

# First Time Buyers Guide



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# Starting out

## Welcome

When you're looking to get your foot on the housing ladder, it can seem like a daunting task. Even if you've an idea of the type of house you'd like, what sort of things should you look out for? Then there's estate agents, solicitors, sorting out the finance, exchanging contracts and not forgetting the move itself.

Just where do you start and how do you make sure everything runs smoothly?

That's why we've prepared this step by step guide. Everything from finding the right home, arranging your mortgage, dealing with all the legal aspects and moving in.

## Timeline

Our timeline gives you all the major stages involved in buying your first home.

### How much can you afford?

First, find out how much you can borrow as this will affect your budget – if you can, get a decision in principle from your lender. Don't forget that there are lots of hidden expenses associated with house buying. And, of course, you're likely to need a deposit.

### Find a house and make an offer

Use estate agents, the internet and private advertisements to find your dream house. Don't forget to check it out thoroughly to be sure it's what you want. Then make your offer by telling the seller how much you're prepared to pay.

### Get a mortgage

Now that you've found your property, you can apply for your mortgage. Your lender will arrange a valuation of your property before issuing you with a formal mortgage offer.

### The Legal Stuff

You'll need a solicitor or a licensed conveyancer. They will arrange for the property to be legally transferred to you, and they'll also carry out useful searches on the property for things such as boundaries and planning permission.

### Exchanging Contracts

This is where you pay your deposit and sign the contract. At this stage, the purchase is legally binding, so make sure you're happy with everything before you sign.

### Move in!

After you exchange contracts, your solicitor will complete the deal and you can move in to your new home. Don't forget to check out our useful hints about packing, to help keep your belongings in one piece.

# The Cost of Moving

## How much will it cost?

Moving home can be a costly business. On top of the actual cost of your new home, you will have to think about legal

fees, stamp duty, removal costs. It is a good idea to weigh up the advantages of moving against how much it's going to cost you, and decide if it's worth it.

Use our [budget planner](#) (page 12) to work out how much it will cost you to move.

## How much can I borrow?

➔ Not sure how much you can borrow? Use our [mortgage calculator](#) to see how much you could borrow. (<http://www.midlandmortgages.co.uk/calculator.htm>)

## Getting a decision in principle

A decision in principle is like a promise from your mortgage lender that tells you how much they are prepared to lend you for your new home.

You can show it to estate agents and potential sellers to show them you are serious about buying their house and can afford it. You'd be amazed how many people view houses just for fun!

With Midland Mortgages you can get a decision in principle or mortgage promise within 24 hours by completing a short form online.

➔ Get a [decision in principle](#) now. (<http://www.midlandmortgages.co.uk/mortgages.htm>)

# Finding a home

## Where to look

Choosing where you want to live is tricky, particularly if you're moving from a long distance. It's important to find out a bit about the local area before you commit to living there.

Decide what's important to you personally.

Perhaps you want to be close to work? If you don't have a car, you might want to check out the transport links nearby. Is it important to have a pub within walking distance?

If you have young children, you might be concerned about local schools and playground facilities.

Our [printable checklist](#) (page 13) will help you make notes about your property's location.

## Your dream house

### House hunting tips

- Contact the estate agent to arrange a convenient time
- See as many houses as possible - this gives you a flavour of what's on the market
- Take someone with you - they may spot something you don't
- Return for a second or third look - especially at different times of the day. If you visit in the morning, the neighbours may be at work. Visit in the evenings and you might find the neighbours throwing all-night parties!
- Take notes or use our [printable checklist](#) (page 13) to record your thoughts
- Bring a camera - when you're excited about finding a home, your memory can play tricks on you. After all, the camera never lies.
- Don't get too attached to a house until you know it's definitely yours. This helps you keep an open mind on other places you look at

## Checklist

When you're excited about looking around a potential new home, it's easy to forget what important things to look for. Use our [printable checklist](#) (page 13) to keep notes on the properties you visit.

## Ways to buy

### Estate agents

How does it work:

Estate agents are employed by the seller to advertise their property and handle the negotiations around the sale. They will often have details about lots of properties within your price range and may be prepared to send you details about properties as they come onto the market.

What to look out for:

Remember that they are working for the seller and will be trying to get the best possible price for their client. However, they are legally obliged to give you accurate information. A good estate agent will be open and honest with you and keep you informed throughout. Don't let them put you under pressure with the old "we've had lots of interest in this one" line.

### Private sale

How does it work:

Some sellers choose to handle their property sale privately, through word of mouth and local advertising. You might spot a home-made board outside a house, or an advert in the classifieds or on your notice board at work.

What to look out for:

You may pay less for a private sale, because the seller will avoid paying estate agents' fees. However, because you are dealing directly with the seller, things can get a bit tense, particularly if there are problems with the property or delays in the process. You may prefer to deal with an estate agent.

### Internet

How does it work:

More and more people are choosing to advertise their houses online. This is a huge advantage if you are planning to move a long distance, as you can get a feeling for lots of houses without having to leave the comfort of your living room. You can also refine your search to focus on properties in a particular area or price range.

What to look out for:

It stands to reason that the photo on the net is going to show the house in its very best light, so don't get too carried away before you've actually viewed it!

## Making an offer

### How to make an offer

Making an offer really is as simple as telling the estate agent or seller that you would like to buy the property at a

particular price. How much you offer is up to you and may depend on how busy the market is.

In a slow market you may be able to get away with a low offer, whereas if the housing market is booming you may need to be a bit closer to the asking price. Remember not to offer more than you can really afford!

You should be realistic with your offer, but it isn't yet set in stone – you can always negotiate later on if you find there is work that needs doing to the property.

## What happens next?

What happens next depends on whether your offer is accepted or not.

If your offer is accepted, you will receive a confirmation letter from the estate agent (if you have bought through an estate agent).

If it is rejected, you can decide to put in a higher offer, but be careful that you don't get involved in a bidding war - you don't want to end up offering a lot more than the house is worth.

## Gazumping

Gazumping is the common term for the practice of accepting an offer from a buyer, only to later reject it in favour of a larger offer. Legislation has outlawed the practice in Scotland, but in England and Wales it is a common occurrence, particularly when the housing market is buoyant.

### Tips to avoid disappointment:

- Don't get too excited when your offer is accepted. There are still a lot of things that could go wrong before the house is definitely yours.
- If you are gazumped, don't be tempted to go back with a much higher offer. Not only do you risk offering too much for the property, but are you really prepared to trust the sellers again?

# Getting a solicitor

## What solicitors do

Your solicitor will

- check the legal documents or "title deeds" of the property
- establish what your property's boundaries are and the provision of basic facilities (water etc)
- check local authority plans
- agree what is to be included in the sale
- negotiate with the seller over repair work or changes to the offer
- arrange the exchange of contracts and complete the sale

Make sure you keep in touch with your solicitor throughout the process and make him explain any legal jargon so you are happy with what's happening. But be patient. As with most legal processes, conveyancing takes time.

## How to find a good solicitor

The best place to start is to ask for recommendations from family and friends to find a solicitor you trust. Alternatively, you can ask your mortgage lender, the Law Society or the Council for Licensed Conveyancers.

The Law Society,  
113 Chancery Lane, London, WC2A 1PL  
Tel: 020 7242 1222

<http://www.lawsoc.org.uk/>

The Council for Licensed Conveyancers,  
16 Glebe Road, Chelmsford, Essex, CM1 1QG  
Tel: 01245 349599  
<http://www.conveyancer.org.uk/directory.asp>

It's worth asking a few different firms for a quote for their services to compare prices. But remember that finding a solicitor you're happy to deal with is as important as getting the cheapest deal.

## Getting a mortgage

### Choosing your mortgage

At Midland Mortgages we have access to a range of different mortgages to suit your requirements. Whatever your circumstances provide a tailor made solution to your needs.



If you would like fully independent mortgage advice contact us today, or [request a callback](http://www.midlandmortgages.co.uk/callback.htm).  
(<http://www.midlandmortgages.co.uk/callback.htm>)

#### Flexibility as standard

We have access to products with the benefit of flexible features, such as:

- Daily interest
- Overpayments
- Underpayments
- Draw-downs
- payment holidays.

By making regular overpayments on your mortgage you could pay it off earlier and save yourself thousands of pounds in interest payments.

#### Repayment/Interest-only

When you choose your mortgage product, you'll also need to decide how you want to repay it.

##### Repayment mortgages

- Pay the interest and capital back every month.
- See your mortgage amount decrease over time.
- Be sure that your mortgage will be paid off in full (if you maintain your payments)

##### Interest only mortgage

- Pay back the interest to the mortgage lender every month
- Your mortgage amount will stay constant throughout the term
- Pay into a separate investment product (like an ISA) every month to cover your mortgage amount at the end of your term
- If your investment does well, you might have a lump sum left over
- If your investment does badly, you risk a shortfall on your mortgage amount

### The application process

When you have found your property and put in an offer, you will need to apply for your mortgage. There are several ways of doing this.

 [Enquire Online](http://www.midlandmortgages.co.uk) (<http://www.midlandmortgages.co.uk>)

With Midland Mortgages you can complete a short form online and we can get back to you with a decision in principle within 24 hours.

Alternatively you can call us on 01827 737 612

 Or [request a callback](http://www.midlandmortgages.co.uk/callback.htm) (<http://www.midlandmortgages.co.uk/callback.htm>)

## Your survey

When you apply for your mortgage, your lender will insist on carrying out a valuation on your chosen property, to check it is worth the asking price.

The lender's survey is very basic and won't highlight all the things that might cause you problems. For added peace of mind you should consider getting one of the following reports, for which you will have to pay an additional fee:

### **A homebuyers report**

This will give you much more detail about potential problems with the property such as damp and basic construction.

### **A structural survey**

This is quite expensive, and is only really necessary if your chosen property is very old or unusual in construction.

Your surveyor may also recommend that you consult a specialist to inspect certain aspects of the property (eg wiring, gas installations, suspected damp)

## Your offer

When we have received a copy of your valuation, and assuming everything is OK, we will issue you with a firm mortgage offer. You can take this to your solicitor to confirm that we will provide the money when the time comes to exchange contracts.

# Completing the sale

## Exchanging contracts

When your solicitor is happy with everything and you have your mortgage offer, you can exchange contracts.

You will need to sign a contract to say you want to buy the property and your solicitor will arrange for all the paperwork to be finalised. At this point you will need to pay your deposit to your solicitor.

From this point, the sale becomes legally binding and you would lose your deposit if you had to pull out. So make sure you're happy with everything before you sign!

## Completion

The completion date is the day the property finally becomes yours.

In most cases the completion date takes place around 4 weeks after contracts are exchanged although this can vary considerably.

Once completion takes place you are free to move in.

# Moving

## Moving checklist

Everyone knows that moving house can be stressful, but a bit of preparation can really help. so why not use our checklist to help you plan your move so that it runs as smoothly as possible.

### Four weeks before moving.

- Confirm the date when you'll be moving in.
- Book time off work
- Decide whether you are going to move yourself or use a professional removal company. If you are using professionals, get several quotes and compare prices. If you're moving yourself, ask some friends to help you.
- If you're moving from rented accommodation, contact your telephone and utilities companies to tell them about the move.
- Have a clear out of anything you don't really need.
- Consult our packing checklist to make sure you're prepared.

### Two weeks before

- Tell your local authority
- Arrange with The Post Office for your mail to be re-directed
- Start packing things that you won't use before you move

### One week before

- Pack everything apart from things you will definitely need between now and the move.
- Confirm your move with utility companies if appropriate
- Confirm all the details with your removal firm

- Put important or valuable items in a safe place (passport, driving licence, birth certificate)

### The day before

- Pack a box of essentials to get you through the first day (a kettle, tea bags, coffee, toilet paper, snacks, spare lightbulbs etc)

## Removals

### Hiring a removal company.

If you're moving a long distance with many belongings to transport - or you simply want a stress-free move - it's wise to leave the job to the professionals.

- Ask friends and family who've moved recently if they can recommend a removal company.
- Alternatively, use a company that's a member of the British Association of Removers.
- For details of companies in your area, simply call the association on 020 8861 3331
- Get some written quotes. Reputable companies will usually visit you to check your belongings and assess what's involved. You can expect to pay £300 or more for a good removal company.
- Before you book their services, make sure the quote includes insurance for damage to your items during transit and ask them what they will do if an accident occurs.

### DIY removals

If you'd rather not pay for a removal company, and you're not moving too far away, why not hire a van and do it yourself?

- Make sure you have someone with you who can help carry your heavy belongings, such as the sofa and cabinets.
- Make sure your home insurance covers you for belongings damaged during the move.
- Call some van rental companies for quotes. All you'll need is a driving license to hire a van, but when you book it, check the company include unlimited mileage in the deal. If they don't, you may have to pay over the odds!

## Packing

Use our top packing tips to help you get your belongings from A to B with minimum hassle.

- Start early - packing will always take longer than you expect!
- Before the move, collect all the newspapers, tissue paper, boxes, cardboard, wrapping and padding you can find
- Protect your valuables with bubble-wrap
- Clearly label boxes with fragile items - and load them into the van last
- Take extremely delicate items with you in your car
- Write which room the boxes are going to on the labels
- Consider how you'll move valuable items such as antiques and computers - will you need a specialist removals firm to help you?
- Keep your stereo speakers away from your TV - the speakers contain magnets that can damage it
- Put one or two heavy items in each container so they weigh roughly the same - check the weight is even throughout the container
- Before you lift a box, test its weight. Put it down straightaway if it's too heavy
- Keep coffee, biscuits and kettle close at hand - survival kit
- Finally, ask someone to help you on the day of the move. A spare pair of hands could be useful.

## Who to tell

When you move house, there are so many people you need to tell, it's hard to remember them all. Try the list below to get you started.

**Utilities** (if you're moving from rented accommodation)

- Water
- Gas
- Electricity
- Telephone
- TV Licence
- Cable/Satellite/internet companies

**Financial**

- Banks
- Building Societies
- Credit Card/Loan companies
- Council Tax
- Insurance companies
- Inland Revenue
- Employer

**Motoring**

- DVLA
- Car insurance company
- Motoring Association (AA/RAC etc)

**Others**

- Friends and relatives (of course!)
- Magazine or newspaper subscriptions
- Schools and colleges
- Sports or social clubs

**Health**

- Doctor
- Dentist
- Optician



# FTB Checklist

Property Address	
Price	
Estate Agent Details	

Location of property in terms of proximity to:	Details/Notes	Total Mark (out of 5)
Workplace		
Shops		
Pubs/entertainment		
Transport Links		
Schools		
Other:		
Other:		

Type of Property	<input type="checkbox"/> Detached <input type="checkbox"/> Semi <input type="checkbox"/> Terraced <input type="checkbox"/> Flat	
No. of Bedrooms	___ Double ___ Single Notes .....	
Central Heating?	<input type="checkbox"/> Gas <input type="checkbox"/> Oil <input type="checkbox"/> Storage Heaters <input type="checkbox"/> None	
Double Glazing?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Part	
Reception Rooms	<input type="checkbox"/> Living Room <input type="checkbox"/> Dining Room Notes .....	
Bathroom	<input type="checkbox"/> Bath <input type="checkbox"/> Shower Notes .....	
Kitchen	Notes .....	
Garden	<input type="checkbox"/> Private <input type="checkbox"/> Communal Notes .....	
Central Heating?	<input type="checkbox"/> Gas <input type="checkbox"/> Oil <input type="checkbox"/> Storage Heaters Notes .....	

