

The essential guide for First Time Buyers.

1. Planning ahead

Planning ahead will help you make progress towards your goals and show lenders that you are prepared, which could make it easier for you to get a mortgage.

Key steps:

Unless you've sorted out your home-buying fund, you will need to start saving, cut down on any borrowing and make sure your credit record is as good as possible.

1. Build up a solid savings balance – You will usually need 10% or more of the amount that the property costs to put into it yourself – your deposit.

Tips: Remember to work out the moving costs involved in buying a place.

A Mortgage Professional can help you work out the total costs involved in buying a place.

2. Reduce your debts – Most lenders work out how much you can borrow based on your outgoings as well as your income.

Get an idea of how much you might be able to borrow with our Borrowing Calculator.

3. Polish up your credit record – It will help if you:

- are on the electoral register
- are in steady employment
- have kept accurate records of your income and tax
- have copies of your last six months' bank statements
- have your last three months' payslips.

2. What you can afford

Before you start looking for a place to buy, you need to work out exactly what you can afford.

It's a good idea to talk to lenders about mortgages as early as possible.

Planning your monthly budget

Don't forget to budget for the initial expenses of buying a home – calculating your moving costs will help here.

Have a good idea of the most you want to spend – a price ceiling. It's one of the first questions any estate agent or property website will ask.

Looking for a mortgage lender at this stage can save time once you have made an offer. It can help you convince sellers that you can move quickly – and this can put you in a stronger position when it comes to negotiating price.

Speak to a Mortgage Professional for advice on what you can afford and the options available to you. Get a mortgage promise as this will help you search for properties in your price range and may help you negotiate a better price with the seller because they know you are serious about buying.

Remember not to overlook the cost of protecting your home. Work out what insurance and protection you need before you set your mortgage budget.

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3. Searching for the right place

When you are choosing a new home there's a lot to think about – where you want to live, how much space you need and how much DIY you are prepared to do are just some of the decisions you'll have to make.

1. Create a Viewing Checklist of what you're looking for.
What kind of home do you want?
What about the location?
2. Get an idea of what's available.
Look at as many properties as possible to get an idea of what you like and how the prices compare.
3. Get in touch with a few local estate agents, look in local newspapers and search online.
When looking at properties, take someone with you as they may pick up things you miss and you can discuss it with them later on. Have a second viewing at a different time on another day.
4. Consider the following key points if you are buying a brand new home:
 - the plans and room sizes, as these may be smaller than the showroom
 - small print in the developer's specification, to check the finishes are what you want
 - availability of a warranty, such as a National House Building Council Certificate or a Premier Guarantee
 - the amount which lenders are prepared to loan you will typically be reduced if the property is brand new.

Timing tip: You can appoint a conveyancer while you are looking for a property to help things move faster when you find somewhere you like. Your conveyancer will explain the legal process to you, speak to the seller's conveyancer, liaise with your mortgage lender and the estate agent.

4. Making an offer

When you are sure you have found the right place, it's time to make an offer. This is a big step and you want to make sure you are ready. Having answers to the following questions will make it easier for you.

1. Checklist
 - What is the maximum amount you can spend?
 - What percentage mortgage is required?
 - Is the mortgage pre-arranged?
 - What is your timespan for the move?
 - Do you have any other outstanding offers?
 - How much are you willing to offer and how much are you willing to negotiate?
 - Which fixtures and fittings are included in the sale?

Talk to the estate agent to find out as much as possible, for example whether the seller wants to move quickly. Remember, estate agents work for the seller and are often trying to get the best deal for them rather than you.

2. Making the offer

Get in touch with the seller's estate agent and tell them how much you would like to offer. If they don't accept, you can increase the offer, but make sure it's within your budget. Consider getting a survey done and finalising your mortgage details.

5. Arranging protection for your home and family

Home insurance makes it easy to protect your home and its contents while making sure you've got exactly the cover you need.

Life and critical illness cover – Sometimes it's ourselves and our loved ones we need to think about protecting. You can arrange for a lump sum of money that could be paid to help clear the mortgage if you are diagnosed with a specified critical illness or you die.

6. The legal process

The legal work to transfer a property is called conveyancing. If you are buying a property with a mortgage you will have to have a solicitor or licensed conveyancer to do this for you.

Your conveyancer will guide you through the process, speak to the seller's conveyancer, liaise with your mortgage lender and the estate agent – and make sure you understand the details.

Finding a conveyancer

Convey4u offer a conveyancing comparison tool which will allow you to find and compare quotes for solicitors and conveyancers in your local area.

Find out more

1. Starting the legal process

- It's up to you to check that you are happy with the contract before you exchange, so keep track of what your conveyancer is doing
- Make sure you understand what charges you will incur.

2. Arranging your mortgage

- It's a good idea to research this as early as possible
- If you haven't got a Mortgage Promise, which outlines the amount you can borrow, you should do so now.

3. Get a survey

- Check the building is sound. Your mortgage company may do a valuation, which they may charge you for
- Unless you are buying a new home, it makes good sense to pay a little extra for a more detailed survey.

If you want work done before the sale goes through, or you want to negotiate a reduction in price, ask your conveyancer to negotiate this with the seller's conveyancer and estate agent.

4. After acceptance of the offer

- The seller's estate agent will write to confirm this
- On receipt, give the estate agent your conveyancer's name and contact details
- Give your conveyancer details of the property, the estate agent, the price and your mortgage lender
- If you don't already have a conveyancer or a mortgage lender engaged, you need to do this now
- If you haven't already, you will need to get a formal mortgage offer sorted out quickly. If you already have a decision in principle, getting a formal offer should be straightforward, subject to a satisfactory valuation of the property
- Once you have accepted, the property might still be advertised as 'sold subject to contract' or 'under offer'. However, either you or the seller could pull out without penalty
- When you exchange contracts, you make a financial and legal commitment.

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7. Exchanging contracts

These are the last stages in the legal process. Exchanging contracts means that the buyer and the seller are both legally committed to the sale. Once completed, you legally own your new home and can move in.

1. Preparing for exchange of contracts

- Once your solicitor has all the details they need, they will send you a pre-contract report and a copy of the registered title
- If you are happy with everything, you need to approve the contract by signing it.

2. Exchange

- Your conveyancer and the seller's conveyancer will swap or 'exchange' contracts
- Your conveyancer will transfer your deposit to the seller's solicitor and arrange a date of completion
- If you pull out at this point, you could lose your deposit.

3. Preparing for completion

- Ask your conveyancer what you need to do and when. Your solicitor will: Check with the Land Registry to make sure the title of the property is OK. Prepare the 'Transfer Deed' and send it to the seller's solicitor
- Make the final arrangements for payment, including drawing down the mortgage money for you
- Prepare final accounts for you including details of any further money needed from you to complete
- Once you have exchanged contracts, you are responsible for the property's building insurance. Make sure you are covered in case anything happens before completion.

8. Completion

With all the paperwork out of the way, it's time to move into your new home.

Completion day checklist:

- Has your conveyancer transferred payment to the seller? If you have a mortgage, this money will have been sent from your lender to your conveyancer
- Have you received the keys to the property?
- Has your conveyancer received the Transfer Deed, originals of any important documents, and registered you as the owner?
- Has your conveyancer completed a tax return to pay the Stamp Duty Land Tax? You'll need to sign this.

Four weeks before moving:

- Have you confirmed the date you'll be moving in?
- Have you booked time off work?
- Have you started thinking about and planning your removal?
- Does your home contents insurance cover you for the move?
- If not, have you arranged for separate cover?
- Have you put together a moving pack with all the essentials you'll need, such as a kettle, mugs, light bulbs, toilet paper?
- Have you let all your telephone, utility companies, bank and other key parties know when you are moving?

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Two weeks before moving:

- Have you told your local authority your new address and moving date?
- Have you redirected your post (if appropriate)?
- Have you arranged to take over the phone in your new home? Contact the line operator to see if you can keep the line switched on and avoid any reconnection charges.

One week before moving:

- Have you packed the majority of your items?
- Do you know what time you'll be able to move?
- Have you confirmed all details with your removal company?
- Have you asked the previous owners to show you where the gas, electricity and water meters are, and where you can find the fuse box and stopcocks?
- Are all the window and door keys labelled and easily available?

Day before moving:

- Have you packed a moving day survival kit with all you need, such as tea and coffee?
- Have you settled all your bills?

Moving day:

- Read the meters in your new and old homes.

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

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