



**WALKER**

GROUP

# FIRST TIME BUYERS GUIDE

Buying your first home is an exciting process, but it also needs a lot of thought and careful planning. To help, here are the key steps you'll need to take.



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## **1: WORK OUT YOUR BUDGET**

As a first time buyer, your budget should be your key consideration, so carefully calculate how much money you can pay as a deposit and what monthly repayments you can afford to make on your mortgage. Carefully work out your monthly incomings and outgoings to see what you can manage.

Remember to factor in all extra costs involved in buying a house, including legal fees, mortgage arrangement fees and Land and Buildings Transaction Tax (LBTT).

In your monthly budget calculations, don't forget the running costs of your new home, including utility bills, maintenance and Council Tax.

Remember it is vital that you don't overstretch yourself.

## **2: SAVE YOUR DEPOSIT**

Today you can get a mortgage with a deposit of as little as 5% of the value of the property you want to buy, but it can make sense to pay a larger deposit to get a better deal - the bigger your deposit the cheaper your monthly repayments will be, the less likely you are to fall into negative equity, the better the deal you're likely to get from lenders and the more likely you are to be approved for a mortgage loan.

## **3: FIND THE RIGHT MORTGAGE.**

There is a bewildering array of mortgage providers out there. Research the market carefully to see which one fits your needs best. You will be more likely to be successful in your mortgage application if you have a permanent job and a good credit history.

Our advisors will put you in touch with a Mortgage Advisor - someone who will give you expert and unbiased advice on the best mortgage products available. Our Mortgage Advisor is contactable for our clients 7 days a week and can provide you with a confidential rapid response regarding your affordability and repayments and get a prompt decision in principal from the lenders.

There is a Scottish Government scheme to help first time buyers to purchase an affordable new build home, with a deposit of a minimum of 5% of the total purchase price, from a participating home builder. Its full name is the Help to Buy (Scotland) Affordable New Build Scheme. The Scottish Government will help buyers to purchase a property by taking an equity stake of up to a maximum 15% of the value of the property. The three-year scheme will operate until 31 March 2019.



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### **4: FIND THE HOME THAT'S RIGHT FOR YOU**

Our friendly and professional sales advisors are the best people to talk to when you're searching for your new home. They can help you choose a home that will best suit you, your family and your budget. Remember that nothing beats coming down to one of our developments to get a first-hand look at what's available.

Many houses for sale in Scotland are marketed with a Home Report (although these are not needed for new-build properties). A Home Report is a pack of three documents: a Single Survey, an Energy Report and a Property Questionnaire. When you're choosing your new home take a look at the Home Report as it will provide you with lots of important information and give you a good idea of how much your new home will cost to run.

### **5: GET A MORTGAGE 'IN PRINCIPLE'**

Before you move forward, you'll need to get your mortgage lender to confirm that they will lend you the money you need. This is known as a mortgage 'in principle'. At this point you may have to pay a fee to reserve it.

Make sure you confirm with your lender what your borrowing limit will be. Check that this mortgage and your deposit will

cover the advertised cost of the property you want to buy. Remember that your mortgage offer will be valid for a limited time (typically six months).

### **6: FIND A SOLICITOR**

You'll need a property solicitor to carry out all the legal aspects of buying your new home. It's best to have one in place before you make an offer. You can find a solicitor or qualified conveyancer on the Law Society of Scotland website. We can provide recommendations on a panel solicitor with experience of new build. Your solicitor will undertake searches on the property you are interested in. You may have to pay a deposit at this point, or pay for searches upfront.

### **7: RESERVE YOUR NEW PROPERTY**

When you've found a property that you like and that fits in with your budget, then reserve it.

### **8: APPLY FOR YOUR MORTGAGE**

You need to apply for your mortgage once you've made your reservation. Your mortgage company may need to get a valuation of the property done as part of your mortgage application (there will be a charge for this) or they may rely on the mortgage valuation that is contained in the property's home report.



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### 9: PREPARE FOR YOUR MOVE

As moving day approaches, consider the logistics involved. If you have a lot of furniture and other possessions to move, you may need to find a removal firm or you may be able to rent a van or rely on family and friends to help.

### 10. AGREE YOUR PURCHASE CONTRACT

Once your offer is accepted your solicitor will work towards exchanging contracts. Your solicitor will send you documents to read and sign and will discuss any conditions attached to owning the property.

The contract for your purchase is concluded when your solicitor exchanges letters with the seller's solicitor. This is known as the 'conclusion of missives'. You will need to send them a deposit to make this exchange. At this stage you are legally committed to buying your new home.

### 11: GET READY TO MOVE IN

When you know that your purchase is going ahead you, or your solicitor, will have to contact your mortgage lender to let them know.

As the date of entry approaches, your seller's solicitor will contact your lender for the remaining money you owe.

You may need to pay fees for money to be transferred and for setting up your mortgage account. You'll also need to pay your solicitor's fee.

Your solicitor will pay the Lands and Buildings Transaction Tax (LBTT) due. This is a new tax introduced on the 1st April 2015 for homes costing more than £145,000 and must be paid within 30 days of completion.

### 12. MOVE IN

The sale of your new home will be completed on the date of entry agreed with us. You will receive your keys and be able to move in. Your warranty will start from the moment you move in, so you'll be covered from the start.

For more information contact:

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