

# PROPERTY NEWS

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## Breaking the House Chain – *removing the weakest link*

**H**istorically it's been ingrained in homeowners that once on the property ladder: do not step off! But as uncertainty continues to plague the property market, and recent reports of a greater number of sales falling through in England and Wales, buyers should be more open minded as to the possible benefits of breaking the chain.

A chain means that your home sale and purchase are dependent on each other. Following this traditional chain route in theory provides buyers with at least the expectation of certainty of their next home, only one set of moving costs, and avoids the costs and stresses associated with renting. Property sales collapsing before completion are however reported at a 5-year high be it due to buyers getting cold feet and changing their minds on a property, buyers pulling out over legal issues, a hiccup on the mortgage (with some buyer's mortgage rates increasing mid-deal), or something unexpected on the survey report. Against this backdrop, the chain that was once there to provide comfort to buyers, now increasingly exposes buyers to the increased risk of their own sale and purchase falling through if part of a chain.

Furthermore, chain building that was once the model loved by selling agents who could sell numerous houses in the same transaction, are now plagued by the same challenges as buyers: in a market moving slowly it will be increasingly difficult to complete a property chain for the second time at the previously agreed price. As such, selling agents with their eyes on pipelines are also far more focussed on the comfort of ensuring at least one transaction in that chain is heading safely over the line to completion, versus risk losing the entire chain.

### The Benefits of 'Unchaining' yourself as a Buyer

#### 1 – Securing the sale of your current property

If your buyers are piling on the pressure, and it's an offer on your own home that you do not want to risk losing, it's a powerful tool to be able to exchange on your own sale without needing to exchange on the onward property. Breaking the chain can give you a much higher likelihood of your own sale going through. The fewer sales there are in a chain, the less that can go wrong.

#### 2 – Removal of Stress

Aside from stress in getting to the position of simultaneous exchange, and thereafter completion, in a chain where you have no control over various elements of it, you also remove the stress of finding your onward property. In a market where there are reported shortages of stock, this is particularly key to avoid the expensive mistake of being rushed into the wrong decision.

Not being at the mercy of other parties in the chain all trying to pass on reductions on their own offers due to surveys etc, will also provide you with certainty on your budget when you are in a position to buy. You will know your budget for your sale price and, as best you can, removed the risk of overstretching due to elements of a transaction you had no control over.

#### 3 – Far Stronger Buying Position

As a chain free buyer you are far more attractive to a seller, and also their selling agent. This will certainly put you in a prime position to get in the door of off-market properties, those popular ones that might still go to "best bids", and thereafter to put forward a competitive offer on properties for sale both on and off-market.

By breaking the chain and guaranteeing your sale, your next offer on your onward property can be put forward without complications in a more precise and confident manner, giving your next vendor and their agents a greater peace of mind and stronger chance of success.

Where you have instructed a Buying Agent, being chain free also enables your agent to put forward a strong bespoke campaign targeting suitable homes that may not be on the market.

#### 4 – Helps Avoid Wasted Costs

Traditionally some 25% to 35% of home movers incurred costs as a result of failed sales, with these figures likely to increase due to today's more cautions and interest rate ridden market. By breaking the chain and thereby reducing the risk of a sale falling through, you are lessening the likelihood of being exposed to wasted costs of surveys, searches and legal fees etc.

Whatever stage you are at in the search for your home we welcome any questions that you might have and would love to chat.

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