



A Planning Guide to Secure Private Accommodation

Transition Information Sheet 7

Introduction

Service Personnel (SP) are responsible for securing their own accommodation when they leave the Services. This needs to be understood at the beginning of military careers in order that SP have the maximum amount of time to plan and achieve the best possible long-term accommodation outcome for themselves and their family. The Joint Service Housing Advice Office (JSHAO) provides housing information to assist individuals plan for their future accommodation requirements. This Information Sheet does not seek to replicate the wealth of detailed information that the JSHAO publishes or is provided by MoneyForce or the multitude of professional organisations that cater for the needs of the Armed Forces. It provides sufficient information for individuals to address this important subject early and undertake their own research in order to secure their own futures. The majority of Army personnel serve for less than 10 years which is not a long time to prepare for their future housing needs. **Don't delay; start planning now for your long-term housing security.**

Aim

This planning guide highlights the importance of individual early planning for future housing needs and provides a 'handrail' or route map of the pathway which leads to successfully securing private accommodation.

Property Purchase

Buying a property is likely to be the largest purchase most individuals make in their lives. It should therefore be approached deliberately, responsibly and with all information available in order that the right decisions are made at the right time. The scale and complexity of securing your future private accommodation can appear overwhelming. This Planning Guide offers a simple 3 – Phase approach which breaks the process down and provides a logical sequence to follow. Adopting this approach will help SP achieve a sound foundation from which to start and suggest a step by step sequence to follow in order to reduce the chances of delay, frustration or failure.

3 - Phase Approach to Property Purchase

Preliminary Activity

Be aware of personal housing responsibilities and options
Understand the importance of Personal Financial management
Take initial Independent Financial advice (IFA)
Know your Credit Rating (and improve if necessary)
Control expenditure, plan expenditure, reduce debt
Save for short term contingency (security)
Build long-term savings (deposit & expenses)

Explanatory notes

- Take responsibility for yourself (and your family)
- Research options & set goals
- Improve knowledge and understanding
- Adopt a longer-term view
- Work towards establishing security (finance and accommodation)
- Set the conditions for planning
- It can take years to establish a positive credit rating

Planning

Calculate your housing requirement
Know the scale of additional costs of purchase and ownership
Select location /area
Mortgage calculator (rough estimate)
Research house purchase/rent schemes
Rent or buy ?
Mortgage advice
Get a 'Mortgage in Principle' (MIP)

- What sort of property do you need
- Be aware of additional costs; council tax, fees, duties etc.
- Area/Location: family connections, employment opportunities, cost of living, house prices.
- Cost of mortgage: take independent financial advice
Building Societies & Banks are not independent.
- Don't borrow more than you can repay monthly.
Interest rates rise as well as fall.
- Confirm whether you should buy or rent
- A MIP indicates the amount that you might be lent

Execution

View properties
View properties you are interested in at different times of day
Calculate cost of ownership
State Interest and make Offer
Contract negotiation
Conveyancing
House insurance
Obtain keys
Move in

- Execution can take 2 – 6 months
- The more properties you see, the more familiar you will become with the market
- Check for traffic, noise, future developments, amenities, schools and the neighbourhood.
- Calculate cost of buying & ownership; Mortgage arrangement fee, Valuation fee, Legal fees, Stamp duty, Surveys, Building Insurance at Exchange of Contracts, Removal cost, Council tax, outstanding maintenance & repairs; boiler, electrical wiring, plumbing, damp, roof, furniture.



Affordable Home Ownership Schemes.

In addition to the various Government backed housing schemes available to the public, the regular Service community benefits from the Forces Help to Buy scheme which is designed to make home ownership more achievable. The JSHAO can provide information on these and share their knowledge and experience on the application of these schemes.

Finding a Property

You can still find property the traditional way via local newspapers, small ads, letting and property management agents. There are also many online websites like Primelocation.com, Rightmove.co.uk, and Zoopla.co.uk.

Again, view as many properties as you can and scrutinize them rigorously. Check that everything works such as; taps, toilets, showers, light switches, electrical goods. If renting or buying the property will be offered "as seen". List all damage, breakages and faults and get clarification on how they will be fixed – taking photographs of issues will assist you. Check on parking availability. Assess levels of noise from traffic, neighbours and the impact of local businesses and industry.

Buy to Let

If you wish to buy a property with the intention of letting it the 3 – phase approach can still be used. Normally civilians need to apply for a Buy to Let Mortgage which is based on the rent that the property will realistically earn (making allowances for periods between tenants when no rent will be realised). SP have the advantage of being able to Buy-to-Let using a normal residential mortgage having never lived in it first. Buy to let is subject to increased rates of [Stamp Duty Land Tax \(SDLT\)](#) less properties in Scotland. Letting a property means that you take on the responsibility of a landlord which carries risk such as 'problem' tenants, unplanned and extended periods without tenants, rising interest rates, reduced rental rates and a fall in the value of the property. You will also need to pay tax on the income resulting from the let. Landlords can engage the services of a Letting Agent. Costs vary between 10 – 20% of the rent.

Renting Property

If a Service person decides that property purchase is beyond their capability or the time is not right, renting is the next option. Phases 1 and 2 of the 3-Phase Approach are equally valid in preparing to secure rented accommodation. The cost of renting a property is greater than just the agreed monthly rate and will most likely include the monthly rent and will most likely include council tax, utilities (gas, electricity and water), phone and broadband including connection, TV licence, household contents insurance. You will need to provide a deposit up-front which could be 4 – 6 weeks rent, but could be up to 6 months rent if you are a recent Service leaver and not in employment. If renting a flat you may also be subject to a service charge and ground rent, although this may be paid by the landlord so check the rental agreement. If the landlord allows pets the tenant may be subject to a pet deposit. The landlord or letting agent will wish to:

- Undertake a credit check on likely tenants which will include debt and credit history, bankruptcy, court judgements.
- See confirmation of name, date of birth, nationality.
- Proof of your right to be in the UK.
- References from a previous landlord; the Defence Infrastructure Organisation (DIO) may provide proof of previous occupation or a reference.
- Proof of current address; bank statement or utility bill.
- Details of where you have lived over the previous 3 years.
- Details of your employment and income (payslip).



Landlord's Responsibilities:

Should meet the Department for Communities and Local Government guidelines to provide a Decent Home Standard comprising:

- The property meets the statutory minimum standard for housing in that it is safe and free from category 1 hazards (cause death or pose a serious danger to health).
- A reasonable state of repair.
- Has reasonably modern facilities and services.
- Provides a reasonable degree of thermal comfort (effective insulation and efficient heating)
- To provide at the time of occupation; Gas Safety Certificate, Record of Electrical Safety Inspections, Energy Performance Certificate (EPC), Fire Safety Management Systems.
- Register tenant's deposits with a government –approved tenancy protection scheme within 30 days of receiving it.
- Maintain the structure and exterior of the property.
- Should provide an Inventory detailing fixtures, fittings and appliances, general cleanliness and condition, but is not obliged to. (The tenant should compile their own and register it with the Landlord.
- Fit smoke alarms on every floor and carbon monoxide alarms in rooms using solid fuels such as coal and wood. Make sure they work. If absent ask the landlord to fit them.
- Utilities infrastructure: Water, electricity and gas supply.
- Maintain appliances and furniture that have been supplied.
- Carry out repairs.
- Provide insurance for damage arising from flood or fire.

Tenant's Responsibilities:

- Declare any criminal record
- Pay rent on time.
- Pay utilities bills and council tax.
- Look after the property
- Get landlords consent before making any changes to the property or making repairs or decoration.
- Take out household contents insurance.
- Be considerate to neighbours
- Don't take in a lodger or sub-let without the landlord's consent.
- Understand and comply with the tenancy agreement.

Devolved Government Variations

There will be differences in legislation and process across the UK. You can start your research on the following sites; gov.uk [Housing NI Housing Legislation](#) , [Housing Act \(Wales\)](#) , [Gov.scot Housing private rent](#)

This planning guide introduces SP to the process of buying or renting property. It does not replicate the wealth of detailed and invaluable information that is available from expert sources. However, it does highlight the importance of this subject and signposts SP to sources of information so they can conduct their own research that will underpin sound decision making and secure their future housing needs.

Access to more detailed information is available at:

<https://www.gov.uk/government/collections/joint-service-housing-advice-office-jshao>

www.siiap.org

<http://www.nationwide.co.uk/~media/MainSite/documents/guides/forces-help-to-buy/armed-forces-help-to-buy.pdf>

www.moneyforce

www.moneysavingexpert.com/mortgages/house-buying-guide

www.joiningforcescu.co.uk

<https://www.gov.uk/stamp-duty-land-tax/overview>

<https://www.communities-ni.gov.uk/topics/dsd-law-and-legislation-housing/housing-legislation>

<http://gov.wales/topics/housing-and-regeneration/legislation/housing-act/?lang=en>

<http://www.gov.scot/Topics/Built-Environment/Housing>

<https://www.gov.uk/browse/housing-local-services>

<http://www.gov.scot/Topics/Built-Environment/Housing/privaterent>

