



FIRST TIME BUYER'S TIPS

Buying a home is one of the biggest financial and lifestyle decisions you will ever make, so it's important to get it right.

WORKING OUT EXACTLY WHAT YOU CAN AFFORD

Before you start searching for properties, sit down with an independent financial adviser and work out exactly how much you could afford to borrow and what your monthly payments are likely to be.

Try and get an offer in principle from the mortgage lender to show estate agents and sellers, it may help when making an offer if you can show your mortgage finance is in place.

If you are buying a house for the first time, it's a good idea to try it out for a few months. Put the potential amount of your mortgage payment and bills like Council Tax, Electricity, Gas and Water into a savings account and see how you manage. After a few months, the savings will help with the cost of moving.

WORK OUT WHERE YOU WANT TO LIVE

Once you've got an idea of how much you can afford, you have to think about where you want to buy. Proximity to work, family and good transport links are worth careful consideration, as are the location of shops, doctors and schools.

MAKE A LIST OF THE QUALITIES YOU WANT IN A HOUSE

When you're looking for your first home, it's likely that what you want and what you can afford don't match. So you need to compromise. It may be helpful if you list the features that you feel are essential, such as:

1. Do you want a house or a flat?
2. Do you want a garden?
3. How many bedrooms do you need?

You should also think about other factors, such as the overall size and age of the house. Bigger houses cost more to heat and usually demand higher Council Tax, and newer houses generally are cheaper to maintain for the first few years.

LOOKING FOR YOUR HOME

Start with the internet. Checking property websites is the quickest and easiest way to find out what properties are on the market in your chosen area and whether they are in your budget, and you can do it in your own time at home.



LOOKING FOR YOUR HOME continued

Once you have an idea of what you are looking for a chat with some estate agents will be useful.

- They'll supply you with details of suitable homes and will put you on their buyer list and send you details of relevant properties as they come onto the market
- They may also be able to suggest different locations for you to consider if your budget doesn't stretch to your ideal house and ideal location.

Make sure you look through newspapers and specialist property publications too.

Don't just look at the big adverts with the estate agents, there are usually some homes being sold privately after the estate agent adverts, especially in the current economic climate when people want to save on as many costs as possible.

Finally make sure you look through the Home Information Pack before you decide to view a property.

It may contain information that puts you off the property, or provide you with answers to questions you would ask the seller on a viewing.

VIEWING PROPERTIES

Take time to view as many properties as you can. Try not to be swayed by decor and furnishings and look at the design of the rooms as well as the general condition of the property.

If a property is particularly cluttered with the seller's belongings, look at the ceilings in the room to get a better idea of the size of a room.

View at different times of the day and on different days of the week. A place that might seem quiet during the evening could be noisy during the day. Make sure you visit the neighbourhood at peak times, such as morning, evening and school times.

Try to get an idea of the running costs and bills from the seller whenever you view a property. For example, what sort of heating the property has and any maintenance charges you'd have to pay.

For flats try and find out the ground rent and service charge, as these may take the property out of your budget.

MAKING AN OFFER

Once you have found the property you want to buy, it's time to put in an offer through the estate agent.

- Remember that the asking price is how much the seller hopes to get for the property - not necessarily how much they realistically expect - and your first offer can be below the asking price.
- The estate agent may be able to guide you on whether the seller is likely to accept a lower offer.

When deciding what to offer for the property, also consider how long the property has been on the market. If the seller has only just marketed the property they are less likely to accept a lower offer.

If you're a first-time buyer, you don't have to sell your present home before you can move.

This puts you in a stronger buying position and could help speed up the buying process. But you'll still need a good solicitor to make sure things go quickly and smoothly.

Once you have made an offer, it is up to the seller to accept or reject it. It is possible that other buyers are putting offers in at the same time, so it's a good idea to research into the typical price of such a property or you may find yourself caught in a bidding war.

Taking time to do your initial research will really pay off here. If the seller does reject your first offer, you can always put in a higher offer later. If your offer is accepted, the estate agent will confirm it in writing. However, this is not legally binding and you could still lose the property if another buyer comes in with a higher price and the seller agrees to it.



ONCE YOUR OFFER IS ACCEPTED, INSTRUCT YOUR SOLICITOR

Conveyancing is the legal term for transferring the ownership of property.

It involves:

- Liasing with the seller's solicitor
- Checking paperwork
- Checking your mortgage
- Ensuring the process runs smoothly for you

It's important that you choose the right solicitor, and keep your solicitor updated with anything you agree with the seller. For example, if you later agree to buy the sofa.

Never pay any money to the seller directly, always check with your solicitor first.

FINALISE THE MORTGAGE WITH YOUR LENDER

The mortgage that was approved in principle now needs to be arranged based on the home you want. The lender needs to know that the property is worth the amount being lent, and will arrange for a valuation report that you may have to pay for.

THE SURVEY

Always consider paying a bit extra and having a homebuyers or structural survey, depending on the property you are purchasing. The standard valuation is not a survey as such and you should not rely on it for your own purposes.

- A detailed report on the condition of the property is highly recommended, as it will give you peace of mind and make sure you are aware of any immediate problems with the property.
- The basic survey, a Homebuyer's Report, only concerns the parts of the property that are easily accessible or visible.

A Full Structural Survey, on the other hand, is more in-depth and can unearth problems that could be costly in the future. If the survey does reveal serious problems, you are free to withdraw or lower your offer on the property.

Be prepared to budget for more than one survey during your home buying process, in case the first property falls through.

Check that the surveyor you choose is a member of the Royal Institute of Chartered Surveyors or the Incorporated Society of Valuers and Auctioneers.

ARRANGE INSURANCE FOR YOUR NEW PROPERTY

Once your solicitor has started the legal work, it's time for you to start looking at buildings insurance and removal arrangements.

It's compulsory to have buildings insurance in place before your mortgage completes, and most solicitors will want to see your insurance details before you exchange contracts to check they are suitable for your lender.

Once you have exchanged contracts you must also ensure that the building insurance is put on risk, as depending on the wording of the contract you may be legally responsible for the insurance. Make sure your solicitor tells you whether you need to insure the property from exchange of contracts or completion.

If you get it wrong and the property burns down between exchange and completion you may be legally obliged to complete the purchase but your lender will not advance you the money.



MAKE REMOVAL ARRANGEMENTS

Look into prices and see if they can say if any dates are likely to be particularly busy so you can avoid these when negotiating a completion date with the seller.

Check if there will be a deposit to pay and if this is refundable if the completion date is changed once you have paid your deposit.

Always check with your solicitor before you book your removals, the completion date is not legally binding until exchange of contracts even if you and the seller agreed the date some time ago.

Unfortunately sometimes there are problems which your solicitor must sort out before exchange can take place, both for you and your mortgage lender.

You should remember that you are legally bound to complete on the agreed date once you have exchanged contracts so make sure the removal company can do it all in one day.

If you are selling as well as buying, remember that there will be a time in your contract that you must vacate by, check this with your solicitor.

However as soon as your solicitor receives the buyer's money the property is theirs, so try and have everything packed and out of the property as early as possible.

There may also be a delay between you having to leave your present house and getting your new keys, as until your seller's solicitor receives your money from your solicitor they will not let you have the keys.

Check that the removals company will be able to wait for you to get your new keys.

MOVING IN

Make sure you're fully prepared before you move, with possessions boxed up and clearly labeled. Don't forget to inform your old gas, electric, water and telephone suppliers that you are moving out and take metre readings, as well as tell your new suppliers that you have moved in.

You'll also need to let the council know about your move so you don't pay Council Tax at your old address. You may also want to ask the Post Office to redirect your mail from your old address.

Make sure that you carefully file away all the important documents you have gathered. They are your primary record of your purchase and your mortgage and you may need them in the future.

Remember it might take a couple of months for your solicitor to get the Land Registry paperwork showing you as the owner, but they should always send you this for your records once it is completed. They may also send you all the old deeds that no longer prove ownership.

Please note that this is a basic guide, for more information please contact corporatelaw@taylor-rose.co.uk