

# THE ULTIMATE GUIDE FOR FIRST TIME BUYERS



**Pendle Hill  
Properties**

estate and letting agents

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# Why buy a property?

## What does 'home' mean to you?

Many of us dream of owning our own home. Homeownership can give us a sense of safety and security. Bricks and mortar that's just ours, no landlord to serve notice on us at any time. And the freedom to decorate or refurbish our living space, turning it into a unique expression of our creativity and style.

Finally, buying a place to call home is a monumental achievement, from years of savings to paying the deposit or gifted cash from the family to securing a mortgage offer. It is not an easy process, which is perhaps one of the reasons that the average age of a first-time buyer has increased in recent years, and some people have even resigned themselves to a lifetime of living in a rented property, forgetting the idea of owning their own home

altogether. But the sense of accomplishment that comes with it is unparalleled.

But there are more reasons that owning your own home is a great idea.

Possibly the most obvious is the potential for capital growth, which is the increase in property value over time.

And as you make monthly payments on your mortgage, you will be paying back that loan, little by little, until one day, you will pay it off completely. You can live peacefully in your home for the rest of your life, without any mortgage or rent payments, and leave it to your family in your will. A long-term investment that can pay you dividends for years to come, giving you the feeling of safety and security for life.

# How do you choose your perfect home?

Searching for your first home is an exhilarating journey. Scouring the internet, looking at the properties that are available, booking viewing appointments, each one filled with possibilities and the thrill of discovery.

How do you choose 'the one'? Viewing all of them in person is impossible, so how do you narrow down your search from hundreds of properties?

Follow these tips to find the right property for you:

**Start with budget** - the first place to start is with your budget. How much can you afford to spend on your first home? Calculate how much you have in savings and any additional funds available to make up your deposit. You will then need to speak to a mortgage advisor to see what your affordability level is with a loan. You do not need to apply for the loan at this stage, but it is important that you know what a mortgage would look like. How

much will you be able to borrow, and how much will the monthly repayments be?

**Needs and wants** - think carefully about what you want from your property. The location, size and scale of the property. Will you need a spare bedroom? A garden?

The important point is to consider what you want from your home and what you will be willing to compromise. Would you accept a home with no study space if there is a spare bedroom? Would you consider a home without a garden if there is a balcony or terrace for you to enjoy?

Do you absolutely need a dining space? Perhaps you love hosting dinner parties for your friends, but you could not do this without room for a dining table.

Create a list of factors your home must have, factors you would like to have, and factors you would be willing to compromise on.

# How do you choose your perfect home? (continued)

Start your search by contacting our office to let us know what you're looking for. By adding your details to our database, we can send you any properties that suit your requirements as soon as they come onto the market for sale. Of course, you can spend your time scrolling online, too, and there are ways to create alerts on the property portal websites so that you are notified of

new instructions or price reductions every few days.

**Make a shortlist** - Once you have a list of suitable properties, narrow them down to a shortlist. It is not practical to view hundreds of homes, so cut out any that are not quite what you want and make appointments to view the final few; it is time to see these houses in real life!



# Viewings

It's time to get out there and view some properties. With each tentative knock on the door, you could be walking into your next home and likely be filled with anticipation.

Of course, not every property you view will be 'the one'; you might realise this as soon as that door opens. It might be something as random as the smell or the 'feel' of the property; from the second you cross the threshold, you could be instantly turned off.

That is no big deal, really. You simply move on to the next one until you find the right one for you. It is not called a 'search' for nothing. Choosing a home to buy is so much more involved than simply narrowing down which one is right for you on paper; you have to visit and try it out. Walk around the rooms and see if it feels like home to you.

You will spend more time in this house than you will anywhere else in the world. It has to be right.

So, if the viewing process is crucial in this journey, you must do it right and maximise the opportunity.

Follow these tips to get the most out of every viewing to successfully choose your home. Remember, you are not just a viewer; you are a decision-maker in this process.

**Timing** - a lot of property viewing relies on the exterior, starting with kerb appeal (do you like the look of the property from the outside?), so it is best to schedule your viewings in the daylight hours. This also allows you to look around the gardens, parking area and the roof.

**Remove distractions** - In an ideal world, you would remove all distractions from the viewing appointment so that you can focus your full attention on the home. Wherever possible, try to view without bringing your children to the first viewing - we all know how hard it can be to concentrate when a two-year-old is hanging off your hip and asking for snacks. Also, try to avoid bringing your dogs with you - your attention will be pulled away from the property if you are checking that the dogs are OK tied up or in the car.

**Take notes** - if you have booked an afternoon to view your shortlist where you will see a handful of

# Viewings (continued)

properties back to back, by the end of the day, they will likely have blended together in your mind. You might have forgotten which property had a specific kitchen or bathroom you liked. Which one had a nice view from the master bedroom window?

You must keep the properties separate in your mind; the best way to do that is to make notes. This can, of course, be done digitally; you could take photos if the homeowner doesn't mind. Many people make handwritten notes on the agents' brochure so that it is easy to refer back to. After this long day, you will likely discuss each property in detail so make it easy for yourself to refer back.

**Narrow down further** - after your viewings, you will probably have discounted a few and will be left with one or two clear frontrunners. This is the time to book second viewings to help you choose between them.

**Second viewings** - Make appointments to go back and view your favourite properties again. Return with a clear mind and get

ready to ask all the questions you need answering, knowing that this viewing will likely be the decider for which property you make an offer on.

Plan for this viewing with your notes and questions ready, anything from how much the council tax is to what the neighbours are like. There are no stupid questions here, and you can ask the agent or seller directly. It's best to feel prepared when you offer, so leave no questions unanswered.

It is also a great idea to bring someone with you, an impartial friend or relative that can help keep you level-headed - it is very easy to get overexcited at the prospect of your new home and overlook things because you have rose-tinted glasses. You don't want them to put a downer on your plans, but it can help to have a second pair of eyes to look for potential issues you might have missed.

By now, you might have found your home. If not, repeat the process until you do. What's next?

# Making your offer

It's offer time! Get ready to don your very best holiday haggling hat, only this time you are not hustling for a discount on a trinket or souvenir; this is big time, and this will likely be your home for the next 5-10 years. So, how can you make sure that your negotiations go smoothly?

You will be asked to provide some evidence to the estate agents, ID for each of the parties making the offer, proof of the deposit funds and a mortgage agreement in principle, sometimes called a mortgage promise, to confirm that you are able to pay the price that you have offered. Don't hang around gathering this information - it would be awful if another buyer swooped in and offered before you!

**Making your first offer** - this is the initial offer that starts the negotiation and informs the seller of your interest in buying their property. It is an exciting time for them, too; after what could be months on the market showing people around, they are finally in a position to start moving forward on their own plans that have been pushed to the back burner for ages.

But the starting bid can make or break the process. If you offer too little, you could cause an offence to the sellers; they might refuse to sell to you or decide not to move at all. Obviously, if you go too high, it will cost you more money. It's a delicate balance, and there is no formula to ensure you get it right.

Ultimately, you need to be fair, and if your offer is lower than the advertised price, explain to the agent why.

The seller could just wait and sell to someone else. But, if you have evidence that the market is not supporting the price, it may have been on the market for a long time, or perhaps a similar property has just sold for less, you should point this out when you make your offer.

**Negotiating the price** - as with many things where the price is negotiable, the sellers will likely decline the first offer unless you have offered the full asking price. Don't be disheartened - you've got to at least try, right?

So now it's time to consider your second offer. Higher than the first but still within your budget and



# Making your offer (continued)

where you feel the property value is. The seller or your estate agent may be able to give you a steer here of what price the seller might be willing to accept. With a bit of back and forth, you should be able to come to

a deal that both you and the seller are happy with.

**Congratulations!** The sale is agreed, and you have secured your new home. Now what?

## What's next?

Making the offer is the first stage of the legal process to buy a property. You will begin the legal transaction as soon as you have made your offer, and you will need the following:

- **A solicitor to act for you**
- **A mortgage advisor to apply for your finances**

If you don't yet have either of these in place, contact us; we can help point you in the right direction.

The legal process is lengthy and unpredictable, with many hurdles to

jump before you are given the keys. It can be tempting to schedule a moving day so you have an endpoint to work towards, but try not to.

There are far too many variables that are out of your hands to be able to set a moving-in day just yet. Observing caution here will help you avoid disappointment if the set date arrives and you are not ready to move in yet.

For more information about the legal process and what that entails, contact our team, which will be happy to help.

# Jargon you need to know

There is lots of jargon in the property world that you might never have come across before. This is just a quick guide to help you understand the process a little better.

**Guide Price** - the wording put before the price on a property listing is simply an invitation for you, a way to show you that the price itself is not fixed and, therefore, you can make an offer.

**Sale Agreed** - sometimes also 'under offer' means that a sale has been agreed or an offer accepted on a property but that the legal process is not complete yet. The case is in the hands of the solicitors. There is a chance that this deal may collapse and the property becomes available again, so if you see a property that you like the look of the market as the sale agreed upon, it is worth letting the agent know that you are interested in it in case it comes back on the market.

**Searches** - The solicitors will carry out searches on the property and the surrounding area. They are looking for any faults, defects or potential problems that you need to be aware of. They will check the water and drainage system and the

local council to ensure no significant plans are in place that may affect the property in the future. You will be given copies of all of these searches, and your solicitor will point out anything that is out of the norm or something that you need to be aware of.

**Survey** - You may already know that a survey will assess the property and look for defects or issues that may become problematic once you own the property. But what you might not yet be aware of is that there are different levels of survey available to you.

**Valuation** - this is technically not a survey; it is a valuation arranged by the mortgage lender to confirm the property's value. This way, they know that the home is worth the amount that you have agreed to pay, should they need to recall their loan at any point in the future. Only very substantial issues that will affect the value of the property will be highlighted here.

**Home Buyers Report** - an upgrade to the valuation. The homebuyer's report will look into the defects and areas of concern you need to be aware of regarding the

# Jargon you need to know (continued)

property. Probably not necessary for a brand-new home, but any property over 10 years old is likely to have some wear and tear, so it is advisable to have it looked over.

**Full structural report** - a very in-depth survey report that looks at every square inch of the property in detail. Likely overkill for the average home, but if you are purchasing a very old property or something that requires upgrading, this might be a good idea.

Don't forget, though, that the surveyor's job is to find problems; they are not necessarily telling you not to buy the property but rather to inform you of the tasks you might need to address. Don't be alarmed if the report comes back with issues, this is to inform you of them, not to scupper your home-buying dreams. There are very few structural issues that can't be resolved, so don't worry.

**Exchange** - the goal for many property sales is exchange. This is the point of no return, the point at which the legal contracts are 'exchanged', which is a term that refers to the physical exchange of the paperwork between seller and buyer. Of course, there is no physical exchange anymore, and everything is digitised, but the term is still used. At this point, the contract becomes legally binding, you and the seller are both committed to the move, you will have paid your deposit funds across, and most importantly, the date for moving is set in stone.

**Completion** - this is moving day. When the sale transaction is complete, you pay over the total purchase amount (or, rather, your mortgage lender will pay you), and you will be given the keys to your new home. Of course, the seller has to move out, and some financial transactions will need to take place, so you are not guaranteed a time, but today is the day.



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# NEXT STEPS...

If you have made your mind up about buying your first property and are ready to get the ball rolling, contact our property experts, **who will help turn your dreams into a reality.**

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