

FIRST-TIME BUYERS

FOR

AGREEMENT IN PRINCIPLE

Let's you know the size of mortgage you will be eligible for. Do this before searching from a property to avoid disappointment and to strengthen your position when you offer.

BUILDING SURVEY

Building Surveys are conducted by Chartered Surveyors. You should get one when you have an offer accepted to understand the condition of the property. The report will identify any defects, their apparent cause, the urgency of repair and maintenance options.



CHECK OUT THE NEIGHBOURHOOD

Love the property, hate the street. Ask about the neighbours but also go to the area at different times of the day to get a sense of what it is really like.



DEPOSIT

You will need to have saved 5% of the property value to be entitled to a mortgage. The greater the deposit, the smaller the mortgage and the better the repayments.



EXCHANGE

Don't pop the balloon till you have exchanged. This is when the property transaction becomes legally binding, a completion date has been agreed and the solicitors are in possession of a good transfer title deed and cleared decent funds.



FREEHOLD V LEASEHOLD

A freeholder owns the property and land it sits on. A leaseholder owns the property but not the land. They will pay ground rent to the freeholder and the lease term will diminish each year unless renewed.



GROUND RENT

Annual fee paid to the freeholder for occupying their land. When buying, check when they plan to increase payments and by how much.



HOMES TO BUY

(Equity loan scheme) The Gov scheme offers loans up to 40% in favour of the purchase price on new-builds. And it's interest free for the first five years.



INSURANCE

You will need building and contents insurance. The former will cover costs of rebuilding your home should the worst happen. The latter will cover your possessions.



JOINT MORTGAGE

Can't afford to act on the code in your own? Nothing beats a friendship more than being legally and financially bound. Make sure you have a clear plan agreed beforehand in the event one of you decides they want out at any point.



KEEP ON TOP OF FINANCES

Lenders increasingly want to see you are responsible with your finances, not only by how much you have saved but in how you spend. Clear debts and get on the electoral register to improve credit rating.



LOAN-TO-VALUE RATIO

Is the size of mortgage compared to the value of the property. The more you pay off the lower the percentage goes.



MORTGAGE BROKER

They will advise you on the best deals out there. You only pay should you proceed with a deal.



NEGOTIATE

Depending on the current market and demand you may have an offer accepted less than the asking price. You don't know till you try.



OUT-OF-TOWN SOLICITOR

You don't need to have a solicitor in town. The process is the same wherever you are in the UK.



PROPERTY ALERTS

Get email notifications for the type of property in the area you like by registering with estate agents in the area and on portals such as Zoopla and Rightmove.



QUICKNESS

If you find somewhere you like straight away, it's ok to offer. Don't let an opportunity pass you by if it feels right.



REPAYMENT V INTEREST

These are two types of mortgages - Repayment slowly pays down the interest and amount you have borrowed. Interest just pays the...you got it, interest.



SHARED OWNERSHIP

It lets you own a percentage of your new home and pay rent on what you don't.



TRANSPORT LINKS

When buying consider where and how you will get around from your new home. The closer you are the better but expect to pay more.



UNDER £500,000

Any property below this price is exempt from stamp duty tax for first time buyers till March 2021.



VARIABLE V FIXED INTEREST RATES

The bank charges you for lending you money. Variable (Tracker) mortgages change in line with the Bank of England base rate. Fixed rate mortgages mean just that, the % charged for the term taken won't change. This is usually a safer longer term option.



WALK THROUGH

If you are buying a new build make sure you do a final inspection of the property to check if there are any snagging issues that need to be remedied.



MARKS THE SPOT

Do your research. If you can't quite afford the location you want. Consider more where investment or business properties or the infrastructure is strong (e.g. for example, transit).



YIELD

Investors use this to calculate what the annual return would be on their investment. It suggests you do this as an exercise so you know what you could expect should you decide to go travelling a work away for a time. It is calculated by expressing a year's total income as a percentage of how much the property cost.



ZONES

The further out you are the cheaper it will be but remember to factor in a spot costs. Given that more people will be allowed to work from home, make sure the area has plenty of recreational facilities.