

First Time Buyer Guide



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Buying your first home needn't be a complete stress - after all it's an exciting life landmark. Planning and preparation will help pave the way to a smooth experience.

Here's our guide to buying in England and Wales. See below for our guide to buying in Scotland as the conveyancing process differs from England and Wales.

Take your time

Do your research to make sure you end up in a home you're happy with. Visit the property at different times of the day and check out the neighbourhood. If you're buying on your own, take a friend or relative with you for a second opinion.

Getting the money

How much you can borrow will depend on your circumstances - including your income, credit history, outgoings, deposit, and whether you're buying alone or with others. See our guide to buying with others. Use our budget planner or mortgage calculator to help you work out how much you can afford to pay each month in mortgage payments. If you are buying a leasehold property like a flat you should also factor in the cost of ground rent and service charge. Make sure you have enough financial flexibility to deal with the unexpected. Remember to factor in costs like legal fees, stamp duty (if applicable) and moving costs.

Which mortgage?

Our mortgage specialists can explain the range of mortgages available in more detail to you. Alternatively, see our mortgages explained.

You can choose how to repay your mortgage, repayment (capital and interest) or interest-only. Other factors to consider are application fees, early repayment charges, the ability to under or overpay, and whether you can afford the repayments once a fixed or discounted rate ends.

Putting in an offer

Make sure that your offer doesn't leave you stretched and unable to meet your commitments. And beware of bidding wars - you may end up offering more than the property is worth.

The sum you offer is not laid in concrete at this stage. For example, if a survey finds work needs doing on the roof you could negotiate the price down to compensate for the future expense.

If your offer is accepted

Your estate agent will need to write a letter to confirm your offer has been accepted. You might be asked to pay a deposit at this stage. Check if this will be returned to you if the purchase doesn't go ahead. The deal is not legally binding until contracts are exchanged, but once they are the deal is done and your deposit will be non-refundable.

All legal work should be carried out by a Solicitor or Licensed Conveyancer. You may want to ask friends or family to recommend one. Get quotes from several firms.

Surveys and valuations

Once your offer is accepted, complete the application for your mortgage. Your mortgage lender will arrange for a valuation of the property. This usually carries a fee and is a basic valuation so appoint a surveyor if you'd like a more detailed survey.

The run-up to moving

Once you and your solicitor are satisfied with the pre-completion searches and arrangements (including your mortgage offer) then contracts can be exchanged. You and the seller are now legally bound to follow through with the transaction. If you pull out you could lose your deposit. Arrange insurance for the property (your solicitor will tell you if you need to insure from exchange of contracts) and inform utility companies, your bank and others of your move. Don't forget to get your mail to be redirected to your new address. Completion is the day when the balance of the money owed is paid to the seller - this is arranged through your solicitor or licensed conveyancer - and the day you pick up the keys and can move in.

Buying in Scotland

The property-buying process is different in Scotland. Here's how it works in most cases:

- Appoint a solicitor before you start looking for a property as the process can move quickly. Once you find a property, tell your solicitor to 'note interest' - this is informing the seller's solicitor or estate agent that you're interested in buying it.
- The property may be marketed at a 'fixed price' or 'offers over'. Your solicitor will advise at what stage a survey should be instructed.
- If it is a 'fixed price' normally the first offer submitted at that price (which is not subject to a survey) will be accepted.
- If it is not a 'fixed price' a closing date for offers will usually be set and all parties who have noted interest will be told. You'll know the asking price and then make a secret bid in writing above this amount - a verbal offer isn't enough. This is called the 'offers over' system.
- You should apply for a mortgage before making a bid so that you know exactly how much you can afford. You should also have a survey carried out before you make a bid as the result may affect the amount you offer.
- Your solicitor will submit your offer and a proposed 'date of entry' (the date on which the price will be paid and the keys received).
- If your bid is successful both parties' solicitors exchange letters agreeing the terms of purchase, including the price and date of entry. When this done the contract becomes legally binding on both the buyer and the seller and 'missives are concluded'.
- On the date of entry, once your funds have been transferred to the seller's solicitor to settle the price, your solicitor will receive the title deed, the 'disposition' (the legal document that transfers the property to you) and you will receive the keys to the property.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE

For mortgages amortgage.co.uk can be paid a fee, usually £595 or by commission