
First Time Buyer Guide

Here's our guide to buying in England and Wales.

First step – How much can I borrow?

It is sensible to when you are buying a house for the first time to find out how much you can afford to borrow – it's no good falling in love with a house only to find that you can't afford it! We can give you an idea of the amount you can borrow based on your circumstances before you start hunting and provide you with an Agreement in Principle (AIP). This isn't a definite commitment to lend but can be helpful when putting in an offer on a property.

- Talk to one of our mortgage advisers who will arrange an agreement in principle (AIP).

Choosing a location

What you can afford is often the deciding factor the more flexible you are, the better your choice.

- Use the internet to search for different properties in areas you are interested in.

Think about: Is the area convenient for work and transport links? What about schools, parks and safety? Do you need a garden and is the property big enough for your short and long term needs?

Take your time

Unless you want to end up in a home you're not happy with, do your research. Visit a property several times and at different times of the day, check out the neighbourhood.

If you're buying on your own, take a friend or relative for that valuable second opinion.

Buying a home isn't cheap. You'll have to pay such things as legal fees, a surveyor, Stamp Duty (if applicable) and moving costs

Ask one of our mortgage advisors to work out a cost of moving for you.

Putting in an offer

Once you've found a property, decide how much you're prepared to pay and tell the estate agent. Beware of bidding wars as you don't want to 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 extensive work needs doing on the roof you could negotiate the price down to compensate you for the future expense.

If your offer is accepted

You or your estate agent will need to write a letter to confirm your offer. It has to be headed 'subject to survey and contract' and that applies to everything you write or sign from this moment on.

You might be asked to pay a deposit as a sign of your serious intent to buy. If the purchase doesn't go ahead, you should get it back as the deal is not legally binding.

All this and the other legal work should be carried out by a solicitor the job is called conveyancing. Ask friends or family to recommend one. Alternatively, we can recommend one for you.

Mortgage Matters

Once your offer has been accepted, you will need to call us so that we can complete your mortgage application we will research the market to get the best deal for you!

Mortgages@Options Ltd are Independent Financial Mortgage Brokers with access to 2,400 different products from over 54 different lenders. We can look at the market to find the best deal for you depending on your circumstances. Our mortgage specialist will be able to explain all the different options to you in more detail. Alternatively see our guide to mortgages.

- How much you can borrow will depend on your circumstances your income, employment status, credit history, outgoings, the deposit and whether you're buying alone or with a partner for example. Never borrow so much that you can't deal with the unexpected, such as a new baby, increases in interest rates and so on.

Surveys and valuations

We will instruct the mortgage lender to carry out a valuation of the property to ensure it's worth the sale price. This normally carries a fee and is usually basic so it won't highlight all the things that might cause you problems. See our fact sheet to explain the different types of survey.

Mortgage Offier

Once the survey has been completed we will receive a mortgage offer from the lender, we will check this is correct and send you a copy. We will liaise with your solicitor ensuring they have received their copy. We will talk to them on a regular basis to check on the progress of your purchase.

Spread the word

In the run up to moving you will need to arrange insurance and inform the utility companies of your move. You'll need to redirect mail and inform others (your bank, insurance companies, HM Revenue & Customs, etc) of your new address.

- Talk to your mortgage adviser about different types of insurance we can help arrange for you including building and contents.

Completion/Moving Day

Completion is the day when the balance of the money owed is paid to the seller this is arranged through your solicitor - and the day you pick up the keys and can move in.

When you buy, you'll pay a Land Registry Fee. You also pay Stamp Duty if the property is priced over £125,000. Your solicitor will arrange this. Rates are:

Property value & Stamp Duty

Less than £125,000 nil

£125,001 to £250,000 1%

£250,001 to £500,000 3%

£500,001 and over 4%

How long does it all take?

This depends a lot on how many people are involved in your chain.

Most people who are selling a property are also buying another. So if the people you're buying from find that the people they're buying from can't get a mortgage, for example, there'll be a 'break in the chain' and they may have to drop out. That means you'll feel the 'domino effect' you won't be able to move in because your seller won't be able to move out.

Home-buying packs

From 1 June 2007, everyone selling a house will have to provide prospective buyers with a Home Information Pack or 'sellers' pack'. It will contain the basic information you need about a property before you put in an offer.

Disclaimer: Our website and publications aim to give you general information. It is not advice, nor can it take account of your own particular circumstances. For advice with a view to making decisions about your own circumstances please contact us to arrange an appointment.