Your guide to **buying your first home**

birmingham mortgage hub

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Buying for the first time

Thinking about buying your first home is exciting stuff

We know it can feel like a big step — and, honestly, it is. It's probably one of the biggest financial decisions you'll ever make. But don't worry, we've got your back.

This guide will walk you through the entire process — from getting yourself mortgage-ready, to understanding what to expect at each stage, and even a few handy checklists along the way.

We've kept everything simple, clear, and jargon-free, so you know exactly what's going on (without needing a finance degree).
And if something doesn't make sense or you just want to chat things through, our friendly mortgage experts are only ever a message or call away.

Let's get started on your home-buying journey — together.

what is a mortgage?

If you don't have enough money to buy a house outright in cash - which is the case for most people - you'll need to take out a mortgage.

A mortgage is a **loan** that enables you to **buy your property**.

The money you borrow will need to be **paid back** over a set period of time, **usually at least 25 years**, and is repaid via monthly payments.

The lender will take your **income and outgoings** into consideration in order to determine **how much money you're able to borrow**.

Typically you'll need to put down a **deposit**, which is usually a **minimum of 5%** of the cost of the property.

Your mortgage is taken out **against the property**, therefore your home may be **repossessed if you don't meet your mortgage repayments**.

How to get mortgage ready

Getting mortgage ready about six months before planning to purchase your first property can strengthen your position with lenders, and potentially speed up the mortgage approval process.

When applying for a mortgage or remortgaging, the lender will 'stress test' your affordability. This will determine if you're able to afford the repayments alongside any other financial commitments. The tests will look at your income versus your expenditure, so it's important that you're able to show you're keeping your finances in order.

Consider your credit rating

Using a credit card responsibly can be a great way to build your credit score, as it shows lenders you can manage money and repay what you borrow on time. Make sure the card is registered to your current address, keep spending within your limits, and always pay at least the minimum (ideally the full balance) by the due date. Little habits like these can make a big difference when it comes to your mortgage application.

The ins and outs of credit scores

Show an account history

Start by proving you have a good history when it comes to managing your finances. Having a history of bank accounts (a current account, savings accounts, ISAs, and credit card) will ensure your mortgage adviser has sufficient credit history to look back through.

Don’t miss repayments

Despite your best efforts, missing repayments does show that you’re struggling to manage your finances, which doesn’t look good to a lender.

If you have bad credit, stop applying for more

We always recommend not applying for more credit if you’re working on clearing existing debt. Applying for more credit entails a hard credit check, which will temporarily lower your credit score, and you’re likely only adding to your debt.

Don’t keep unused cards

Holding onto credit cards you no longer use not only poses a fraud threat, but can also be misleading as to how much available credit you have. Make sure you cancel any accounts you don’t use and cut up the card before throwing it away.

What can I afford?

How much money you can borrow plays a significant role in determining the kind of home you can afford. Once you have a clear understanding of this, you can establish a budget that works for you.

While this is a useful indicator, your mortgage adviser will take the time to assess your financial situation. They'll take your lifestyle into consideration to make sure you don't over-stretch yourself to the point where you may struggle to meet your mortgage repayments.

Getting a Decision in Principle (DIP)

Before you apply for a mortgage or make an offer on a house, it's advisable to get a Decision in Principle (DIP). This certificate states how much a lender is willing to loan to you. A decision is made based on a number of checks, such as looking at your income against your outgoings and checking your credit rating. Having a DIP shows the estate agent and the seller that you're ready to act quickly when it comes to buying, as you've already established how much you can borrow, subject to your full mortgage application.

Check out our borrowing calculator on our website to work out how much you could borrow.

First time buyer schemes

Taking advantage of a first time buyer scheme is a great way to climb the property ladder. They have historically made it easier to afford a deposit, a first home, or even allowed for partial ownership of a home until you can afford the full mortgage.

Lets take a look at the first time buyer schemes available:

First Homes Scheme

The First Homes scheme helps first-time buyers get onto the property ladder by offering homes at a minimum 30% discount off the market value. These properties are usually new builds, but the discount also applies when a home originally bought through the scheme is resold. While it sounds great on paper, there are important criteria to consider: buyers must meet income limits, properties are subject to price caps, deposits are capped, and some homes are prioritised for key workers or local buyers. Plus, when you sell, the same percentage discount must be passed on to the next buyer, keeping the scheme fair for future first-time buyers.

Own New Scheme

Own New is a private scheme available on selected new-build homes only, and not all developers or lenders take part. Where it is available, the developer typically makes a contribution to the lender, allowing them to offer a lower mortgage rate in the early years. This can help reduce monthly payments at the start, making buying more affordable — while you still own 100% of the property from day one.

The bank of mum and dad

With many young buyers finding it hard to save a cash deposit, it's no surprise that parents often step in to help.

If family support is part of your plan, it's important to know there's a clear process to follow — because this money usually needs to be officially gifted.

So what does gifting mean?

A gifted deposit is money you don't have to pay back. Your parents may need to provide written confirmation of how much they're gifting and that there's no expectation of repayment.
If the money is instead a loan, your mortgage adviser must factor those repayments into your affordability alongside your mortgage.

Joint borrower sole proprietor

Help with the deposit may not always be an option, but parents may still be able to support you by improving your affordability. Joint Borrower Sole Proprietor (JBSP) mortgages allow a family member — usually a parent — to join the mortgage to boost how much you can borrow, without being named on the property deeds. Their income is taken into account, while you remain the sole legal owner of the home. Just remember, all borrowers are equally responsible for keeping up the mortgage payments.

Finding a property

Searching for your dream property can be an exciting experience, as long as you know where to begin

Where to look for properties on the market:

- Online portals - Rightmove, Zoopla,
- Estate Agents direct
- New-build developers - show homes
- Social media and community pages
- Looking for “For Sale” boards
- Auctions

Before you start viewing properties, it’s a good idea to list your main requirements, your needs and your wants:

- Property location
- Property condition
- Minimum bedrooms
- Downstairs W.C
- Off-road parking
- Garden

This way, you can weigh a property up on paper and decide whether you think it could be right for you before you book a viewing.

Beyond the property itself, it’s important to think about the wider area. Ask yourself: is it peaceful or busy? How long would your commute be, and are the transport links convenient? Are local shops, schools, and nurseries within easy reach? What’s parking like during the day and evening? Taking a moment to consider these everyday details can make a big difference in how happy you’ll be living there.

Choosing solicitors and surveys

Having a survey carried out on a property can be invaluable, as it can highlight issues that would otherwise remain hidden, or that are visible but perhaps not to the untrained eye.

What surveys are available?

Mortgage valuation - This often comes as a free service that most lenders will offer. However, it is purely a valuation of the property for the purposes of the mortgage lender. This is not a survey.

Homebuyers survey - This survey provides extra peace of mind by including both a valuation and report of major faults and repairs, helping you understand any potential issues before you buy.

Full structural survey - Useful for older, listed, or potentially problematic properties. Focuses on structural issues and other major or minor faults, rather than providing a property valuation.

Condition reports - A basic inspection that highlights obvious defects in the property. It does not give repair advice, estimated costs, or a valuation. It's quick and low-cost, ideal for newer or straightforward properties.

The more in-depth the survey, the more it will cost. The total amount can vary between each lender or local surveying firm.

Choosing solicitors and surveys continued

Solicitors and conveyancing

Once your offer is accepted, you'll need a solicitor or conveyancer to handle the legal side of buying your property.

What work will the solicitor do?

Liaise with the seller's solicitor – Once a memo of sale is issued, your solicitor will obtain a draft contract and the seller's pack, which includes documents like the fixtures and fittings form to confirm what will be included in the sale.

Property searches – Your conveyancer will check for any legal or environmental issues, including planning, flooding, and drainage, to ensure you know the full picture before committing.

Enquiries – Your conveyancer will raise questions with the seller's solicitor about the property, covering things like boundaries, rights of way, services, and any ongoing disputes. This ensures you have all the information you need before exchange.

Exchange of contracts – Once your solicitor is happy with everything, they'll request your deposit and signed paperwork. You can then agree a completion date and exchange contracts, making the sale legally binding and setting the date you'll get the keys.

Completion – Once your solicitor has received funds from you and mortgage completion they will distribute them covering their fees, stamp duty if applicable and purchase monies to the sellers solicitors. With that done, you're ready to collect the keys to your very first home and start the next chapter!

Costs and fees

What fees will I need to pay?

Buying a house is one of the most significant financial decisions most people will make in their lives. While owning a home can be a rewarding investment, it does also come with several costs.

Upfront fees - Upfront fees will consist of anything you need to pay as a one off, and if you haven't budgeted for them, they can come as a bit of a surprise. Here's some of the upfront costs you need to consider:

Product and arrangement fees - Some mortgages come with fees that can either be paid upfront or sometimes added to the cost of your mortgage. Some lenders may also charge to value your new property.

Mortgage adviser fee - This is a separate fee charged by the adviser for their specialist knowledge.

Legal fees - You'll need to use a solicitor/conveyancer in order to complete on your mortgage. They deal with all the contracts, documentation, and searches amongst other things.

Stamp duty - Stamp Duty Land Tax is a fee you may have to pay depending on the value of the property.

Check out our stamp duty calculator on our website to work out how this affects you.

Being in a chain - what does it mean?

A property chain refers to a group of people who are connected as they're buying and selling one another's properties.

Each vendor (the person selling a property) will have a solicitor and possibly a lender and estate agent involved in the transaction.

Note:

If you're a first time buyer moving into a vacant property then you won't be involved in a chain and things could, potentially, move quicker. This makes you a very desirable buyer for any potential seller.

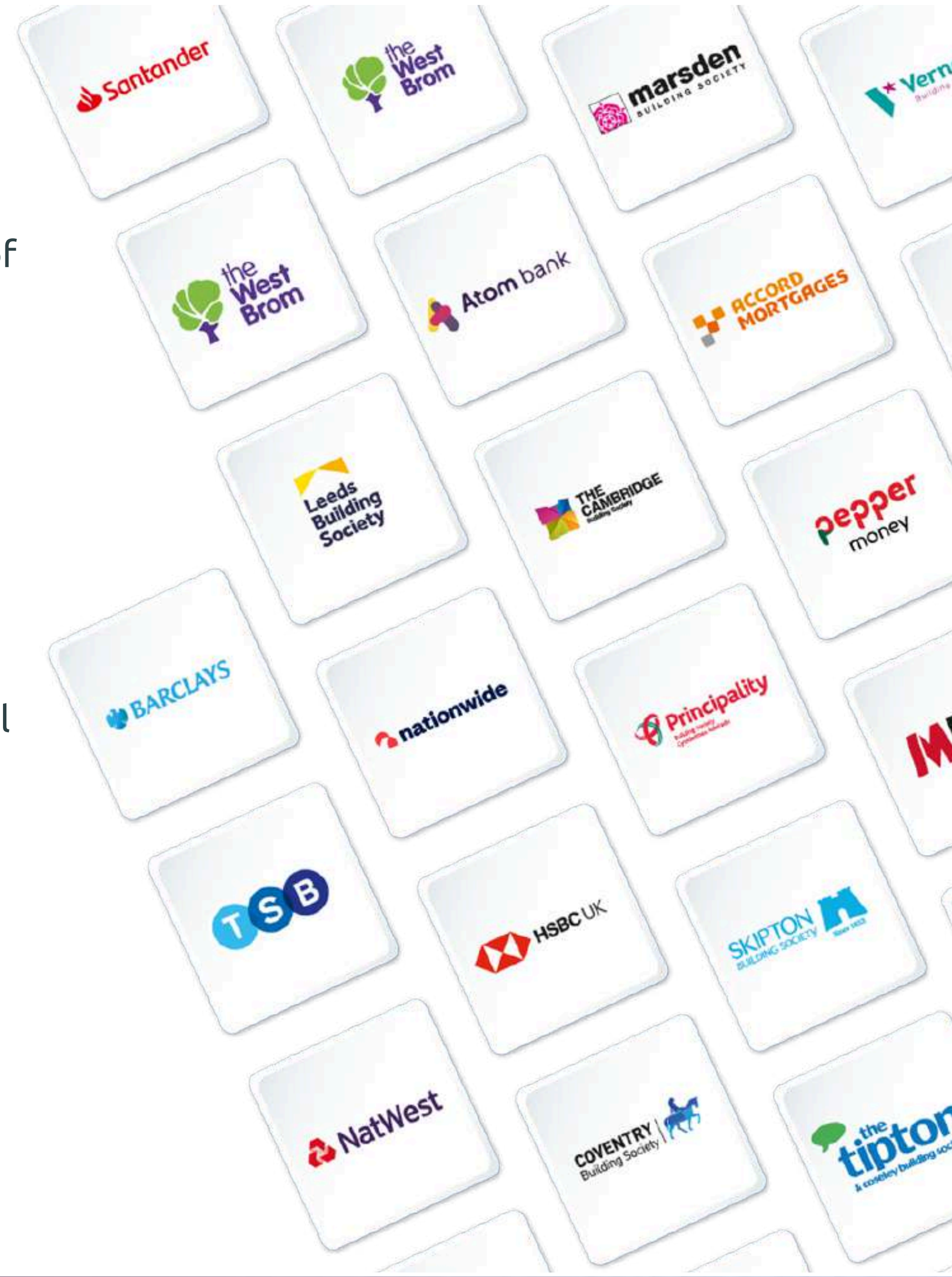
Unfortunately, the chain will only move at the pace of the slowest person, so it's important to keep on top of your admin duties and stay in touch with your solicitor, lender, and estate agent.

Applying for a mortgage

When you're ready to apply for your mortgage, you can easily get in touch to arrange an appointment with one of our mortgage advisers. We'll explain each stage of the application, making sure you understand what documentation we need from you.

How Birmingham Mortgage Hub can help

Our advisers are able to access mortgages that you wouldn't necessarily find when searching the market yourself. We have regular contact with a wide range of lenders, some of whom you may not even know exist. Having access to more than 90 lenders will ultimately save you time, as you won't have to search or contact each individual lender to compare the mortgage terms and rates - we'll do all that for you.



Moving in Checklist

Six weeks before

- Confirm your moving date
- Ensure you have insurance that covers you from the time of exchange
- If you're going to use a removals company, start getting some quotes
- Sort through your things (declutter and get rid of anything you no longer use)
- Pack the things you won't use before the move

Four weeks before

- If you aren't using a removals company, order/start collecting packing materials
- Ask any friends or family if they're free to help on moving day
- Book a storage unit if required
- Continue packing up as much as you can

Two weeks before

- Arrange for childcare/pet care on moving day if needed
- Start using up any food in your freezer
- Notify people of your change of address
- Arrange for necessary services to be transferred or installed shortly after you arrive at your new home

Moving in Checklist continued

One week before

- Arrange key collection with the estate agent
- Confirm date and times with the removals company
- Begin dismantling flat-pack furniture
- Finish packing everything except for essentials
- If you're moving out of a rented property, perform a thorough deep clean

Night before

- Pack a 'first night' bag with essentials
- Finish packing all belongings, including valuables and paperwork
- Charge mobile phone fully
- Carry out final checks and last-minute cleaning
- Provide final meter readings to utility supplier

Moving Day

- Collect the keys from the estate agents
- Direct removal teams to items that need moving and ensure they're loaded before departing
- Carry out a final walkthrough to ensure nothing is left behind
- Unpack and organise your belongings

Get in touch

Get in touch with us today via our website for an initial free, no obligations consultation or call us on

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