



# DENTAL & MEDICAL

## FINANCIAL SERVICES

**Dental & Medical Financial Services**

1 Market Square, Horsham,  
West Sussex RH12 1EU

**T:** 01403 780 770

**F:** 01403 780 771

**E:** [info@dentalandmedical.com](mailto:info@dentalandmedical.com)

**W:** [www.dentalandmedical.com](http://www.dentalandmedical.com)

## Venturing into a joint property purchase?

Important information should you know before you begin

In the current financial climate, some homebuyers will ponder who they might purchase a property with. If this is the route you are considering, you must equip yourself with the necessary information before venturing into a joint property purchase. Before embarking on your search for a new home, you and your potential co-buyer need to discuss your financial capacities openly.

This includes the initial deposit, monthly mortgage repayments and routine living expenditures. When resources are combined, you often find you can afford a larger property in a more sought-after location, dividing the mortgage and regular bills. It's akin to sharing rent with mates, but instead, your money is channelled into your mortgage rather than into your landlord's pocket.

### Delving into your financial past

While on the topic of finances, it's crucial to delve into both of your financial pasts, including any details that might adversely affect your chances of securing a mortgage. Though it may be an uncomfortable conversation, it's preferable to be aware of any potential issues at the outset rather than be taken aback by a mortgage refusal due to undisclosed credit score problems.

### Understanding joint mortgages

If you're contemplating borrowing beyond what your individual income would permit, a joint mortgage could be the appropriate choice. Some lenders allow up to four people on a mortgage agreement, typically considering the two highest incomes when determining the amount that can be loaned.

However, each person is equally accountable for the mortgage repayments and charges, and if one party defaults, the lender can insist on full payment from the other borrowers. Before finalising an agreement, every borrower must meet the lender's prerequisites and credit criteria.

### Contemplating 'tenants in common'

Purchasing as 'tenants in common' rather than joint tenants empowers you to own your portion of the property independently and proportionally. This allows you to sell your share and receive a return on your investment relative to your contribution. For instance, if you contribute 50% towards the deposit and mortgage, you own 50% of the property's value, regardless of whether it rises or falls.

### Drafting a legal contract

Regardless of your connection with your co-buyer – whether they're a sibling, friend or partner – it's essential to have a legal contract

drafted by a professional solicitor. This document safeguards you if one party decides to sell their share, relocates or encounters financial difficulties. It may seem awkward now, but such contracts can avert future disputes and protect your relationships.

### Consulting a professional mortgage adviser

Before finalising a property or exploring mortgages, consult a professional mortgage adviser. We can address any queries, assist in determining your potential borrowing amount for a joint mortgage, and provide access to rates and deals not typically available on the high street. As part of the process, we will ensure you find the most suitable mortgage for your circumstances. ■

### In need of professional mortgage advice?

Applying for a mortgage is a significant financial decision. We're here to guide you step-by-step on locating and applying for the right mortgage. For further information, don't hesitate to please contact us.

