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# A GUIDE TO BUYING YOUR FIRST HOME



As a first-time buyer you are about to embark on one of life's biggest adventures. Buying your first property is an exciting journey and we are here to help you.

## TAKING YOUR FIRST STEPS

When you start house-hunting, make a 'wish list' of everything you would like in your new home by asking yourself the questions below.

### WHAT KIND OF PROPERTY ARE YOU LOOKING FOR?

- A house or a flat?
- Terraced, bungalow, detached or semi-detached?
- Old or new build?
- How many bedrooms?
- Do you need a study or work area?
- Do you want a garden or outside space?
- How much storage space do you need?
- Do you need a garage, driveway or off-street parking?

Don't forget to think about the future, e.g. how long are you planning to stay in this property?

### WHERE DO YOU WANT TO LIVE?

Even if you know where you want to live, it pays to do your research.

Explore the area and ask yourself some important questions:

- Where is the closest supermarket, bank, doctor or gym?
- What are the transport links like?
- Do you need to be close to work?
- Do you want to be near friends or relatives?
- Are school catchment areas important to you?
- How busy and noisy is it?
- How much traffic is parked on the road?

### REGISTER WITH US

As soon as you start looking at properties, visit us and ask about our Home Finder Service. We'll search our database of properties and show you a range of homes that match your criteria – we'll also let you know as soon as any new properties come onto the market too.

### FREEHOLD OR LEASEHOLD?

There are two main ways to own property.

#### Freehold

With a freehold property, when you buy the building, you also buy and own the land it stands on.

#### Leasehold

If the property is leasehold, you own the property for a fixed period of time. Ownership of the property goes back to the landlord at the end of the lease. Most flats and apartments are leasehold.

You might want to enquire if you are able to buy the freehold.



# HOW MUCH CAN YOU AFFORD TO BORROW?

This depends on your income, expenditure and personal circumstances.

Firstly, you will need to know if you qualify for a mortgage. Speak to one of our Mortgage Consultants, we will review your income and expenditure and let you know straight away.\*

## HOW MUCH DEPOSIT WILL YOU NEED?

Very few lenders require no deposit so you may typically need to raise at least 5% of the value of the property to secure a mortgage with lenders.

This means if you are buying a £200,000 home you may need a minimum deposit of £10,000.

However, if you raise a larger deposit, you might gain access to mortgage products with lower interest rates, which could potentially result in lower monthly repayments.

### GOVERNMENT HELP FOR FIRST-TIME BUYERS

There are government initiatives designed to help first-time buyers get onto the property ladder. Our Mortgage Consultants can explain your options in more detail.

# VIEWING PROPERTIES

Now it is time to find a house you can call home.

## HINTS AND TIPS

If you are buying alone it is a great idea to have someone else with you when you view. They may spot something you don't, and it is great to discuss the property afterwards, too.

Think about where your furniture will go and which rooms need to be redecorated, but also consider the condition of the property and what you can do to improve it.

If you really like a property, view it more than once and try a different time so you can see how the property feels during the day as well as in the evening.

### OPEN HOUSE EVENTS

At an open house event, multiple people view a property during a set timeframe on a certain day.

## QUESTIONS TO ASK DURING A VIEWING

The key to a successful viewing is to take your time and find out as much as you can about the property. Below are some questions you may want to ask during a viewing:

- How long has it been on the market?
- How quickly can the owners sell? Are they in a chain?
- How long have they lived there and why are they selling?
- How old is the building?
- Is the property freehold or leasehold?
- Has there been any major building work?
- What is and isn't included in the sale? Curtains, carpets, etc.?
- How old is the heating system/boiler?
- What council tax band is the house in?
- Which direction does the house face?
- Which direction does the house face?

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# TIME TO THINK ABOUT A CONVEYANCER

Even if you haven't found your dream property yet, now is the time to ensure you have a conveyancer in place.

Conveyancing is the legal transfer of a property from one person to another. It includes all the legal work plus a variety of important searches and checks on the property.

This is where we can help. Our Home Conveyancing service is an easy and affordable way of taking care of all your conveyancing needs in one place. Here are some of the benefits:

- **Open 7 days a week and evenings too**
- **No move, no legal fee**
- **Fixed price guaranteed**
- **Manage every aspect of your case securely online or by phone**
- **No need to visit a conveyancer's office**
- **We aim to deliver a consistently faster legal service**

We can look after all the finer details for you and keep you up to date throughout the conveyancing process. We will:

- Draw up and check contracts
- Raise enquiries with the opposing conveyancer
- Carry out local searches (e.g. local authority, Land Registry, water and environmental searches)
- Arrange Land Registry certification
- Organise payment of stamp duty (if applicable)
- Manage exchange of contracts
- Transfer monies



# OFFERS

When you find a home that is right for you, it is time to make an offer.

## HOW MUCH TO OFFER

Set yourself a maximum price that you think the property is worth and that you would be comfortable paying and then try to stick to it. We can help you with this.

## MAKING AN OFFER

Contact the seller's estate agent and say your offer is subject to a survey and to a contract.

If your first offer is not accepted or you are outbid, don't forget you are free to submit as many offers as you like, but always remember to stay within your budget.

If you are arranging a mortgage with us, we can negotiate on your behalf\* as our Mortgage Consultants help first-time buyers all the time.

### MAKE SURE THEY KNOW YOU ARE A FIRST-TIME BUYER

When you submit an offer, remind the estate agent that you are a first-time buyer. Your offer may be more readily accepted if the seller knows you have not got a property to sell.

## OFFER ACCEPTED

Once your offer is accepted, you will be asked for documents to confirm your ID/residence, and an electronic money laundering check will be undertaken before the sale can then be formally confirmed in writing by way of a Memorandum of Sale. This is sent to you and the seller, including the conveyancers, confirming the sale has been agreed to you. When you receive this you can proceed with your mortgage application, finalise your finances and commence the legal process.

The seller will usually agree for the marketing to stop and the sign outside the property to change from 'For Sale' to 'Under Offer' or 'Sold Subject to Contract' (SSTC). This means it is sold in principle but subject to the final exchange of contracts.

# FINDING THE RIGHT MORTGAGE

Signing up to a mortgage is a big financial commitment, but our Mortgage Consultants will help find the best mortgage for you as a first-time buyer, based on your circumstances.\*

## QUALIFIED MORTGAGE ADVICE

Our Mortgage Consultants are authorised and regulated by the Financial Conduct Authority to provide clear and practical advice on your mortgage and insurance options. Our Mortgage Consultants aim to:

- Confirm how much you can **borrow** and all the costs involved.\*
- **Recommend the right mortgage for you** by searching thousands of mortgage deals available from our panel of selected lenders.\*
- **Explain the house buying process** and all the **costs** involved.
- **Save you money on the property you choose to buy** by negotiating with the seller. This only applies when the property is for sale with another estate agent and we do not act for the seller.
- Take care of all your **mortgage** and **insurance arrangements** regardless of whether you buy a property through us or not.\*

## A 'DECISION IN PRINCIPLE' OR AN 'AGREEMENT IN PRINCIPLE'

Before you apply for a mortgage, it is wise to apply for a 'decision in principle' (DIP), also known as an 'agreement in principle' (AIP). This is confirmation from a mortgage lender that they will loan you a certain amount 'in principle', subject to underwriting.

Getting a DIP/AIP involves a check on your income and expenditure. It is useful because it will establish how much you can expect to borrow and which lenders may be prepared to lend to you. We can help you with this.

## HOW TO APPLY FOR A MORTGAGE

Applying for a mortgage through us could not be easier. You (and another applicant(s) if you are buying together), will need to have available original documents of photo ID, income proof and address verification.

Don't worry if you don't have everything ready for your mortgage appointment – our Mortgage Consultant will advise you which documents they will need, depending on the lender.

Once they have recommended a mortgage based on your circumstances,\* they will submit a full mortgage application to the lender. They will also send certified copies (to prove they have seen the originals) of your documents along with details of the property and the conveyancer you are using to complete the purchase.

## FEES

Although some lenders offer mortgages on a fee-free basis, others may come with associated costs.

Here are some fees you may incur to secure a mortgage with a lender:\*\*

- **Arrangement fee:** paid to the lender for arranging your mortgage
- **Booking or reservation fee:** often charged upfront, it reserves the mortgage you have been offered while your application is being processed
- **Valuation/survey fee:** to cover the valuation/survey carried out on the property
- **Legal fees:** costs incurred by your conveyancer for the legal work required for a mortgage
- **Broker fee:** a one-off fee payable to us, for lifetime membership to our mortgage services, which comes with a number of benefits.
- **Administration fee:** payable to us, for handling all the administration on your mortgage application.
- **Stamp duty:** this is a one-off fee that buyers have to pay the government on properties worth over a certain amount. Depending on the property value you may be exempt from stamp duty if you are a first-time buyer. You can check the government website for current thresholds or speak to us.

Our Mortgage Consultant will discuss any relevant fees with you during your meeting.

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## VALUATION AND SURVEYS

The lender will process your application and arrange a basic mortgage valuation on the property to ensure it is worth the mortgage amount they are lending you.

You should be aware that this valuation is not a building survey and will not identify any physical problems with the property.

For your own peace of mind, you may also want to consider a more detailed survey to be sure the property is in good condition. Types of surveys offered are:

### **RICS Home Survey Level 2 (Survey Only)**

This is a report suitable for conventional properties, built from common building materials and in reasonable condition. The focus of the report is on assessing the general condition of the main elements of the property.

### **RICS Home Survey Level 2 (Survey and Valuation)**

This report is as above, but also includes the surveyor's professional opinion on the 'market value' of the property and an insurance reinstatement figure.

### **RICS Home Survey Level 3**

This is a report suitable for a larger, older or run-down property, a building that is unusual or significantly altered, or if you are planning major works. It provides detailed information about the structure and fabric of the property.

We can help you choose which survey you will need for the property and arrange it for you either directly with the lender or through our own Survey and Valuation department.

## YOUR MORTGAGE OFFER

Once the lender is satisfied with the details you provided as part of the mortgage application and they have received the valuation report, they will be in a position to issue your mortgage offer. A copy will be sent to you and your conveyancer.

Our Mortgage Consultant will explain everything about the offer, from the interest and monthly repayments to the cost over the full term and any other features.

## EXCHANGING CONTRACTS

A set of identical contracts will be drawn up by the conveyancers for both you and the seller to sign and return.

Your conveyancer will contact the seller's conveyancer to agree a date for completion; this is the date you become the new owner. Once everyone has agreed a date for completion both conveyancers can proceed to exchange of contracts.

Your conveyancer will send you a completion statement showing the amount of deposit required and the loan amount coming from the lender. They will ask you to transfer your deposit in readiness to exchange contracts.

For your purchase to be legally binding, these contracts will need to be signed and returned to the conveyancers who will then 'exchange contracts'.

When you sign and exchange contracts, you and the seller are committing to the agreed purchase – if either side pulls out they risk losing money.

## INSURANCE

The mortgage lender will require you to have buildings insurance in place from the point you exchange contracts on a freehold property. Some buildings insurance policies have an element of accidental damage cover included, but you may want to add additional cover for more protection.

You might want to consider adding contents insurance to ensure your possessions are covered from the day you move in.

There are other insurance products you may also want to consider. Speak to our Mortgage Consultant about:

- Life insurance
- Critical illness
- Income protection

## MAKING A WILL

When you buy a property you become the owner of a substantial asset, so if you don't already have a will, now is a good time to put one in place.

Deciding what you want to happen to your property, possessions and assets in the event of your death would save your loved ones untold worry, costs and stress and provide them with stability and protection at a difficult time.

Ask us how our will-writing partner can guide you through the process, help you safeguard your home and your possessions and give your family peace of mind, whatever the future holds.

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## QUESTIONS FOR THE SELLER

When you have agreed the completion date, it is a good time to ask the seller any last-minute questions before you move in, such as:

- Can you visit the property to measure up for curtains, carpets, furniture, etc.
- Where are the gas, electricity and water meters?
- Where are the fuse box, mains water stopcock and gas shut-off valve?
- What day are the bins collected? (Details also available on the local authority website)
- How does the boiler work? (You may be able to download a user manual from the internet if you have the make and model number).
- Where is the thermostat?
- Do they have any manuals or warranties they can leave for you?
- Where do you access the drains?
- Is there anything else I should know?

## GET READY TO MOVE IN

When it comes to moving, our advice is to be organised, start early and don't try to do it all at once. Here are some of the things you need to start thinking about now:

- Book time off work, make care arrangements for children and pets and ask friends and family to help you move
- Book a removal firm or hire a van as soon as you have a moving date confirmed by your conveyancer
- Make sure your contents are insured during transit
- Start collecting boxes and packing materials
- Start packing all non-essentials so you will be well-prepared for moving day
- Label boxes on the top and side with their contents and the room they need to go in
- Declutter and separate any unwanted items and sell or give them to charity
- Use a document wallet to keep together all your paperwork and note down useful telephone numbers for moving day
- Sort through your garage, cellar and/or loft, if applicable
- Start using up any food in the freezer
- Pack all valuables and jewellery to take with you separately

If you want to be really organised, ask us for a copy of our **COUNTDOWN TO MOVING** checklist to help you plan your move in more detail.

## COMPLETING THE SALE

Completion is when you receive the keys to your new home – now you know it is yours.

### COMPLETION DATE

On your completion day, the transfer of the balance of the purchase money is paid by your conveyancer to the seller's conveyancer and all the financial and legal work is concluded. The keys to your new property can then be released to you.

Your conveyancer will register you as the new owner with Land Registry.

Congratulations, you are now a homeowner with your feet firmly on the property ladder and we wish you every happiness in your new home.

Don't forget to tell everyone you're moving. Ask us for a copy of our **WHO TO TELL** checklist.

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