

Which? Mortgage Advisers

5 steps to owning your **first home**



Introduction

Buying a home is the biggest financial commitment most of us will ever make. And it can be stressful. But we can take some of the stress away by taking you through the process in 5 easy steps:

Step 1 Affordability

Step 2 Deposit

Step 3 Viewing a property

Step 4 Making an offer

Step 5 The Mortgage process

1 Affordability

Working out what you can afford will have a big influence on the property you can buy and the area you're looking to live in. It's tempting to stretch yourself to get your dream home. But your home could be repossessed if you're not able to make the mortgage payments. Be realistic about what you can afford now, and what you'll be able to afford in the future.

Do your sums

Complete a budget planner to sum up all of your outgoings, there's lots of free tools online to help you. You'll need to include costs such as gym membership and that weekly coffee!

Which? Mortgage Advisers can send you a free budget planner; just contact one of our team for free on **0800 316 7069**.

Credit rating

Check that yours is up to scratch, any missed payments on things such as catalogue accounts might have an impact on your mortgage application. Get a free credit score from Experian, Equifax or CallCredit.

Mortgage borrowing

Once you've figured out the above options, your mortgage adviser can give you an idea of how much you can borrow, and you can then start looking in estate agents' windows or in the local papers to see what you could get for your money. It can be a good idea to get an agreement in principle. This is a document from a lender showing how much, in theory; they'd be willing to lend you. You can get one direct from a lender or one of our expert advisers can arrange one for you, give us a call on 0800 316 7069 to find out more.



It's always best to speak to an independent mortgage broker - our expert advisers can talk through all of your affordability options and answer any questions you might have - call us free on 0800 316 7069

2 Deposit

A basic principle to keep in mind is that the bigger the deposit you have, the cheaper the mortgage deal you will be able to get. This is because the more money you have to put towards a house, the less of a risk you pose to a lender.

According to the Which? national property survey in 2015, more than half of first-time buyers said they put more than a 10% deposit towards their first property. The survey also revealed that the average first-time buyer deposit is 17%.

Don't despair if you're struggling to save a large deposit there are still many mortgages out there for first time buyers, with many deals only requiring a 5% deposit. You can contact our team of helpful advisers to discuss your current mortgage options.

Example of a deposit

When thinking about the deposit, subtract everything you owe from everything you're prepared to spend.

Mark wants to move into a new house:

He's saved £10,000 but is happy to spend £6,000 of it as he wants to keep some of it aside for other moving costs. He also wants to cash in £1,000 from his £3,000 in shares.

Mark's deposit is worked out as follows:

£10,000 minus £6,000

£6,000 plus £1,000 of shares = £7,000 total deposit

Leaving £4,000 surplus to spend on other associated costs such as mortgages fees or legal costs.

Don't despair if you're struggling to save a large deposit there are still many mortgages out there for first time buyers



£ If you're unsure about your deposit options, call one of our advisers to talk through your affordability. We can also tell you what you could borrow on a mortgage and what your repayments might be. Call on **0800 316 7069**

Speaking to local estate agents and nearby neighbours can also help you with your decision

3 Viewing a property

This is an exciting step, and there are lots of things to consider when looking for a property. Here's a short summary of what to look for when buying a home:

Do your area research

Check the area has everything you need such as; transport links, doctors and dentists. It's also useful to visit the area at different times of day to avoid any surprises further down the line.

Property viewing

Check there aren't any issues with damp, insulation and cracks. Storage space can be a big factor as well as boiler safety and broadband connections - all things you might not think about but will become important once you move in. Speaking to local estate agents and nearby neighbours can also help you with your decision-making.



Check out our full online guide of **'What to Look for when Buying a Home'** by visiting mortgageadvisers.which.co.uk/what-to-look-for-infographic

4 Making an offer

If you've set your sights on a property and everything is in order, then you're ready to make an offer. Once you have your decision in principle, consider the following before making your offer to the estate agent:

Do your research Check what other properties have sold for in the area so that you can increase or decrease your offer.

Don't bid too low for a property While you can expect some haggling, don't offer too low that you enter a lengthy negotiation process, as you might lose the property altogether if someone else makes a higher bid.

Estate agents aren't legally allowed to tell you how much other offers on the property were for, but they might be able indicate whether they were close to the asking price, to help to inform your own offer.

You should consult a mortgage adviser before making an offer, to find out how much lenders might be prepared to let you borrow.

Check the checklist For any fixtures and fittings you would expect to be included within the sale and make sure that is clear within your written offer.

Be certain Once your offer is accepted you'll then need to arrange for a property survey, and once you've paid for it you won't get that money back if you pull out.

Put it in writing Include dates when you'd like to exchange contracts and complete. Include any conditions, such as checking a flaw subject to survey.

£ If your offer is accepted - congratulations! Call our expert advisers for free to get the ball rolling with your mortgage. We'll look at all available deals to make sure you're getting the one that's right for you. Call us free on 0800 316 7069

Check the list for any fixtures and fittings you would expect to be included in the sale



A good mortgage adviser will only recommend mortgages that are affordable and suitable for you. They can save you time by telling you which lenders are likely to accept you



5 The mortgage process

Choosing a mortgage is a confusing business, so it can often be worth using a mortgage adviser, but you need to make sure you find an adviser that's right for you.

A good mortgage adviser or mortgage broker will only recommend mortgages that are affordable and suitable for you. They can save you time by telling you which lenders are likely to accept you. When looking for an adviser ask if they're qualified and if they are registered with the Financial Conduct Authority. You should ask if they will let you know about deals that you can get direct with a lender. Even though a mortgage adviser won't be able to set these deals up for you some mortgage advisers will let you know if you can get a deal that is cheaper by going direct instead of using their service.

Here's how it works in a nutshell



*The lender will require documentation in order to process your application and provide a mortgage offer.

Our expert advisers look at all mortgage deals available, even if it's one you can only get direct from a lender. Our adviser's are not paid individual commission, so you can be sure they have your best interests at heart. Call us free on **0800 316 7069**

We're here to help

We're here for you every step of the way. If you have any questions from budgeting to deposits, to the different types of mortgages available and how they all work, contact one of our experts for impartial advice

Call us free on 0800 316 7069

Or visit mortgageadvisers.which.co.uk

Sign up to our first time buyer email programme – full of all the hints and tips you'll need to help get on the ladder, including checklists, budget planners and videos of other first time buyers giving their advice on things they wish they'd known before buying their property.

Sign up by visiting www.which.co.uk/buying-a-house

What we charge: You won't pay for your initial consultation. If you decide that you'd like us to help with your application, we'll charge a fee of £499* to cover our administration costs. This is paid in two parts: 1. A first instalment of £299* when we start. This fee is non-refundable and payable on application. 2. A second instalment of £200* once you complete your mortgage. If you're a full Which? member when you first get in touch, this is £100* (this does not include temporary or trial membership). These amounts are subject to change. These charges apply to each mortgage contract you enter into through us. Once you've spoken to an adviser and provided details on your specific requirements, we'll confirm the exact fee to be paid and when it will be collected. On most mortgage applications we receive a commission fee from the lender on completion. This is separate from our administration fee and is an additional fee we receive. **Who we are:** Which? Mortgage Advisers is a trading name of Which? Financial Services Limited, part of the Which? Group. Which? Financial Services Limited, Registered Office: 2 Marylebone Road, London NW1 4DF. Registered in England and Wales No. 7239342. Which? Financial Services Limited is authorised and regulated by the Financial Conduct Authority (No. 527029). Telephone calls may be recorded and/or monitored.

Your home may be repossessed if you do not keep up repayments on your mortgage