

## Q&A: BUYING



**Russell Hunt**  
MANAGING DIRECTOR OF  
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**Q** Dear Russell, like everyone, I am looking to find a bargain property. Would you recommend going to auctions?

**A** You can find a bargain property at auctions if you know how to avoid the very deep pitfalls. First, you need to know why the property is such a bargain. If you don't have a friend who is a surveyor or a builder, you must instruct a surveyor to look at it first to check it doesn't have major problems such as subsidence or damp. Visit it in the day and also at night: you may discover horrors that explain the low price.

Be aware that you will have to pay a lot upfront if you take this route. You need to instruct a surveyor to look at it before the auction and there is no guarantee that you will get the property on the day. If you do this a few times and lose out on a few properties the costs will mount up. In this climate, bargains can be found without going to auctions and without having those costs upfront.

If you decide to go ahead, I would suggest going with an experienced bidder. Make sure you have a ceiling price in mind – the maximum you are prepared to pay for the property – and don't go above it. Remember, you can't pull out once you have committed.

**Q** Dear Russell, I have found a flat I want to buy but the lease is very short. The estate agent is vague about the cost to extend the lease and I need this information to apply for a mortgage. What can I do?

**A** There are calculations that can be done to work this out but this is a complicated process and really needs to come from the managing agent or the freeholder. Find out who the freeholder is and make an approach either directly or via the managing agent.

Extensions usually add an extra 90 years, but the cost can vary, so start by obtaining figures of how much it would cost for varying additional years. The good news is that lease extensions are based on the value of the property, so with falling prices, the cost of the extension should be lower. These prices are not set in stone and you can also negotiate with the freeholder on the cost of extending the lease. If you feel the freeholder is being unreasonable, you can go to a tribunal.

You will need to be served notice by the existing seller in order to extend the lease, otherwise you have to wait a year before you are legally eligible to extend the lease yourself. If the property is in a block, you may well find that the other residents are already looking to purchase the freehold. If so, you may be able to participate in this with them and become a joint freeholder.

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[www.property-hunt.co.uk](http://www.property-hunt.co.uk)