

FIRST TIME BUYERS **GUIDE**

SAVING UP A DEPOSIT

Start saving early, the bigger your deposit, the more likely you are to get a better mortgage rate. Also do all you can to improve your credit score – this can save you thousands in the long term.

When you apply for a mortgage, the lender will run a credit check on you to decide how much you can afford to borrow so before you go house-hunting find out how much a lender will let you borrow.

FINDING A MORTGAGE

Your adviser can research the whole of the market to find the best mortgages in terms of affordability and suitability. Having a mortgage adviser greatly increases your chances of your application being accepted first time, and can also save you a great deal of money over the long term.

You may be able to get a mortgage in principle certificate (MIP) from a lender before your mortgage is formally approved. This can reassure estate agents and sellers that you can afford a particular property.

GUARANTOR MORTGAGES

If you find it hard to get an ordinary mortgage, you may still be offered a guarantor mortgage if you have parents or other family who are willing to help you out. With this kind of mortgage, the guarantors (e.g. your parents) agree to cover your mortgage repayments if you can no longer pay them.

SHARED OWNERSHIP

If a lender won't offer you a large enough mortgage to buy a whole property, another option is shared ownership. This is where you purchase a portion of the home and pay rent on the rest.



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FIRST HOMES SCHEME

The government [First Homes scheme](#) is a policy that will provide discounted homes to first-time buyers in England who otherwise wouldn't be able to afford one. More specifically, under this scheme, first-time buyers will be able to purchase a new build property in their community at a discount of 30% on the market price. For an average new-build property in England, this will equate to a saving of around £100,000.

BUYING WITH FRIENDS

It's even possible to buy a property in a group of up to four friends. Find out more about buying together [here](#).

CHOOSING A PROPERTY

Now for the fun bit. Once you know how much you can borrow, you can find a property in your price range and start to look around.

Aim for the best you can afford, but give yourself a safety margin. Your adviser can show you how interest rate rises will increase your mortgage repayments, to help you work out what you can afford.

Don't be discouraged – you may have to view a lot of properties before you have an offer accepted.

HIRING A SOLICITOR

When your offer is accepted, the buying process – known as [conveyancing](#) – can begin. For this, you'll need a solicitor. You may need to see them in person several times and hand over important documents, so choosing a local solicitor is a big advantage.

Your solicitor's job is to ensure that your purchase is fully legal and that there are no nasty surprises for you – such as finding the property is on a short lease, or that the garden really belongs to next-door.

A good solicitor can make all the difference in the hectic final weeks of a home purchase.



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GETTING A SURVEY

It is advisable to hire your own surveyor to report on your home before you exchange Contracts.

For newer properties, a RICS HomeBuyer's report should be sufficient if you have no immediate plans for major building work.

However, if the property is over 30 years old, unusual or in apparently poor condition, you should arrange a RICS Building Survey (often called a 'full structural survey'). Likewise, if you plan to carry out an extension or conversion, you should choose this more detailed survey. A Building Survey can cost between £500 and £2,000 depending on the size of the home.

NEGOTIATING ON PRICE

Sometimes a survey will turn up problems that are not deal-breakers, but which will incur unforeseen costs for you. In such cases, it may be worth trying to renegotiate with the vendors to see if they will lower the price by a suitable amount. Be reasonable and realistic, and remember that they are under no obligation to do so.

CALCULATE YOUR STAMP DUTY

It is always best to check with your solicitor whether you have to pay stamp duty or not. Further information on the bands and exemptions can be found [here](#).

EXCHANGE AND COMPLETION

The final stage of buying your home is a two-step process.

Step one is the exchange of contracts (which your solicitor will handle). Once contracts are exchanged, you are legally obliged to proceed with your house purchase. If you have to pull out at this stage (e.g. due to job loss or bereavement), you will have to pay significant costs. At this stage your seller will need you to pay an initial deposit - usually 10 per cent of the value of the property. However, this amount can sometimes be negotiated.

The final step is the completion day (typically a week after exchange). The Completion date is agreed as part of exchanging contracts and forms part of the Contract. Your lender transfers your mortgage money to your Solicitor, who transfers it with any funds you are contributing to the seller via their Solicitor. Once the money has arrived, the estate agent release the keys to your new home, and you can move in!

A man and a woman are looking at a house. The man is on the left, looking towards the woman on the right. They are both smiling and appear to be in a positive mood. The background shows a staircase and a wall.

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INSURANCE

Buildings insurance is a policy that pays out if your home is destroyed (e.g. by fire). Your lender will insist that you have it, but you can buy it from a different provider if you wish.

Ensure that your cover begins on the day you exchange Contracts as the property becomes your risk from that point. If you are buying a leasehold property, it is likely insurance will already be in place which covers the whole building so you wouldn't need your own buildings insurance (but you do need to check).

Life insurance is not compulsory but is usually deemed essential by most people. It means that your mortgage will be paid off in full should one of the mortgage holders die, so your family can stay in their home.

MOVING HOME

The moving process may involve additional expenses such as removal costs and a fee to cover the money transfer.

Most homes (unless brand-new) will require some refurbishment and redecoration [after you move in](#), so try to keep some cash in reserve to cover these extra costs.

Don't forget to update your address with all the relevant bodies, especially your bank(s), the DVLA (if you drive) and any [pension schemes](#) you hold.

Now you can settle in and enjoy your new home!

At Stephen Rimmer our team are specialist first time buyer Solicitors and you can be assured that we will always have your best interests in mind. Follow this link for a [no obligation conveyancing quote](#) or call us on 01323 644222 to see how we can help you.