside for extra hidden costs such as legal fees and agency commission? Legal fees will typically cost somewhere in the region of £850-£1,500, including VAT at 20 percent. You should always use a qualified solicitor when purchasing a home in the UK. In fact, many mortgage providers require both parties to be professionally represented. Meanwhile, the estate agent will normally take somewhere between 1-3 percent of the cost of the property. Don't forget those currency costs, too!

Step four: Make an offer

Once your finances are in place and you have engaged a solicitor to work on your behalf, it is time to make an offer. You do this through the agency, who will then present it to the seller, who will either accept or reject the offer. Many, although not all sellers will accept offers below the market value, so it is worth starting with a lower offer, just to test the water.

It is worth noting that even if the offer is accepted, the house is still not legally yours. You and the seller are not legally bound to complete the purchase until you have reached exchange of contracts. Until this happens, the seller is free to accept a higher offer from another party, should one materialise. This is called "gazumping" and is common practice in the UK, unfortunately.

Step five: Organise a survey

While your solicitors and agents work with the seller's representatives to draw up the contract, it is worth organising an independent builder's survey of your potential property. This will alert you to any problems with the home, such as structural damage or damp. Remember, the purchase is still not legally binding at this stage, so if any problems are found, it's not too late to negotiate on price, or even pull out completely. The costs of a survey will vary from between £300 for a standard builder's inspection to around £1,000 for a full structural survey. (Beware those hidden costs!)

Step six: Negotiate a completion date

Once all finances are in place and the buyer has made all their relevant checks, the solicitors will discuss the completion dates required by their clients. Once both parties are ready to proceed, there will then be an exchange of solicitors' contacts. This is a binding contract and once signed, withdrawing will cost the buyer their deposit and could leave them open to legal action. Non-Brits buying a property will usually be asked to pay 10 percent of the purchase price at exchange of contracts.

Step seven: Completion date

On the date of completion, the solicitor will arrange to settle the remaining sum for the property and then register the title at the Land Registry and send the buyer evidence of registration. Thereafter, the property belongs to the new owner and they can take possession of the keys. Please note that this entire process commonly takes between two to three months and can be longer. This will come as a shock to some overseas buyers, who may be used to much quicker purchasing processes in their home country.

17 STEP FIVE: MOVING & GETTING SET UP

The advice in this section is aimed mainly at people who are looking to settle in the UK on a permanent basis, rather than those merely investing in property.

Currency

The exchange rate that you secure for transferring large sums, such as the proceeds from the sale of a property in your home country, will have a huge bearing on your spending power once you arrive to live in the UK. You should start thinking about exchanging your currency for British Pounds soon after you start on the long road to emigration. Forget moving money through high street banks, though; the best exchange rates are available through currency exchange specialists, like Halo Financial. These companies can arrange 'forward trades', allowing you to secure a good rate of exchange up to two years in advance. Such an arrangement can mean peace of mind as you know your money is protected from any devaluation of the pound. You may find yourself obsessing over getting the best possible exchange rate, but rest assured this is quite normal; after all, it is an important exchange. If this is the case, speak to a foreign exchange specialist as early in the process as possible – they watch the money markets constantly and you can instruct them to watch out for the sort of rate you are after, and can help you place a market order to target that rate.

GET A CURRENCY QUOTE

Visit: www.halofinancial.com | Email: help@halofinancial.com | Phone: +44 (0)20 7350 5470

Removals

Arranging for removal firms to visit your home and offer you quotes for shipping your belongings should not be left to the last minute. By taking this step early on, you can be sure of a competitive deal and ensure you select the firm that you feel most confident entrusting your treasured belongings to. When making your selection, it is important to check your preferred removal company holds the international movers' quality standards marque – FAIM (FIDI Accredited International Mover). The UK has certain rules on what you can and can't take with you (or what will incur hefty customs costs). A good removal company will be able to advise you on what's worth shipping and what isn't.

GET A FREE REMOVALS QUOTE

Pet removals

If you want to take your furry, feathered, or scaly family members with you, then you will need to find out the rules regarding the transportation of pets. These rules will differ slightly depending on where you are travelling from and the type of animal you wish to bring. Unsurprisingly, bringing animals that are native to the UK is more straightforward than bringing those that aren't. Pets will usually need to be microchipped before they are allowed to enter the UK, possess a pet passport or third-country official veterinary certificate, and have been vaccinated against rabies. However, it's always worth checking with a pet transportation specialist first, as they will be able to advise you of all the rules and regulations.

GET A QUOTE FOR MOVING YOUR
PETS TO THE UK

Healthcare

When you arrive to live in the UK, you will need to apply for a National Insurance (NI) Card, or number, at your local Jobcentre Plus. For this, you will need to arrange to attend a one-to-one interview (unless, for example, you need an interpreter) and bring with you a number of forms of identification – including passport and residence permit. Once you have done this you will then be assigned a National Health Service (NHS) number through the post. Once this is received, you can apply to a local doctor's surgery for a doctor, or General Practitioner (GP) – however, you will only be accepted by a GP if they have space available, so you may find that you'll need to look around to find a doctor nearby who is willing to take you on as a patient.

All GP consultations, hospital stays, treatments and use of emergency services are free for UK permanent residents. If you are not a resident – or don't have a residence permit – then you may still be covered for treatment, depending on where you are from; the UK has reciprocal health agreements with a number of countries, including EU Member States, Australia and New Zealand. If you are not from one of these countries, you are strongly advised to take out some form of private healthcare insurance (although you will still be covered for hospital care).

GET A PRIVATE HEALTHCARE QUOTE

19 STEP FIVE: MOVING & GETTING SET UP

Education

There are many different types of schools that your child may attend. However, the majority of parents choose to send their children to state schools, which are free for all permanent residents of the UK. The school your child will be able to attend will be based on your locality and you will probably need to apply to a number of schools, listing an order of preference for the ones you'd most like them to attend. Depending on where you live, you may be able to send your child to a grammar school – which is a more academically-orientated type of secondary school (although these do not exist throughout all areas of the UK). Like state schools, Grammar schools are free to attend, but in almost all instances, your child will need to pass an entrance exam (at the age of 11) to be accepted. Private schools are also popular (but expensive), while faith-based schools and home-schooling are other options available to you.

In the UK, children commonly start school when they are four or five years old. However, children are not legally obliged to be in school until the term following their fifth birthday. After that, school is compulsory until they reach 16 years of age.



Halo Handy Hint:

Your last-minute checklist

No doubt you will have remembered to have handed in your notice at work, book your one-way flights and other such essentials. However, there are a host of other tasks than can easily be forgotten about in the excitement of emigration.

It's an obvious point, but it's worth checking your passport is in date; this will save any unwelcome surprises at the airport. On the subject of important documents, make sure you also keep all relevant paperwork in one place and in a clear order so it can be easily accessed. These documents include:

- all correspondence with immigration departments;
 - your medical records;
 - school reports;
 - copies of qualifications, if requested;
 - references from employers; and
 - anything else you think you may be asked for.
1. Make sure all bank accounts and similar services that you will no longer need have been closed and cancel any direct debits.
 2. Finally – and it may sound obvious – take time to say goodbye to all friends and family that you may be leaving behind. The stress of moving to a new country and sorting out all that needs to be done could mean that you run out of time to say proper farewells.

21 HALO HANDY HINTS: TOP TEN TIPS FOR BUYING UK PROPERTY



As a last word, here are our Ten Top Tips for buying a UK property

1. **Be clear on the exact purpose of the home you are buying before you purchase it.** The ideal location of the property will differ depending on whether you are looking to make money through rental yields, capital appreciation or for your own use.
2. **Beware of older properties.** Buying a property in need of renovation may appear cheap at first, but keep in mind that getting dilapidated homes to a decent standard can take time and effort and, in some instances, could require you tearing the entire building down and starting again. What's more, you will also need planning permission, which can be expensive and a bureaucratic nightmare to receive. Carry out in depth checks first and get a second opinion if you feel you need it.
3. **Learn how the property purchase process works.** A property may look great value at its given price, but does this price include 'hidden costs', such as property taxes, agent fees, legal fees, etcetera? Always take legal advice.
4. **Haggle over the price.** Sure, a property may be listed for a certain amount, but this doesn't mean the seller might not consider dropping the price slightly. If you don't ask, then you don't get.
5. **Check the credentials of any professionals you are using.** Ask for testimonials and don't take anything a company tells you for granted without making your own checks first. You should be fully confident and comfortable with anyone who is involved in the process, and believe they have your best interests in mind.



6. **Always visit the property** – or at least the area if you are buying off-plan – before purchasing. If you don't, how can you be sure that the promised two-minute walk from the local amenities/beach isn't actually a 30 minute car drive?
7. **Check to see whether there are any financial factors that could affect potential profits.** For example, how much Capital Gains Tax will you need to pay should you wish to sell your property? How much income tax will you have to pay on rental yields? You need to be clear on all financial aspects of owning a property, before you can start planning to make money from your purchase.
8. **Beware of figures.** In this guide, we have provided some figures for property prices, salaries etcetera. However, just because some properties are appreciating on average in value at a certain rate doesn't mean that all will be. Your property is more likely to increase in value if it is in a popular location – but then you will also need to take into account that there may be other people selling similar properties at the same time you are. Research is essential.
9. **Consider property maintenance.** If you plan to let your property out throughout the year, think about how you will maintain it in between tenants. Flying out to the property to check it over yourself will be expensive, time consuming and, in many instances, not a viable option. Managing agents are a popular option. Again, such services cost money - further eating into any potential profit margins. If you're buying an unfurnished property, there will also be an outlay on furniture to consider.
10. **It's not a get rich quick scheme!** Finally, if buying a house purely for investment, don't bank on becoming rich overnight – the UK property market has changed considerably since the early noughties when quick gains were readily achievable through rapidly rising prices – especially in the South East. Investing for profit should be considered a long-term strategy.

Useful Resources

You can find useful articles online by professionals who can help you with your property purchase, as well as relevant news and views from people who have been through the process before, on the Halo Financial website. www.halofinancial.com

There is a wealth of information on Emigrate2, the independent information hub about everything to do with buying property abroad and emigrating. www.emigrate2.co.uk

Happy Hunting!

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