



# A Guide for First Time Buyers

**GASCOIGNE  
HALMAN**

MORTGAGE SERVICES

Buying a house is exciting but buying your first home is that little bit extra special. The journey to your first home can seem a little overwhelming, but don't worry – we've helped thousands of first-time buyers through the process, so you're in safe hands.

## Setting You on the Right Path

### TALK TO US

So you're ready to start searching for your first home, but do you know where to begin?

We can use our expertise to do all we can to find your dream first home. Just contact us to register as a first-time buyer and we can start the search with you.

### WHERE TO LIVE

One of the first decisions you should make is what area or neighbourhood you want to live in. Let's get exploring! Don't forget to be open-minded, even if you already have somewhere in mind and an idea on the kind of property you like.

#### The type of property

- Apartment, terraced, bungalow, detached or semi-detached?
- New build or an older house?
- How many bedrooms do you need?
- How important is a garden/outdoor space?
- What about a driveway or garage?
- How much storage space do you need?
- Do you need space to work from home?

#### What to think about

- Your daily commute and transport links
- Do you need to be close to family?
- Does it work for your social life?
- Nearby schools
- Local shops and leisure facilities
- Future plan

## FREEHOLD OR LEASEHOLD

Whatever style of property you buy, you'll need to find out whether it's freehold or leasehold.

#### Freehold

If you own the freehold it means you own the property and the land the property stands on.

#### Leasehold

You own the property but only for a certain amount of time. Most flats are leasehold. It's worth checking how long is left on the lease and if it's possible to buy the freehold.

## How Much Can You Afford to Borrow?

Before you do anything else in your search for a home, speak to one of our Mortgage Consultants. We'll take a look at your finances and advise you on your mortgage options.\*

Lenders need to know much more about you than just your salary before making a decision on how much they're willing to lend by way of a mortgage.

## HOW DOES THIS WORK?

The lender will look closely at your financial history and existing commitments (i.e bills, spending habits) before making a decision. This is done for every mortgage application.

## WHAT YOU'LL REQUIRE FOR A MORTGAGE APPOINTMENT

The lender will look closely at your financial history and existing commitments (i.e bills, spending habits) before making a decision. This is done for every mortgage application.

- Please have available original documents of photo ID, income proof and address verification. Our Mortgage Consultant will let you know exactly which documents you need.
- If you're making the application with another applicant(s), we'll need to see these documents for both of you.
- Once our Mortgage Consultant has recommended a mortgage based on your circumstances,\* they'll submit a full mortgage application to the lender with certified copies of your documents (to prove they have seen the originals), details of the property and the conveyancer you're using to complete your purchase.
- The lender will process your application and arrange a basic mortgage valuation on the property. At this point you may want to consider a survey upgrade for your own peace of mind (see the valuation and survey section for more details).

### Your deposit

As you may be aware, it's best to ensure you have raised at least a 5% deposit (based on the value of the property) to secure a mortgage with lenders. Very few lenders require no deposit.

That means if you were buying a £200,000 home you'd need to raise at least £10,000 before applying for a mortgage.

**However, if you raise a larger deposit, you might gain access to mortgage products with lower interest rates, which could potentially result in lower monthly repayments.**

## Additional Fees

Although there are some mortgage products without fees, some do have costs. It is important to consider these additional fees (remember to keep this figure separate from your deposit savings, so you don't spend it by mistake) Our Mortgage Consultant will discuss these fees with you.

Here are some fees you may incur to secure your mortgage with a lender:\*

### Lender arrangement fee

Paid to the lender for arranging your mortgage

### Booking or reservation fee

Usually charged upfront, it reserves the mortgage you have been offered while your application is being processed

### Valuation/survey fee

Pays for the valuation/survey carried out on the property

### Legal fees

Costs incurred by your conveyancer for the legal work required for a mortgage

### Broker arrangement fee

A one-off fee payable to us, for lifetime membership to our mortgage services, which comes with a number of benefits

### Administration fee

Payable to us for handling all the administration on your mortgage application

## OTHER CONSIDERATIONS

### Stamp duty

This is a one-off fee that buyers have to pay the government on properties worth over a certain amount. In Scotland stamp duty is called Land and Buildings Transaction Tax, and in Wales it's called the Welsh Land Transaction Tax. Depending on the property value you may be exempt from stamp duty as a first-time buyer. We can tell you about this, or you can check the government website for current thresholds.

## A Place to Call Home

It's time to search for properties with our associated Estate Agent, Gascoigne Halman who can arrange some viewings for you.

Once you have a better idea of the type of property, location and how much you can afford we can get the ball rolling.

The local expertise we offer can be priceless and we have a 'help to find' service, just tell us the type of property and location you're looking for and we'll do the searching for you!

### TOP TIPS

Let the agent know you're a first-time buyer - it could help make your offer more desirable to the seller if you're not involved in a chain.

## TIPS ON PROPERTY VIEWINGS

You may not get all the information you need in one viewing, so it's best to visit more than once if possible – and ideally at different times of the day and week. That way you'll get a better idea of the traffic and the neighbourhood.

Lots of people say they 'just know' it's the right property the second they walk through the door. It's a big decision involving lots of money so, if you can, have someone with you to give a second opinion. A good rule of thumb is view once with your heart and once with your head.

## MAKING AN OFFER

You've found a property you could call home. How exciting!

## DECISION IN PRINCIPLE

When you've found your dream first home, we can help you with your mortgage application to secure a mortgage offer.

However, the first step is to secure a decision in principle (DIP), also known as an agreement in principle (AIP). This confirms that a lender has checked your finances and is willing to lend you a certain amount, subject to certain conditions, including a valuation of the property.

\*The total fees payable will depend on the lender.

## HOW TO MAKE AN OFFER

Contact the seller's estate agent with your offer, and follow it up with an email or letter confirming the offer amount.

## NEGOTIATIONS

We'll help you negotiate the best price and submit your offer on your behalf if the property is on the market with another agent outside of our Group.

If you offer below the asking price or if there have been a number of offers already, the seller's agent could come back to you with a counter-offer. In this case it's time to think about your maximum offer, taking into consideration what our Mortgage Consultant has said regarding your maximum borrowing potential (don't worry - our Mortgage Consultants can help you with this).

## 'BEST AND FINAL OFFERS' AND 'SEALED BIDS'

If there's a lot of interest in the property the seller's estate agent may recommend a 'best and final offer' or 'sealed bids' approach. In this situation, you'll need to submit in writing an offer of the absolute maximum amount you're willing to spend before a set closing date. The seller will then choose which offer to accept, taking into account the financial position of each buyer.

## DON'T FORGET

Before you legally commit to the purchase there will need to be a valuation as a minimum carried out on the property, so make sure your offer says it's subject to survey and contract.

## OFFER ACCEPTED!

Definitely worth a small celebration – but don't go buying that sofa just yet! There are a few more steps to complete...

## The Legal Side of Buying a Home

When you have an offer accepted and proceed with your mortgage application, the next step is to finalise the legal details.

Once your offer is accepted, you'll be asked for documents to confirm your ID/residence, and a money laundering check will be undertaken before the sale can then be formally confirmed in writing by way of a Memorandum of Sale. This is sent to you, the seller and the conveyancers confirming the sale has been agreed to you. When you receive this you can proceed with your mortgage application, finalise your finances and your conveyancer can commence the legal process.

The seller will then usually agree to take down the online listing and the sign outside the property will change from 'For Sale' to 'Under Offer' or 'Sold Subject to Contract' (SSTC). This means it's sold in principle but subject to the final exchange of contracts.

Things could move quickly once you find the right property, so it's a good idea to think about choosing a conveyancer now.

## WHAT IS CONVEYANCING?

Conveyancing is the legal transfer of a property from one person to another. It includes all the legal work plus a variety of important searches and checks on the property.

A conveyancer will charge an additional fee for their services, and there are thousands based around the UK, so to avoid confusion and make the process as stress-free as possible this is where we can help. Our Home Conveyancing Service is designed to give you peace of mind by taking care of all your conveyancing needs in one place.

This service is designed with you in mind and you will have access to a wide range of benefits.

## HERE ARE SOME OF THE BENEFITS:

- 24 hours a day, 7 days a week case tracking via our secure online portal
- No move, no legal fee, you only pay us if you move
- Simple fixed legal fees paid only on completion
- No need to visit a conveyancer's office for any time consuming in person appointments
- Purchase Search Pledge, peace of mind if your purchase falls through.
- Free Search Delay Insurance if you are ready to exchange contracts and only the search results are awaited

**We can look after all the finer details for you and keep you up to date throughout the conveyancing process. We will:**

- Draw up and check contracts
- Raise enquiries with the opposing conveyancer
- Carry out local searches (e.g. local authority, Land Registry, water and environmental searches)
- Arrange Land Registry certification
- Organise payment of stamp duty (if applicable)
- Manage exchange of contracts
- Transfer monies

## Valuation and Surveys

Now you've had an offer accepted it's time to look more closely at the property to satisfy the mortgage lender, and for your own peace of mind too.

The lender will require a basic mortgage valuation - a report the mortgage lender will arrange themselves, which confirms the property is worth the money you're asking to borrow.

There are also three main surveys which you might want to consider:

**RICS HomeFact (Level 1 - Survey)** is a report suitable for standard and smaller properties. Includes photographs of any major concerns with dedicated sections for key defects such as dampness and structural movement.

**RICS Home Survey (Level 2 - Survey and Valuation)** is as above, but also includes the surveyor's professional opinion on the 'market value' of the property and an insurance reinstatement figure. Highlights significant and urgent matters in a traffic light format so you know what's important.

**RICS Home Survey (Level 3 – Survey)** is a report suitable for any property type, including listed, unusual properties or those requiring renovation, but is typically for larger properties. Comments on defects and their cause, and gives advice on remedial measures required.

**We can help you choose which survey you'll need for the property and arrange it for you either directly with the lender or through our Surveying Services.**

## Mortgage Offer

Once the lender is satisfied with the results of the valuation report and the details you provided as part of the mortgage application, they will be in a position to issue a mortgage offer. A copy will be sent to you and your conveyancer, who will continue to work towards exchange of contracts and completion.

In the mean time you can start browsing those furniture catalogues now.

## The Home Stretch

### INSURANCE

The mortgage lender will require you to have buildings insurance in place from the point you exchange contracts on a freehold property. Some buildings insurance policies have an element of accidental damage cover included, but you may want to add additional cover for more protection to the physical structure of your new home.

You should consider adding contents insurance to be effective as soon as you start moving your possessions in. You can also add accidental damage cover to this.

There are other insurance products you may also want to think about. Speak to our Mortgage Consultant about:

- Life insurance
- Critical illness
- Income protection

### EXCHANGE OF CONTRACTS

When the results of the valuation are complete, the legal searches are finished and a final sale price has been agreed, the conveyancers draw up a set of identical contracts for both you and the seller to sign and return. The contract outlines the sale price, what is to be included and an agreed date to complete the purchase.

When the contracts are signed and returned to the conveyancers, both you and the seller are committed to complete the purchase on the agreed date.

Your conveyancer will send you a statement outlining your deposit amount and the amount you're borrowing as a mortgage. It will also contain an invoice for conveyancing services, which you pay before completion.

## MAKING A WILL

If you haven't made a will, buying a home is a really good reason to finally do it. Planning what happens to your money, possessions and property would save your loved ones additional stress, worry and cost at a difficult time.

Our will-writing partner can provide a simple, straightforward service for your peace of mind, just ask our Mortgage Consultant for details.

## SOME FINAL QUESTIONS FOR THE SELLER

You may want to ask the seller some questions about the property ready for when you take ownership, such as:

- Where are the gas shut-off valve, water stopcock and fuse box?
- Locations of gas, electricity and water meters?
- Is there drain access or a manhole on the property?
- How does the boiler/thermostat work?
- Do they have all user manuals and warranties you might need? If not, can you download copies?
- When are the bins collected? (You can also find this on your local council's website)
- Could you visit the property again before completion to measure up for carpets, blinds, curtains and furniture?

## Time to Start Packing

### HERE ARE A FEW TIPS TO HELP YOU PLAN YOUR MOVE:

- Label boxes with their contents and the room they should go in
- Wrap your breakables in bubble wrap, newspaper, or even towels and bedding to protect them
- Keep an eye on the weight of boxes – don't over pack them and spread heavier items between boxes. Lift with your knees and look after your back
- Put screws, bolts and parts from disassembled furniture in sealable bags and tape them to the furniture
- Keep important documents and phone numbers together and close by
- Buy spare light bulbs just in case you need them
- Start looking into utility providers

### COMPLETION

It's the day you've been waiting for... the day you become a homeowner and receive the keys for your new home. Congratulations!

On your completion day, the transfer of the balance of the purchase money is paid by your conveyancer to the seller's conveyancer and all the financial and legal work is concluded. The keys to your new property can then be released to you. Your conveyancer will also register the change of ownership with Land Registry.

All that's left to do is arrange with us where to collect the keys from, and move into your new home!

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**MORTGAGE SERVICES**

A LIFETIME FEE MAY BE PAYABLE UPON MORTGAGE APPLICATION AS WELL AS AN ADMINISTRATION FEE. THE TOTAL FEE PAYABLE WILL DEPEND ON YOUR CIRCUMSTANCES. YOUR MORTGAGE CONSULTANT WILL EXPLAIN ANY FEES APPLICABLE IN YOUR INITIAL APPOINTMENT.

**YOUR HOME OR PROPERTY MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.  
YOU MAY HAVE TO PAY AN EARLY REPAYMENT CHARGE TO YOUR EXISTING LENDER IF YOU RE-MORTGAGE**

**ALL MORTGAGES ARE SUBJECT TO STATUS AND LENDER CRITERIA.**

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