****

**Worried about the General Election ‘Chain Reaction’?**

**Tips for those nervous about Pre-Election property uncertainty**

* **Don’t let the market make you indecisive –** General Elections have a very strange affect on the housing market, in that it slows down for a 6-month period for no particular reason. People understandably get nervous about making a long-term commitment at a time of potential change, but no one single reason has been uncovered to explain this trend. Research, plan and make the right decision for you, but don’t allow this unique British phenomenon to unsettle you for no good personal reason.
* **Be guided by history –** currently, low interest rates make this a very good time to buy due to the competitive mortgage rates that exist in the market. The pre-Election market of 2015 compares very favourably to 2010, so if you are in need of reassurance, look back at the market conditions ahead of previous elections, as this can often be comforting.
* **Weigh up the cost benefits –** In 2010, many sellers in the market delayed selling their property due to the Conservatives’ commitment to abolishing the then mandatory £500 Home Information Packs that sellers had to provide. For some this was a sound decision, for others you could argue that their indecision resulted in them missing out on their next property due to the fluctuating conditions of the property market at the time. Only you can know that if letting your decision be guided by a single pre-Election pledge is a risk worth taking given how the property market can change so quickly.
* **Assess how much will actually change -** if you are a first-time buyer, you are likely to need at least a 15% deposit to be offered a mortgage with a competitive interest rate**.** If you have this and have secured your dream first-time home, the current market is stable enough that delaying your purchase purely because of the Election will only increase the chances of you being gazumped/losing the property.
* **Consider the wider factors –** the UK property market can be impacted by a number of different elements, both political and economic. So the factors making you nervous pre-Election may well be true at any time. For example, the Coalition’s mid-term introduction of top–up university fees couldn’t have been predicted at the time of the last Election. The Liberal Democrats were criticised as this was policy was introduced in direct contradiction of their election manifesto. This is an example of pre-election pledges from political parties can change and the risks you take in basing a long-term purchasing decision on pre-election pledges.
* **Plan for the worst-case scenario –** Interest rates are currently at record-low levels, but it is crucial you budget for potential interest rate rises in the future. If you allow for interest rates to increase by 3-5% of the term of your mortgage, you are less likely to get an unwelcome surprise through your term.
* **Work with professionals** – it may sound obvious, but any concerns you have can often by allayed by working with professionals. The reassurance that the property is structurally sound alongside the knowledge that you have sought sound legal and financial advice can only help you get closer to completing your transaction, whether it be just before a General Election or not.

**01926 491181**