

# Property Condition

Common reasons **lifetime mortgages** are declined

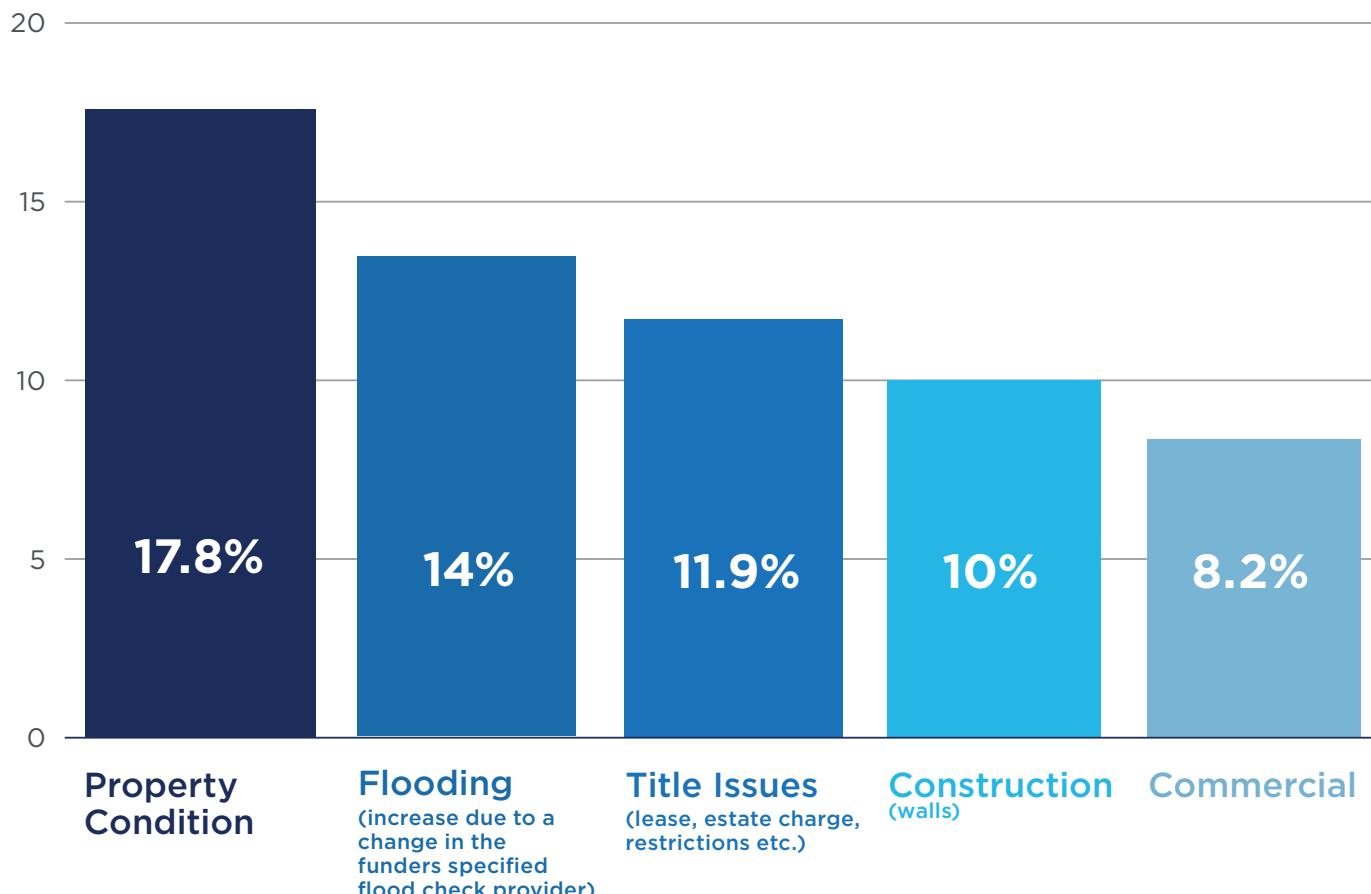


**The condition of the property is the most common reason for declined applications.**

The vast majority of lifetime mortgage applications are approved after a thorough, independent survey by a qualified surveyor, but many are also declined for various reasons relating to the property's condition. In this factsheet, we look at potential issues relating to the property's condition, wall and roof construction that could potentially constitute grounds for a case being declined.

We treat each application on a case-by-case basis by reviewing surveyor comments and, with our underwriting promise, we assign a dedicated underwriter to each application who will provide you with updates and be on hand to discuss further questions. Should your application be declined, our Intermediary Sales team can assist with additional plan queries and offer guidance on alternative options should the current product be unsuitable.

## Reasons for Declined Lifetime Mortgage Applications



Percentage of Total Declines (2022 YTD)

Statistics from Nov 2022 – Jan 2023

# Property Condition

Property condition issues come in many forms and don't just relate to the physical structure of the building itself. This could mean, for example, that the property is not readily saleable in its current condition and requires works to bring it up to standard.

Similarly, if the surveyor can't carry out a thorough inspection of the property, an application may be declined as without a surveyor's valuation, our underwriters can't make a lending decision. Excessive amounts of clutter and properties used for storage fall into this category; however, we can give the customer the option to clear the property so we can re-evaluate their application.

Property condition can also relate to homes falling outside our lending criteria, such as high-rise flats, properties that have more than one kitchen, or those that exceed the maximum number of bedrooms. Similarly, new build properties without acceptable warranties including, but not limited to, a National House Building Council (NBHC) Certificate, may be declined.

Each of our lifetime mortgages has different criteria relating to property condition:

Classic Range	Emerald Range	Heritage Range	Sovereign Range
<p><b>We can consider:</b></p> <ul style="list-style-type: none"><li>Properties with 1-6 bedrooms.</li><li>Properties in a good state of repair.</li><li>Properties that aren't used for hoarding.</li><li>Properties with a maximum of one kitchen.</li><li>Some types of flat/apartment. Buildings, including apartment blocks, should have no more than four storeys in most cases. Studio flats only acceptable within the M25 corridor.</li><li>Those that don't require major essential works, significant renovation, or alterations (minor, non-essential works can be considered up to the value of £3,000 inc. VAT).</li></ul>	<p><b>We can consider:</b></p> <ul style="list-style-type: none"><li>Properties with 1-5 bedrooms.</li><li>Properties in a good state of repair.</li><li>Properties that aren't used for hoarding.</li><li>Those that don't require major essential works, significant renovation, or alteration (minor, non-essential works can be considered up to the value of £1,000 inc. VAT).</li></ul>	<p><b>We can consider:</b></p> <ul style="list-style-type: none"><li>Properties with 1-7 bedrooms.</li><li>Properties in a good state of repair.</li><li>Properties that aren't used for hoarding.</li><li>Properties with a maximum of one kitchen.</li><li>Some types of flat/apartment. Buildings, including apartment blocks, should have no more than six storeys in most cases, depending on location.</li><li>Those that don't require major or essential works, significant renovation or alteration (minor, non-essential works can be considered up to the value of £2,500 inc. VAT).</li></ul>	<p><b>We can consider:</b></p> <ul style="list-style-type: none"><li>Properties with at least one bedroom. No Maximum.</li><li>Properties in a good state of repair.</li><li>Properties that aren't used for hoarding.</li><li>Properties with a maximum of one kitchen.</li><li>Some types of flat/apartment. Buildings, including apartment blocks, with no more than four storeys in most cases. No studio flats.</li><li>Those that don't require major essential works (over £2,500 inc. VAT), significant renovation or alteration.</li></ul>

## Roof Construction

The condition of each property's roof, including its general construction, is thoroughly analysed to ensure it meets our criteria. For example, roofs that are 100% flat felted, or those constructed from fibreglass or any other material that is defined as 'non-standard', may be declined, as well as properties with a high proportion of flat roofing.

Our lifetime mortgage ranges all have different criteria relating to roof construction:

Classic Range	Emerald Range
<p><b>We can consider:</b></p> <ul style="list-style-type: none"><li>• Tile or slate roofs.</li><li>• Felt and asphalt roofs.</li><li>• Copper and lead roofs.</li><li>• Thatched roofs (reed or straw only).</li><li>• Up to 100% flat roofs on selected Classic products.</li></ul> <p><b>We're unable to consider:</b></p> <ul style="list-style-type: none"><li>• Asbestos roofs.</li><li>• Properties with spray foam insulation.</li><li>• Flat roofs that are greater than 50% of the property's roof area and do not fit under the specified LTV criteria in the considered section.</li></ul>	<p><b>We can consider:</b></p> <ul style="list-style-type: none"><li>• Tile or slate roofs.</li><li>• Flat roofs over non-habitable accommodation.</li><li>• Flat roofs over dormer windows or extensions subject to a maximum of 25% of the roof area of the property.</li></ul> <p><b>We're unable to consider:</b></p> <ul style="list-style-type: none"><li>• Zinc roofs.</li><li>• Thatch roofs.</li><li>• Asbestos roofs.</li><li>• Flat roofs greater than 25% of the total roof area of the property.</li><li>• Roofs internally or externally insulated with foam insulation (or other matter).</li></ul>
Heritage Range	Sovereign Range
<p><b>We can consider:</b></p> <ul style="list-style-type: none"><li>• Tile and slate roofs.</li><li>• Thatched roofs subject to construction type and condition.</li><li>• A maximum flat roof percentage of 30% will be accepted, however up to 100% can be considered.</li></ul> <p><b>We're unable to consider:</b></p> <ul style="list-style-type: none"><li>• Asbestos roofs.</li><li>• Properties with spray foam insulation on the underside of the roof.</li></ul>	<p><b>We can consider:</b></p> <ul style="list-style-type: none"><li>• Thatched roofs. (reed or straw only).</li><li>• Tile and slate roofs.</li><li>• Properties with up to 100% flat roofs.</li></ul> <p><b>We're unable to consider:</b></p> <ul style="list-style-type: none"><li>• Asbestos roofs.</li><li>• Properties with spray foam insulation on the underside of the roof.</li></ul>

## Wall Construction

The construction of a property's walls can also impact a lender's ability to approve a lifetime mortgage application. Examples can include walls being single skin, concrete panels or have timber frames built between 1900-1965.

Our lifetime mortgage products each have different specific criteria relating to roof construction:

### Classic Range

#### We can consider:

- Wattle and daub.
- Cob now acceptable.
- Timber framed properties built post-1970 with an outer skin of brick or stone.
- Wimpey no-fines and Laing easiform type 2 concrete construction.
- Conventional walls, i.e., 265mm + a cavity, or 225mm + a solid layer of brick, stone, or flint.

### Emerald Range

#### We can consider:

- Conventional walls.
- Historic timber framed.
- Wimpey no fines concrete.
- Steel frame walls built post-2000.
- Timber frame walls built post-1970 with outer skin of brick or stone.

### Heritage Range

#### We can consider:

- Cobb construction.
- Standard construction.
- Cross wall construction.
- Modern timber frame (post-1965).
- Wimpey no fines and Laing easiform type 2 concrete construction.

### Sovereign Range

#### We can consider:

- Steel framed flats.
- Cobb construction.
- Wimpey no fines and Laing easiform concrete.
- Tudor style timber framed in historic towns/areas.
- Conventional walls, i.e. 265mm + a cavity, or 225mm + a solid layer of brick, block, stone etc.

Each of our products have specific criteria not only in terms of property condition, wall and roof construction, but also relating to other property and applicant details. Please take the time to research the finer points of each of our lifetime mortgage products in order to find the most suitable solution for your client.

**Built specifically for financial advisers, our criteria search tool is designed to help you navigate our lending criteria** to find the right lifetime mortgage for your client, allowing you to filter each product by specific criteria. If you can't find what you are looking for or have any queries, **please get in touch with a member of our Intermediary Sales team.**

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