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The Easy Guide To Buying Your First Home

Simple, practical steps to guide you every step of the way

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Introduction

Buying your first home doesn't have to feel complicated.

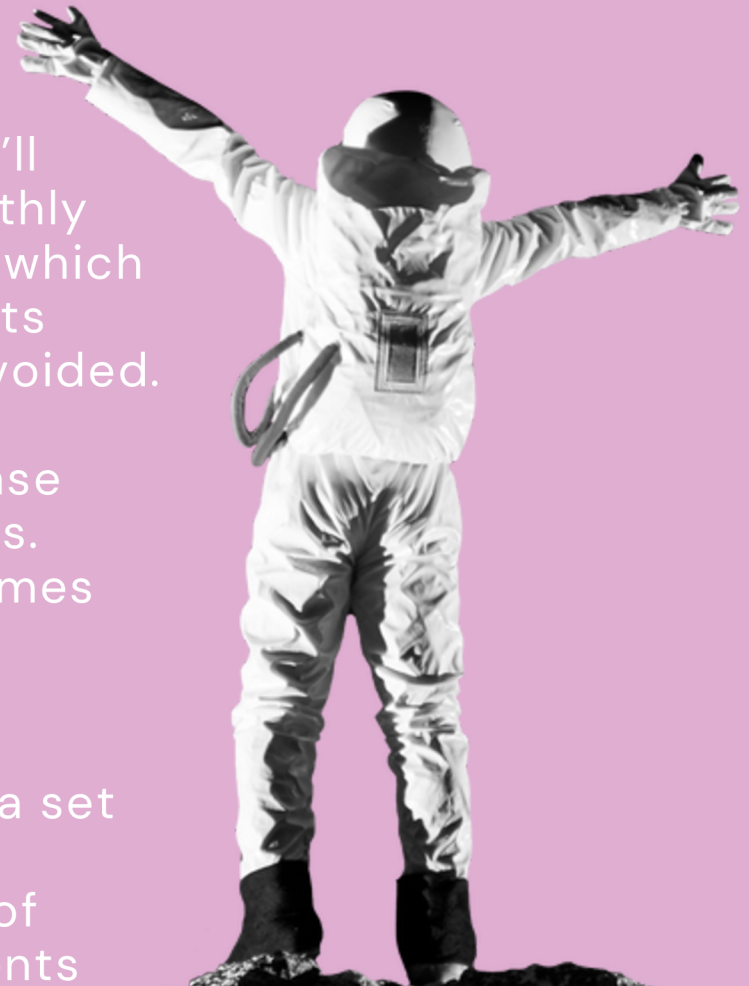
At Planet Mortgages, we've created this easy guide to help first-time buyers understand every stage — from building your credit score to getting the keys. No jargon, no guesswork, just clear steps to help you move from planning to purchasing with confidence.



Understanding Mortgages

A mortgage is a loan used to buy a property. You'll usually repay it over 25 to 35 years through monthly instalments. The property itself acts as security, which means the lender could repossess it if repayments stop – but with the right planning, that's easily avoided.

- **Deposit:** You'll need at least 5% of the purchase price. A higher deposit can unlock better rates.
- **Affordability:** Lenders typically offer 4–4.5 times your annual income, depending on your circumstances.
- **Interest rates:**
 - Fixed rate:** Payments stay the same for a set period (usually 2–5 years).
 - Variable or tracker:** Linked to the Bank of England base rate, so payments may change.



Getting Mortgage-Ready

Before you apply, it helps to have your finances and paperwork in order.

Check your credit report

Your credit history shows lenders how well you manage money. Make sure your information is accurate, and fix any mistakes you spot.

You can check your report for free through:

- Experian
- Equifax
- TransUnion



Getting Mortgage-Ready

Strengthen your credit score

Small, consistent actions make a difference:

- Register to vote
- Pay bills on time
- Keep balances low (ideally below 30% of your credit limit)
- Avoid multiple credit applications in a short time
- Reduce outstanding debts
- Check for errors regularly

Get your documents ready

Gather paystips, bank statements, proof of ID, and evidence of your deposit. Having these on hand makes the process faster and smoother.



Deposits, Gifts, and Guarantor

Gifted deposits

If a family member helps you with a deposit, your lender will need a gift letter confirming that the money doesn't need to be repaid. This protects both sides and ensures the funds can be accepted.

Gift vs. loan

If it's a loan instead of a gift, lenders will count any repayments as part of your monthly expenses — which may reduce how much you can borrow.

Guarantors

A close relative can sometimes act as a guarantor, meaning their income supports your application. This can increase borrowing power, but the guarantor becomes responsible for repayments if you can't make them.



How Much Can You Borrow?

Your borrowing limit depends on your income, existing financial commitments, and deposit size.

Start with an Agreement in Principle (AIP) – a quick check showing how much a lender could offer you. It's not a full approval, but it gives you a realistic budget before you start viewing homes.



Government Help for First-Time Buyers

Lifetime ISA

Save up to **£4,000 a year** and receive a **25% government bonus** (up to **£1,000 annually**). It can be used for a home worth up to **£450,000**. If you're buying with a partner, you can both use your own Lifetime ISAs.

Shared Ownership

Buy a portion of a property (usually 25–75%) and pay rent on the rest. Over time, you can buy additional shares — known as staircasing — until you own it outright.

Example:

A **£200,000** home split 50/50 means you'd pay a mortgage on **£100,000** and rent on the remaining half, usually at about **2.75%** of that value per year.



Government Help for First-Time Buyers

First Homes Scheme

Some new-builds are sold to local first-time buyers with a **30–50% discount**.

Help to Buy (Wales)

For new-build homes worth up to **£300,000**, the Welsh Government can lend up to **20%** of the property's value. You'll need at least a **5% deposit** and a mortgage for the remaining 75%. The equity loan is **interest-free for the first five years**, then a small fee applies annually.



The True Cost of Buying

Arrangement / Product Fee

£0–£2,000 – Charged by lenders for setting up your mortgage.

Valuation Fee

£150–£1,500 – Confirms the property's market value for your lender.

Legal Fees

£800–£1,500 – Solicitor or conveyancer costs for handling contracts and searches.

Stamp Duty / Land Tax

Varies by region

England: SDLT (no tax up to £425,000 for first-time buyers). Wales: LTT (no tax up to £225,000). Scotland: LBTT (no tax up to £175,000).

The True Cost of Buying

Insurance

Varies – Buildings insurance is required. Many also add contents, life, or income protection.

Mortgage Adviser Fee

Around £495 – For expert advice and market comparison.

Removal Costs

£300–£1,000+
For vans or professional movers.



Surveys, Solicitors, and Conveyancing

Once your offer is accepted, your solicitor or conveyancer handles the legal side of buying.

They will:

- Check property ownership and boundaries
- Carry out local authority and environmental searches
- Review and explain contracts
- Handle fund transfers
- Pay Stamp Duty and register the property in your name



Surveys, Solicitors, and Conveyancing

Property survey options

1. **Mortgage Valuation** – Confirms value for the lender only.
2. **Homebuyer Report** – Highlights visible defects and repairs.
3. **Full Structural Survey** – Most detailed, ideal for older or altered homes.
4. **Condition Report** – A simple check, best for newer properties.



The Buying Process – Step by Step

- Get an Agreement in Principle (AIP)
- Begin your property search
- Make an offer and get it accepted
- Apply for your mortgage
- Survey and conveyancing begin
- Exchange contracts – you're legally committed
- Completion day – funds are transferred, and you get your keys

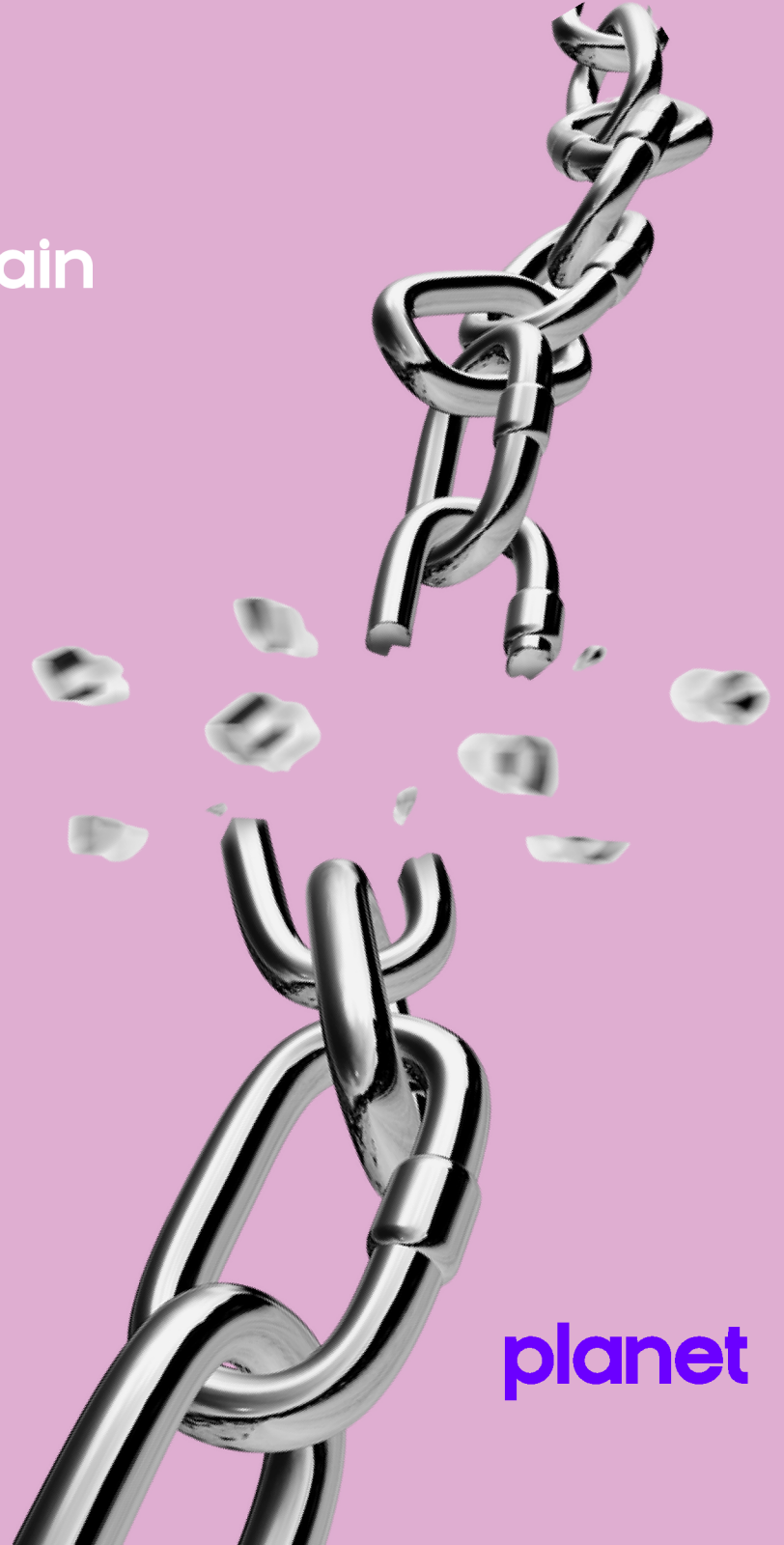


Understanding the Property Chain

A chain is the series of connected buyers and sellers. Each transaction depends on another – if one falls through, it can delay the rest.

As a first-time buyer, you're chain-free, which makes you an attractive buyer.

Sellers often prefer this, as it can make the process faster and smoother.



Preparing for Moving Day

6 Weeks Before

- Confirm your completion date
- Compare removal quotes
- Arrange home insurance to start
- Begin sorting and decluttering

4 Weeks Before

- Order boxes and packing materials
- Pack non-essentials and label by room
- Notify key organisations of your new address
- If renting, give notice to your landlord

2 Weeks Before

- Arrange utilities and broadband
- Set up mail redirection
- Use up food in your freezer
- Confirm parking for moving day



Preparing for Moving Day

1 Week Before

- Confirm key collection time
- Dismantle large furniture
- Pack an essentials box
- Clean your current property

The Night Before

- Finish packing
- Gather documents
- Take final meter readings
- Get a good rest

Moving Day

- Collect your keys
- Supervise movers and direct boxes
- Keep valuables and documents close
- Check each room before leaving
- Step into your new home and celebrate



Next Steps

At Planet Mortgages, we're here to make your first purchase simple and stress-free. Whether you're saving for a deposit or ready to apply, we'll guide you through each stage - clearly, honestly, and without jargon.

Ready to start?

Visit our [website](#) or contact our team today to find out how much you could borrow.

Your home may be repossessed if you do not keep up repayments on your mortgage. Planet Mortgages is authorised and regulated by the Financial Conduct Authority.



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