

The Total Cost of Moving Home

Submitted by: Louise French PR

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You've spent too long yearning for a bigger kitchen, better garden, more practical storage; you've decided you want to move house, but how much does a house move really cost in today's market?

From solicitors, surveyors and stamp duty legal fees, to the cost of preparing your house to sell, storing items and removal vans, not to mention the mortgage itself and various insurances, there are a lot of hidden costs to account for.

Safestore.co.uk provides an essential guide to knowing what you need to do and how much you need to save to prepare for your next house move.

Deposit

This is the amount of money you'll need to put towards the total cost of the property.

Typically a deposit will form between 5% and 20% of the total value of the property (e.g. £20,000 deposit = 10% of a £200,000 property). The rest of the money will be covered by the mortgage, typically provided by a bank or high street lender.

The larger the deposit you can provide, the more options you have when it comes to getting a mortgage. A larger deposit also means lower interest rates, and a greater choice of lenders. Although nationwide schemes such as Help to Buy offer homebuyers 95% mortgages, meaning that you only need to provide a 5% deposit.

Estate Agents

If you're selling a property, it pays to go with an estate agent as they provide a suggested selling price, photographs of the property, listing the property in branch and online (including portals such as Rightmove and Zoopla) and a For Sale board. On average, this works out at around 1.8% of the final sale price – on a £300,000 property, that's £5,400 – simply to get your property out there for others to see.

Solicitors

So you've found your dream home, but this is when you need the professionals involved. It's time to get a solicitor. A solicitor or licensed conveyancer is required to carry out all the legal work when buying and selling your home. They act as the middleman between you and the vendor of the property you're buying, or, if you're selling, the middleman between you and the person buying your property. Other items are also covered within their fees, which typically total around £500 and £1,500 including VAT at 20%.

Mortgage Fees

There are many charges related to the management and set-up of your mortgage. These include a booking fee between £99 and £250, and the arrangement fee, costing around £2,000. You have the option of paying these up front or adding them to your mortgage, allowing you to pay them over the full term of your mortgage period. It's often best to pay these upfront rather than adding them to your mortgage,

otherwise you'll be paying interest on them for the life of the mortgage.

Stamp Duty

Although moving costs are steadily rising, Stamp Duty is one area that's fallen in cost for a number of homebuyers. Thanks to a sweeping reform to Stamp Duty Land Tax (SDLT) in the 2014 budget laid out by Chancellor George Osborne, around 98% of homebuyers will now pay less tax when buying a property. In fact, any property worth less than £93,500 will now pay less tax compared to 2014.

Valuation Fee

This is a valuation of the property you are intending to purchase, carried out by your mortgage lender. This is to satisfy the lender that the money they are prepared to lend you aligns with the value of the property. This can vary depending on the type of mortgage you have, with anything from between £150 to £1,500.

Searches

Solicitors also carry out local searches – costing you between £250 and £300. These local searches check the local area for any defects, local area planning or environmental issues that may affect the property you are planning to buy.

Surveys

A survey is carried out to check for structural defects on the property. There are three types of survey that homeowners can purchase, ranging from around £250 to £600+.

Home Condition survey (cost: around £250) –> this is the cheapest survey, and covers basic structural checks. This type of survey is often chosen by people purchasing new build properties which are still covered by their 10 year NHBC Buildmark warranty.

Homebuyers report (cost: around £400+) –> this is a more detailed survey which also includes a valuation with the survey. This survey looks inside and outside the property for any defects.

Building survey / structural survey (cost: £600+) –> this is the most comprehensive survey you can get. Recommended for older or non-conventional properties, the Building Survey will find any issues with the property, both inside and outside and provide possible solutions to any issues it finds. This survey also comes with its own valuation.

Storage

With increased demand for properties, particularly for those in a chain, homeowners might find themselves having to move into rented accommodation temporarily before they can move into their new home. This is becoming increasingly common, and it's where storage companies like Safestore come to the rescue.

Whether you need storage for storing your household items to de-clutter your home when trying to sell, or if you need somewhere to securely store your furniture while renting before you can move into your new home, Safestore can provide safe and secure storage for any term.

Removal Costs

If you can move into your new home straight away, you'll need a removal company to help you on the big day. To cover a company coming in, taking away furniture and boxes of your items, driving to your new house and unloading the lorry, a standard 3 bedroom semi- detached family house can cost around £370 incl VAT. If you need your large pieces of furniture dismantled and packed before moving, that will cost around £270. Boxes can cost around £1 a box, many of which can be refunded back to the removal company once you've used them for 25p a box (provided they're not damaged)

Telegraphic transfer fee (cost between £40 – £50)

This is paid by the lender to transfer the mortgage money to the seller's solicitor.

As this list demonstrates, there are a lot of costs involved in moving house in today's market. But once you've got the costs covered, the next important thing is starting a new life in your brand new home.

For more handy information on moving house with top packing tips, to do lists, first night essentials, and downloadable labels visit <http://www.safestore.co.uk/personal-storage/moving-house.aspx>

<http://www.safestore.co.uk/>

Ends

For further media information and high res images please contact

Louise French at French PR

T: 07595 276306

E: louise@frenchpr.co.uk

