

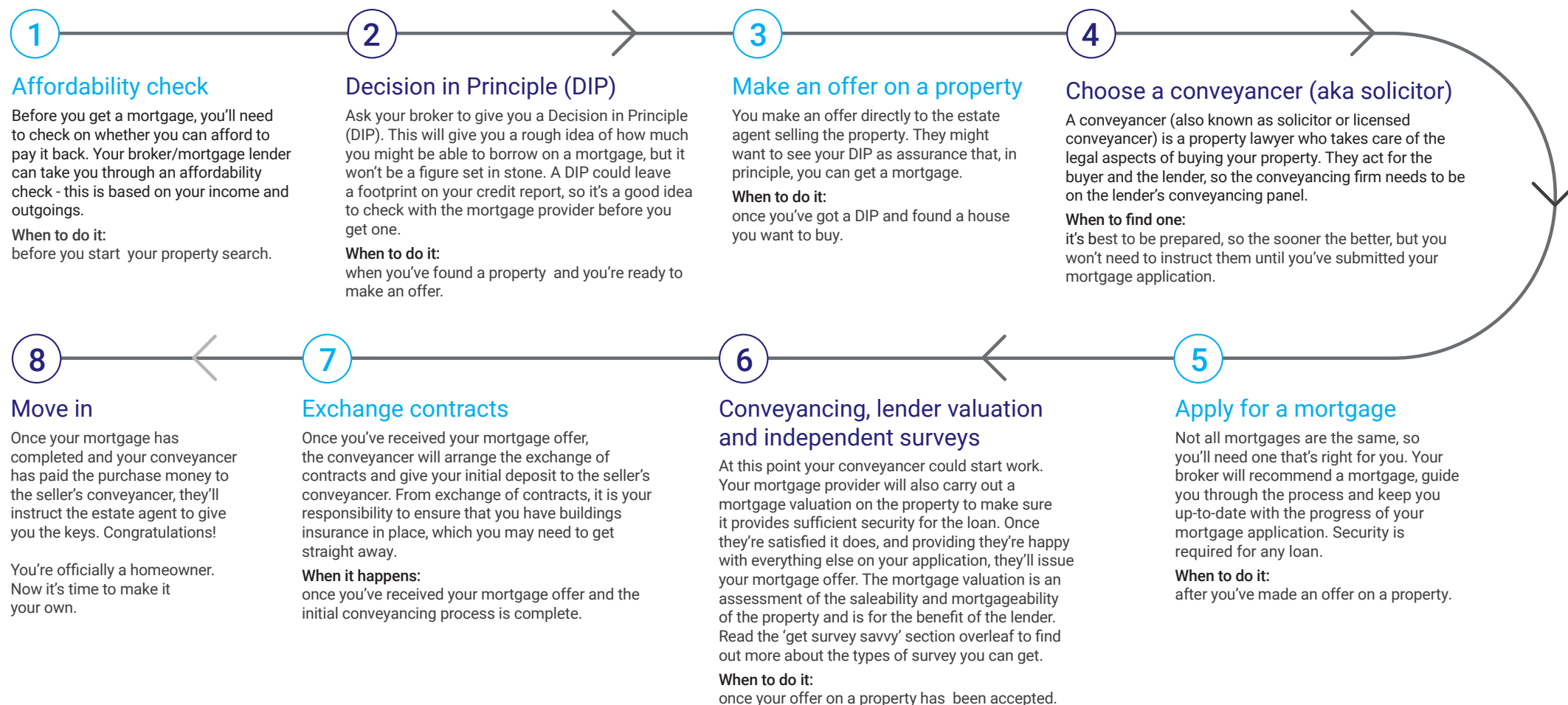
# First time buyers

## A guide to buying your first home in England and Wales



## For Intermediaries

There's a lot to think about when you're buying your first home. So whether you've just started saving for your deposit or you're ready to start your property search, here's a step-by-step guide to help you through the process.



## Get survey savvy

There are lots of different types of surveys. Here are some of the more common ones.

**Mortgage valuation.** This is to check if the loan amount you require is appropriate and the property is valid security for the loan. The valuation may be a physical valuation, where a surveyor visits and assesses the property or a desktop valuation. The valuation is for mortgage purposes only, it doesn't guarantee the property is free from defects and you might not receive a copy of the report.

**RICS Home Survey – Level 2 and Level 3.** Either of these surveys will cost more than a basic mortgage valuation, but may be a good idea for certain properties e.g. if you are buying an older property. It could also provide you with important points to raise with the seller when discussing the purchase price. Unlike a basic mortgage valuation, these surveys are for your benefit, not the lender's.

**RICS Home Survey - Level 2.** A RICS Home Survey - Level 2 will give you general information about the condition of the property inside and out.

**RICS Home Survey - Level 3.** A RICS Home Survey - Level 3 will give you a complete review of the property's structure and pin-point any defects.

You can ask your mortgage adviser or search for UK surveyors on the [Royal Institution of Chartered Surveyors website](#). Alternatively, you can call Connells, a Skipton Group company, who can provide a RICS survey. Call 01525 218655 for more details.

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The more in-depth the survey, the more it will cost.

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If a survey reveals problems, you might want to get a builder or other expert to assess what repairs could cost. It could potentially be used to negotiate a lower price for the property or you could even ask for the problems to be put right before you buy the property.



## Getting organised

Here's a list of the things you'll usually need when you apply for a mortgage:

- ✓ proof of income e.g. payslip(s) and/or P60, or self-employed evidence
- ✓ bank statement(s) showing salary credit
- ✓ other items required by the lender – will be based on your circumstances, but will be confirmed as part of your application.

## Government schemes

The government runs a number of schemes designed to help first time buyers get on the property ladder.

### First Homes England

You can get big discounts on house prices of between 30% and 50% (compared to the market price set by an independent valuer) if you're eligible for the First Homes scheme. Once the discount has been applied to a property, it will be passed on when the property is sold, so that future first time buyers can also benefit from the scheme.

You'll need to have at least 5% of the discounted price available to put down as a deposit, and a mortgage in place for at least 50% of the discounted price. There may also be some other rules around eligibility, depending on the area you are buying in.

### Shared Ownership

Shared Ownership allows you to buy a share of the home from a housing association and pay rent on the rest. This means you take a smaller mortgage, so the deposit you need to save is lower, but you'll need to account for the rent you'll be paying on the rest of the property.

Visit [gov.uk](#) to find out more about government schemes.

### What is the Help to Buy Equity Loan Scheme?

This scheme is designed to help you purchase a new build property and from 31st March 2023, will only be available in Wales. If the eligibility criteria is met, the government may give you a loan of up to 20% of the property's value to boost your deposit. All you have to do is pay a minimum deposit of 5%.

### Lifetime ISA

The Lifetime ISA is a savings account designed to help people aged between 18 and 39 save towards their first home or retirement. You can save up to £4,000 in a Lifetime ISA each tax year until the age of 50 and you don't pay tax on the interest you earn. Tax rules may change in future.

The government will also pay a 25% bonus on your contributions, up to a maximum of £1,000 a year. The Lifetime ISA can be a great way to boost your deposit when you're saving for a house. Any withdrawals within the first 12 months of your first payment into a Lifetime ISA will incur a 25% government charge, which would mean you would get back less than you paid in.

After 12 months from your first payment in, you can withdraw money to buy your first home (maximum purchase price £450,000 and you must be using a mortgage to buy your home), but if you withdraw for any other reason before you reach 60, the government withdrawal charge will apply.

Speak to your broker if you'd like to find out more or visit [skipton.co.uk](#) for further information about Skipton Building Society.

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