

## Buying your First Home

### First Time Buyers

"There's no point searching for the house of your dreams if it's out of your price range."

#### How Much Can I Borrow?

**The Mortgage Brain**  
your mortgage made simple

Before you start doing the rounds of estate agents, you need to know how large a mortgage you can get - there's no point searching for the house of your dreams if it's out of your price range. Start by approaching our mortgage department **The Mortgage Brain** and ask how much you can borrow and request an 'agreement in principle' that confirms this amount. You can use this to add leverage to any offer you make on a home.

The amount you can borrow will be based on the size of your deposit and how much you earn. Lenders are usually prepared to lend you around four times your annual earnings, or if you are buying as a couple, this rises to four times the first income plus the second income, or three times your joint income.

Other costs involved with buying a property. If the price of the property you plan to buy is more than £125,000, then you have to pay a government tax called Stamp Duty. The lender will need to carry out a valuation of your prospective home to check it is worth the money it is lending you. Lenders may also charge an arrangement or completion fee. Legal fees are a major expense. Your solicitor or conveyancer will charge a fee for its services, starting at £400. The land registry costs, a local search (usually between £80 and £150) and other disbursements are also on the solicitor's bill on which you have to pay VAT. You'll also need to set aside money for insurance, moving costs and furnishing costs.

There are some fantastic benefits to being a first-time buyer - interest rates are at their lowest for more than 30 years, lenders are competing strongly for your custom, and you won't be part of a chain which will make you more appealing to home sellers.

### First Time Buyer Mortgages

If you are looking for a first time buyer mortgage you have probably found that most lenders out there offer some kind of a first time buyer deal (you may want to discuss the best package for you with an FSA qualified advisor).

First time buyers can benefit from receiving deals with low initial rates of repayments, before the interest rate rises on a yearly basis to a standard variable rate. Most lenders also offer first time buyers an LTV (loan to value) rate of around 90% of the value of your property.

First-time buyers can really benefit from having the security of having a fixed rate of interest, and therefore set monthly repayments, but many mortgage providers will also let first time buyers choose from a range of variable deals as well.  
**Make Money From Home**

If you have a spare room in your home, you are allowed to rent it out to earn tax-free rental of up to £4,250 a year. Any rent over that limit will be liable to tax.

We recommend that the best way to find out if a first-time buyer mortgage (or any other mortgage type/lender for that matter) is suitable for you is to consult an FSA qualified mortgage adviser.

## Home Buying Guide

From starting your search to moving into your new home, we're on hand to help. You can access our full range of services for home buyers, designed to make the whole process of moving run smoothly.

Here's a list of steps involved in buying a home. We can help you at every stage of the process as part of our service.

1. How much can you borrow?
2. Finding your dream home and making an offer
3. Sort out your mortgage

Our professional Mortgage Advisers will organise all the parts of the Home Buying Service that you choose at the same time as arranging your mortgage.

### Step 1: How much can I borrow?

First of all you need to check that you can get a mortgage. We'll give you a Mortgage Decision which, in a matter of minutes, simply tells you if we can give you a mortgage and how much you can borrow.

Our Mortgage Decision is subject to a satisfactory valuation of the property to be mortgaged and the information supplied by you being correct.

### Step 2: Finding your dream home and putting in an offer

You won't buy anything more expensive than your home - so it's understandable that you'll be excited and nervous about choosing the right one!

Here are some hints and tips on starting the search and tips when viewing a property

#### Starting The House Search

Here are some useful pointers to help find your dream home:

#### Check out the area

First you need to check out the areas you're interested in and decide what you want from your new home.

Is it easy to get to work?

Are you close to shops?

Are there good public transport links?

Would you prefer a garden or a view of the city?

#### Search for properties online

Once you've found an area you like, it's time to start the search.

You'll be registered on our system which matches your requirements to properties for sale. You can also be informed about suitable properties within minutes of them coming on to the market, by phone, email or post, whichever you prefer

#### Prove you're a serious buyer

You need to let each estate agent know you are 100% serious about buying. Let them know if you have a mortgage decision and keep up the contact. They should be able to email, call or even phone you with new properties as soon as they come up.

## Consider the costs

Don't forget the cost to consider both before and once you've moved into a property. For example, you might love the area but not the council tax band you fall into!

## Viewing Properties

When you've decided which properties you would like to visit, contact the estate agent responsible for the sale to arrange a viewing.

To make sure you don't miss anything this Handy Checklist can be printed out to take along with you on your viewing. Always take a friend or member of the family along, for added safety and to have that all-important second opinion. Also try to view your prospective home during the day and at night. But don't worry if you miss anything - you'll be able to arrange for the property to be surveyed by an expert when you find the house you really want.

'Google Maps' is useful - you can find aerial photos of the location you're interested in. All properties advertised on our site offer this useful tool.

Once you have found your dream home, you are ready to make an offer. You've found your dream home but how do you buy it? Take a look at our putting in an offer section for everything you need to know.

## Putting in an Offer

When you put in an offer depends on where you are buying a property:

### Making an offer in England, Wales or Northern Ireland

You'll need to make your offer through the seller's estate agent. They will contact the seller on your behalf with your offer. But first...ask yourself a few questions.

### How much do you want the property?

How much can you spend to get it and are other people interested?

Bear in mind all the information you have gathered on your viewings - does it need a lot of work doing to it, has it been on the market a while?

It's not all about the highest offer - a seller might choose the offer they think will benefit them the most, for example, a first time buyer may be able to move quickly and this could be more important to them than a slightly higher offer. Discuss your offer with the estate agent - make it as tempting as possible, for example, make it known if you can move immediately. If your offer isn't accepted - think about how much you want the property and whether you can afford to increase your initial offer. The estate agent may be able to offer advice on other offers in the pipeline and how much you may need to offer to secure the property.

Gazumping - one thing to beware of is "gazumping". It happens rarely but it is something you should be aware of. It's what happens when you are out-bid by a rival buyer when you have had an offer accepted. If their offer is higher and the seller decides to accept it (for example because they need more money for their next property) you sadly lose out. You could even lose money already spent on your conveyancing - unless you are insured through your conveyancer.

## Step 3: Sorting out your mortgage

Once you've had the offer on your house accepted it's time to sort out your mortgage. It's important that your mortgage suits your needs and your lifestyle. Our Mortgage Adviser will take you through the different types of mortgages that are available and can help you choose the one that's best for you.

## Property Viewing Checklist

### Property facts

Address	
Property Type	
Price	
Seller's name	
Estate agent	
Date and time of viewing	

### Things to check

General state of repair - including paint/brickwork, walls and pointing, the roof	
Window frames (rot/replacement)	
Drains/Gutters	
Garden (south facing, condition etc)	

### Interior

Hall	
Living room	
Kitchen	
Dining room	
Bedrooms	
Bathroom	

### Amenities

Car parking	
Garage	
Schools	
Work	

## Considerations

Are the room sizes adequate?

Will you have to replaster - or will a lick of paint do the trick? Will you have to replace the bathroom or kitchen?

Are the carpets being left and if so are they in a good condition?

What main services does the property have (gas, electric etc)?

Check the property at different times of day - is it on a busy route? Do you get much passing traffic?

Where are the electrical sockets, are there enough in each room?

Will your furniture fit in the room?

Check cupboards/wardrobes for hidden problems. Are they concealing damp patches for example?

Is the property alarmed? Do the windows have locks?

What is the condition of the path/drive? What is the condition of walls/fences?

Is the garden easy to maintain?

What is the condition of the garage? Is there a power supply to the garage?

## Questions to ask the seller

How long have they lived there and why are they moving?

What are the neighbours like?

What recent repairs have been carried out and are there any guarantees for the work?

What fixtures and fittings are included with the property? Sometimes what you see is not what you get.

How long has the property been up for sale and how many viewings have they had?

Which schools are in the catchment area(s)?

Are there any rights of way over the land? Which of the boundaries is the responsibility of the property?

What is the surrounding area like, such as local amenities?

How much does it cost to run the property?