



YOUR HOME FINANCE

Finance Made Easy



A Guide to Buying in Scotland

Buying property in Scotland has distinct differences from purchasing property in the rest of the UK, so it's important to get an understanding of the process to help make your buying experience smoother and more efficient.

The aim of this guide is to take you through the entire process step by step, from finding a mortgage to completion and moving in.

The mortgage application process

1. Assessment of finances – gather your financial documents, including payslips, bank statements and proof of identity. We will assess your income, outgoings and credit score. In some cases, it can be advisable to take steps to improve your credit score before putting in an application.

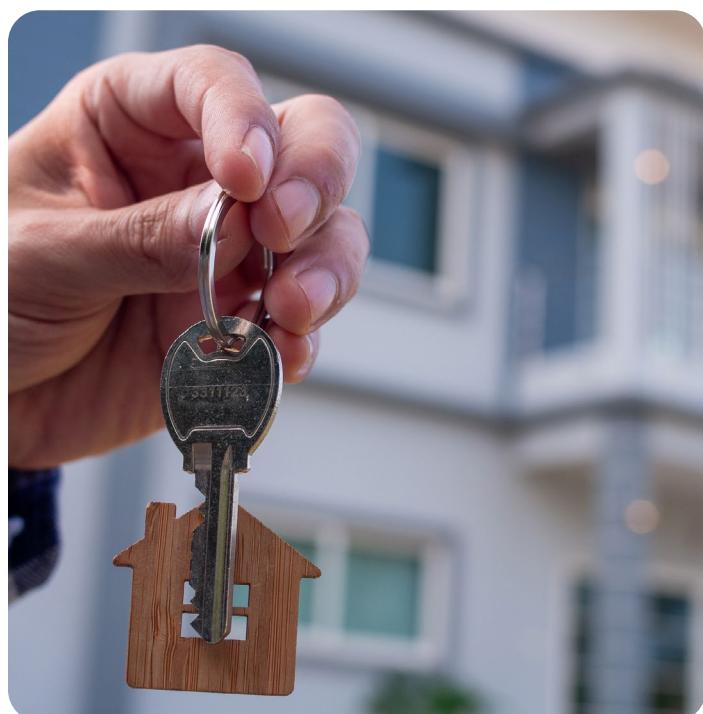
2. Mortgage in principle – getting a mortgage (or agreement) in principle helps you to understand how much you could borrow before you apply for a mortgage. It shows sellers that you are a serious buyer.

3. Property search – begin looking for properties within your budget. Once you find a property, inform us.

4. Full application – we are here to assist in the completion of the mortgage application, submit it with the necessary documents and liaise with the lender.

5. Valuation and survey – the lender will conduct a mortgage valuation to ensure the property is worth the amount you wish to borrow. We can also advise you on your options for a home survey.

6. Offer and acceptance – once the lender approves your mortgage, you will receive a formal mortgage offer.



Land and Building Transaction Tax (LBTT)

In Scotland, residential property buyers must pay Land and Building Transaction Tax (LBTT), which replaced Stamp Duty in 2015. LBTT rates vary based on the purchase price of the property, and the Scottish Government has confirmed the rates will stay at the current levels until 2026¹:

Up to £145,000:	£145,001 to £250,000:	£250,001 to £325,000:	£325,001 to £750,000:	Over £750,000:
0%	2%	5%	10%	12%

First-time buyers are currently exempt from LBTT on the first £175,000 of the property price. There is a government online calculator to work out the amount of LBTT you'll have to pay.

Appointing a solicitor

A solicitor will handle the legal aspects of your property purchase including:

- Conducting property searches
- Drafting and reviewing contracts
- Handling the transfer of funds
- Ensuring compliance with legal requirements.





Home Report

In Scotland, the seller is responsible for providing a Home Report, which includes:

- **Energy Performance Certificate (EPC):** Assesses the property's energy efficiency and environmental impact.
- **Single Survey:** A detailed property survey conducted by a chartered surveyor, including an assessment of the property's condition and market value.
- **Property Questionnaire:** Completed by the seller, providing information about the property, such as the council tax band, parking arrangements, services provided to the property, any repairs or alterations that have taken place and any known issues.

It's important to review the Home Report carefully to understand the property's condition and any potential issues.

Note of Interest

Once you find a property you like and you're happy with the Home Report, ask your solicitor to submit a Note of Interest to the seller's solicitor. This indicates your interest in the property and ensures you are kept informed of any developments, such as closing dates for offers if a number of people have expressed interest. If there's no closing date set, this could mean nobody else has noted their interest, so instead of making an offer, you might be able to negotiate a price with the seller.

Making an offer

After deciding to proceed, your solicitor will submit a formal offer to the seller's solicitor. Offers in Scotland are usually made in writing and can include conditions such as:

Subject to survey

Subject to valuation

Subject to mortgage approval

The offer will also include a proposed date of entry (the date you take possession of the property). The seller may accept, reject or ask to negotiate the terms of your offer.

If the offer is accepted, let us know, so we can liaise with the lender and ensure your mortgage funds will be released at the right time.



Title burdens

Title burdens or conditions are legal obligations or restrictions on the property, detailed in the title deeds. Your solicitor will review the title deeds and advise you on any burdens or conditions affecting the property. Understanding these burdens is crucial as they can impact how you use and enjoy your property.

These can include:

- **Maintenance of shared areas:** Responsibilities for maintaining communal areas, such as gardens, driveways, fences and private roads.
- **Building restrictions:** These might limit the types of structures you can build or alterations you can make.
- **Restrictions in use:** Limitations on how the property can be used, such as prohibiting commercial activities or alterations.
- **Easements:** Rights granted to third parties, such as a right of way through your property.

Exchanging and concluding missives

The period of negotiation involves a series of letters (exchanging missives) between the buyer's and seller's solicitors, culminating in a binding contract. The conclusion of missives is the final stage of the offer process, where both parties agree on the terms of the sale. Once the missives are concluded, both parties are legally committed to the sale.





Disposition

The disposition is the legal document that transfers ownership of the property from the seller to the buyer. It must be signed by the seller and delivered to the buyer at settlement. This document is then registered with the Registers of Scotland to officially record the change in ownership. The disposition will include:

- **Names of parties:** The full legal names of the buyer and seller
- **Property description:** A detailed description of the property, including its boundaries and any relevant title conditions
- **Purchase price:** The agreed purchase price for the property
- **Date of entry:** The date on which the buyer takes possession of the property.

Your solicitor will draft the disposition and ensure that it accurately reflects the terms of the sale. They will also ensure it is properly executed and registered.

Finding a mortgage – how we can help

Buying property in Scotland involves several unique steps, from understanding how we can help you with the application to navigating LBTT, working with a solicitor, making an offer and completion.

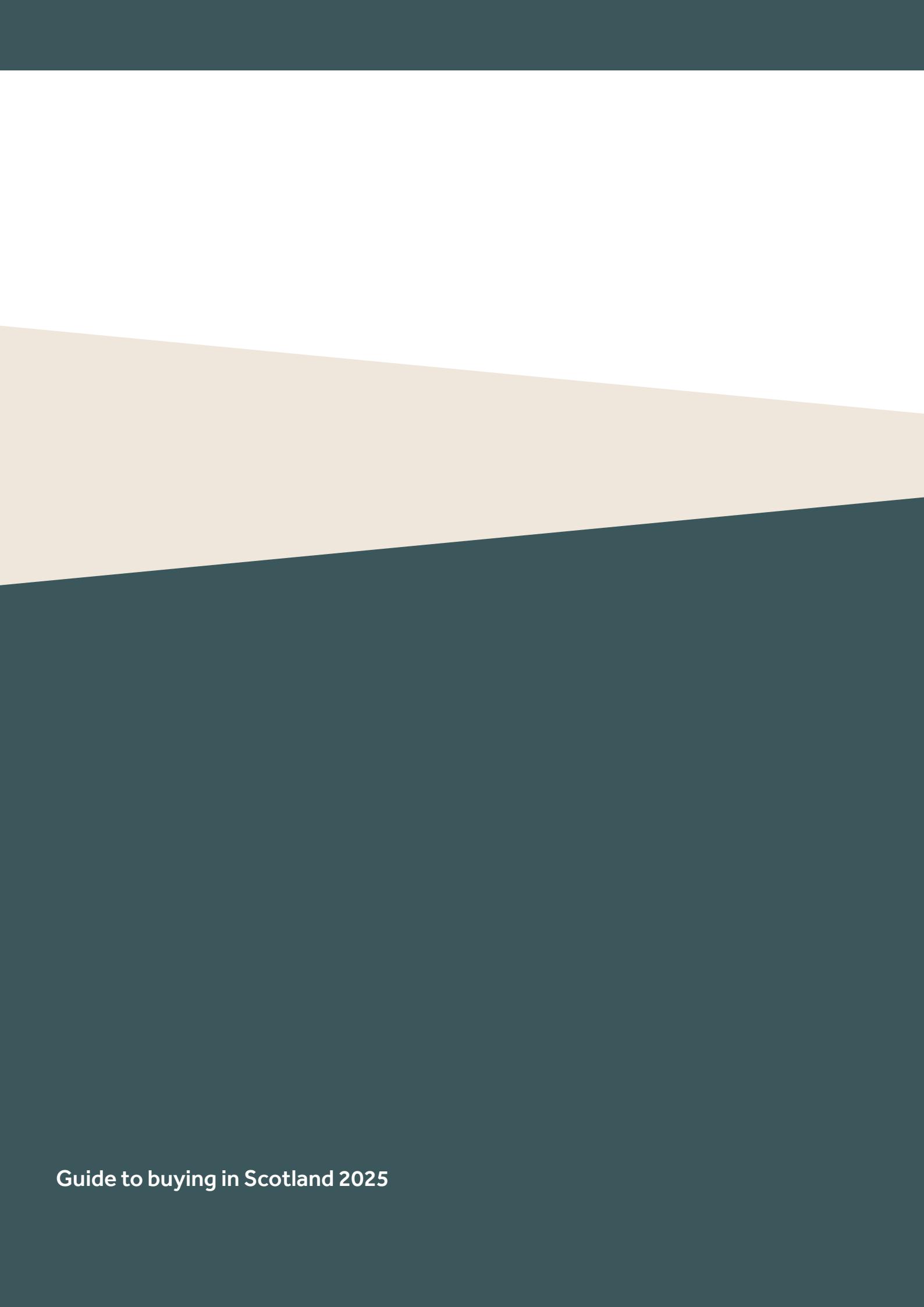
Getting a mortgage is one of the biggest financial commitments you can make, so it's important to get it right. We can search the market on your behalf and recommend the most suitable deal for your circumstances, to fit your financial situation and property goals.

- **Independent advice:** We provide unbiased advice on a range of mortgage products from various lenders, ensuring you get the most suitable deal for your individual circumstances. We also have access to deals you wouldn't be able to find on your own.
- **Market insight:** We have in-depth knowledge of the mortgage market and can help you understand the pros and cons of different mortgage types, such as fixed-rate, variable-rate, and tracker mortgages. We are also able to adapt quickly as the mortgage market changes.
- **Application support:** Our experience means we know which lenders are best suited to your circumstances. We help you to prepare your mortgage application, increasing your chances of approval by presenting your financial situation in the best light.

Working with us can save you time and money, as well as provide peace of mind during the mortgage process.

Your home may be repossessed if you do not keep up repayments on your mortgage.

It is important to take professional advice before making any decision relating to your personal finances. Information within this document is based on our current understanding and can be subject to change without notice. No part of this document may be reproduced in any manner without prior permission.



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