

Where To Start?

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Saving for a Deposit

How long does this take?

Saving for a deposit can vary from person to person depending on how much they earn and their outgoings. It is down to the individual to decide how much they are able to save for their new home over a given time.

How much do you need?

Typically buyers would need 10% – 20% deposit but as a rule the larger the deposit the better.

This enables you to have access to a wider range of better value mortgages and your chances of being accepted by a lender are also increased. However, with the new government initiatives you are also able to proceed with a 5% deposit. (Please see 2. Help to Buy for more information.)



Mortgages

You will also need to know where you stand financially. It's a great idea to talk to a professional who can assess whether you are ready to undertake the commitment of a mortgage. Lots of providers offer free, no obligation consultations which can be hugely helpful.

Once you have a mortgage in principle (MIP) in place from your potential lender, you will be in a much better position to start looking for a property.



The Property

When choosing your new home, you need to consider your lifestyle and what you want from your property.

- How many bedrooms do you need?
- Location - which area can you realistically afford? Consider your commute, access to schools and shops, etc.
- Property type – Do you need a flat or house? Leasehold or freehold?
- Style – This is down to personal taste but older properties can cost more to maintain whereas a new build is likely to be cheaper, but may lack the character of an older home.

Don't forget to think about how long you want to live in your first home too. Will its location fit in with your one year, three year or even five year plan?

It is advisable to keep your search as open as possible to start with and then refine it at a later stage.

There are numerous property portals in the UK, including Rightmove.com and Onthemarket.com which are brilliant for discovering what's available in your preferred area. With handy comparison tools such as average prices, sale history, maps and floor plans, these sites are essential for any First Time Buyers tool kit.

Having done the initial search, it can help to discuss your requirements with agents in the area, who may have great local knowledge and can inform you about new properties as soon as they come on the market.

With all this considered, you are now ready to starting viewing property!

Viewings

No matter how much information there is online, or that the agent is able to provide, you can't get a full picture of the house or flat until you view it. It is always helpful if you know the local area beforehand but you can always arrive a little early, grab a coffee, have a walk around and get a feel for the area. It can be helpful to bring along another set of eyes, for example a family member or friend, who may spot something you have missed.



Freehold v's Leasehold - What is the difference?

A freehold property means that you own the property AND the land that sits under the property. This is more typical with a house.

A leasehold property means that you have a lease from the freeholder to use the home for a set number of years, which is more typically seen with flats. The lease length, sometimes referred to as the tenure, can be from 1 to 999 years. As a leaseholder it is important to take into consideration the cost of the ground rent and service charges when working out your ongoing payments.



Offering - How much should you offer and how should you deal with negotiations?

Once you have found a property you want to buy, it is time to place an offer.

Firstly, you will need to tell the estate agent how much you are prepared to offer. The agent will be able to give you guidance, but ultimately how much to offer is up to you. The agent is duty bound to put your offer forward to the owner.

As a first time buyer you are in a strong buying position. Another reason it is key to have a mortgage in principle (MIP) is so a vendor can take you seriously when you make your offer.

The crucial factor is knowing your maximum budget. If a seller is not prepared to negotiate or to accept your offer, you need to be confident that should you increase your offer, you can pay the higher price and that the property is right for you. By having done your research before you started looking at properties, you should be in a position to make this judgment.

Once your offer has been accepted, you will need to formally apply for your mortgage and it is time to instruct a solicitor/ conveyancer.