



1st Time Buyers Guide

...a move to be sure of

1st Time Buyers

Contents

Essential infor for first time buyers	1
Getting the money - Mortgages	2
Getting the money - Co-Buying	3
Getting the money - Bank of Mum & Dad	4
What type of property can you buy?	5 - 7

Essential info for first time buyers

It may seem difficult for first time buyers to get their feet on the Property ladder, with high house prices and lenders looking for lower risk investments. However, there are a number of options that first time buyers can consider.

Work out what you can afford

The most important step is working out how much you can afford - use the **Sellsureuk Budget Calculator** to get a realistic picture of your finances and identify where you might have to cut back. Looking in detail at all your outgoings now will make taking on such a serious financial commitment far less stressful in the long run.

SELLSUREUK RECOMMENDS:

You read our introduction to the 'Costs of Buying' to ensure you have covered all the essentials!

Getting the money

Mortgages

Ask several mortgage lenders what they are prepared to lend you and ask for an **'Agreement in Principle'** where possible.

This will help lend weight to your case when buying - first time buyers are not subject to endless chains and are therefore very attractive to sellers in a hurry to move.

Jargon Buster

Agreement in Principle

Provided by lenders as a statement that this is what they are prepared to lend the named borrowers subject to approval of the property.

What you can borrow often depends on what you are prepared to offer in terms of a deposit. Although it was possible to obtain 100% mortgages, these are now becoming a thing of the past. Typically

buyers need approximately 10-15% of the purchase price as a deposit to get a mortgage in the current climate.

SELLSUREUK RECOMMENDS:

Our guide to the various types of Mortgages available and the additional Fees & Costs you may have to pay.

While special first time buyer mortgages are available, compare these to standard mortgages as these can often give you a better deal, especially if you have a large deposit. You could even consider taking out a mortgage for a longer term.

Getting the money

Co-Buying

Buying with a partner, siblings or friends can be a more economical way of getting on the ladder as there is someone else to share the financial burden with. The finer details of who is paying what and what percentage each party owns should be discussed prior to making any commitments.

If you are buying with a partner, although it is unpleasant, do you think about the implications of what would happen if you were to separate. Can one of you afford to make payments alone if you were to buy the other out or would you both be back at square one? Remember you are **BOTH** responsible for the repayments on joint mortgages so if one of you stops paying, the other is still liable.

Buying with a sibling or friend is often a short-term measure as both parties probably intend to move on in a few years time.

Again, think of how this is likely to affect your personal circumstances when this happens.

It is also even more important to consider the likely resale possibility of your home in these circumstances as you probably both don't want to wait forever to sell the home when the time comes. A good location is essential and smaller properties maybe easier to sell than larger ones.

Whoever you decide to invest with, make sure you have the right agreement set up. Avoid disputes by taking simple measures, such as agreeing a roster for housework and how the household bills will be split upfront. A local family property law specialist can help you draw up a co-habitation or joint ownership agreement.

Getting the money

Bank of Mum and Dad

Parents can help in several ways, most pointedly by acting as guarantors for the mortgage or paying part or all of the deposit, reducing the cost of the mortgage over all (possibly even interest-free!).

They can also help with the little things such as lending furniture and other essential items.

Jargon Buster

Guarantor

To act as an assurance for lenders that someone (the guarantor) will pay your mortgage should you fail to keep up repayments.



What type of property can you buy?

Sellsureuk has thousands of properties in the UK available to buy which you have no doubt been researching already. You should have an idea of what is available in the area you want to live and what it will cost. Consider if you move further a field than you originally planned as property prices can vary significantly in different areas so you could find a great bargain if you are open to alternatives.

New Builds

Most house builders in the UK offer generous incentives to first time buyers so it is defiantly worth checking what new builds are available in your area. Look to the right of the listings to see if there are any special offers available. This option also tends to mean that you have little maintenance to worry about and the property usually comes with most appliances and fittings included.

Finally, by signing up for free email alerts from Sellsureuk, you will receive exclusive offers from developers from time to time in your local area!

Affordable Housing Schemes

Sellsureuk works closely with a number of Housing Associations throughout the country to help first time buyers get on the property ladder. Schemes vary but some of the main options available are outlined in the next section.

You may be eligible for some of the following schemes if you are:

- *a first time buyer who can't afford to buy a property (check to see if you qualify)*
- *a council tenant*
- *a Housing Association tenant*
- *those who are on the housing register, waiting for a council or Housing Association home to rent*
- *a key worker (e.g social worker or police officer)*

What type of property can you buy?

Key Workers

The Key Working Living programme is available for certain public sector workers such as nurses or teachers in London, the South East and East of England - find out if you are eligible for the programme.

Housing options available to Key Workers are:

Open Market HomeBuy - an 'equity loan' to help buy a home on the open market which can be up to 50% of the total property value.

New Build HomeBuy - where you can buy at least 25% of the cost of your home and pay a reduced rent on the remaining share.

Intermediate renting - rent is set at a level between that charged by social and private landlords and the accommodation is provided by a landlord registered with the Housing Corporation (Registered Social Landlord).

Council/Housing Association Tenants

The three schemes available are:

Right to Buy - gives eligible council or Housing Association tenants the right to buy their property at a discount.

Right to Acquire - give eligible Housing Association tenants a statutory right to purchase the property in which they live at a discount.

Social HomeBuy - shared ownership of your council or Housing Association home if your landlord is participating in the scheme.

Cash Incentive Schemes - some councils may offer tenants cash to buy their own home to free their own accommodation for other tenants.

What type of property can you buy?

First Time Buyers/Shared Ownership

The following schemes have more commonly been known as Shared Ownership. These are open to some first time buyers who are not key workers or existing council/Housing Association tenants include:

Open Market HomeBuy - this Government backed scheme enables you to get a loan alongside a regular mortgage even without a deposit. There are two options to choose from: 'MyChoiceHomeBuy' and 'Ownhome'.

New Build Homebody - you can get help to own part or all of a newly built home on the open market.

First Time Buyers Initiative - buyers must be able to obtain a mortgage for at least 50% of the property purchase price with the English Partnerships helping with the remainder.



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