



# CHILTERN MORTGAGES

TAILORED MORTGAGE SOLUTIONS



## CHILTERN GUIDE FOR FIRST TIME BUYERS



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Getting onto the property ladder can be a big step. Let us help you get the keys to your new home.

### Once you've found your first home, we'll help to make it affordable

Buying your first home is one of the most exciting things you'll do. There is so much to think about, including finding the right mortgage. Make sure you make the right choice, first time.

### Help at every stage

Step by step, we'll go from saving for your deposit right through to getting the keys to your new home. This will include advice on your mortgage options, what help you can get, the types of interest rate there are and tips for house hunting.



## GETTING STARTED

Applying for your first mortgage? It's not just about getting the best rate. Here's what you need to know, including saving for your deposit and the help available to buy your first home. It's one of the most exciting things you'll do. But there's so much to think about when buying your first property especially getting a mortgage. By understanding your options, you can make the right choice and plan well for the future.

### What you need to know

- Your needs are unique. That's why it's important to know how mortgages work and the options you have available.
- There are different costs involved when buying a home. You can prepare for this by budgeting properly.
- Your mortgage should suit your needs. That's why choosing the right mortgage is so important. For example, you may want the security of a fixed interest rate. Or you may prefer a variable rate where the amount you pay could fluctuate each month.

There's lots of help available for first time buyers. For instance, the Help to Buy Scheme or Lifetime ISA could make it easier to get your foot on the ladder.



## FIXED RATE MORTGAGE

The interest rate is fixed for a set time. This means you can plan your finances with more certainty, as your monthly payments won't change. Fixed rates usually last for 1 to 5 years, but sometimes longer. Once the fixed rate ends, your mortgage will revert to another rate, usually the lender's variable rate. The new interest rate may be higher or lower than the rate you've been paying. Prepare for any changes and keep this in mind when budgeting.

When your fixed rate period ends, you may want to apply to move your mortgage to a new fixed rate product for a further period of time or you could keep it on the variable rate.

## TRACKER MORTGAGE

This mortgage follows the Bank of England base rate, meaning the interest rate is variable. Therefore, you could save money if the base rate is low, but you could pay more if the base rate is high.

# PROTECT YOUR NEST EGG



## It's hard to crack the art of saving

Imagine having to spend the money you've worked hard to save because you were too ill to work, or the breadwinner died unexpectedly. When you really think about the monthly outgoings of the average family, even your hard-earned savings might not go as far as you'd think.



**£231**

What a household spends each month on food.



**£140**

The average monthly cost of running a car.



**£96**

The average monthly household spend on power.

**So be a good egg, think about life or critical illness cover today**



**CHILTERN  
CONSULTANCY**

INDEPENDENT FINANCIAL ADVISERS

Call us on 01494 451441

Visit us at [www.chilternconsultancyltd.com](http://www.chilternconsultancyltd.com)

Sources: Office for National Statistics Family Spending: 2017, published January 2018.

Chiltern Consultancy is registered in England & Wales No. 04580636.

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## AGREEMENT IN PRINCIPLE

Now you know the basics of getting a mortgage, it's time to start house hunting. Here, we'll tell you what to expect at each stage. You'll need to apply for an Agreement in Principle before applying for your mortgage.

If you haven't already got an Agreement in Principle (AIP), you'll need to apply before you start looking at properties, as it's the first step to getting a mortgage. It gives a better indication of how much you could borrow than the mortgage calculator. It will also show the maximum time period you have to pay it back. This will give you an idea of the properties you can afford. Estate agents like to see an AIP. It shows that you're serious about buying.

It's quick and easy to apply for an AIP. It should take about 15 minutes. We'll need to know your monthly income and outgoings, and your addresses for the last 3 years. An AIP is not a guarantee. You need to make a full mortgage application to confirm the amount you can borrow.



## VIEWING A PROPERTY

Considering a house is probably the most expensive purchase people ever make, we don't necessarily spend that long looking round a property before making an offer. In fact, research suggests that, on average, we spend just 25 minutes viewing a property before deciding to buy – about the same amount of time it takes some people to choose a pair of jeans...

If you are going to make such a life-changing decision in such a small amount of time, it's important to make every second count, so you'll need some tricks up your sleeve before you head to a viewing.

Here are a few of our top tips:

### **View the property more than once, at different times of the day**

Everything might seem quiet and peaceful at 2pm when your neighbours are all at work, but what about when they get home and start playing heavy metal at full volume? Or you could be near a pub or takeaway that gets rowdy in the evening.



## Check the outside of the property

Are there any signs of damp like peeling paint or tide marks on the walls? Are there any loose tiles on the roof? These could be the signs of serious structural problems. If you have any concerns, you'll want to have a thorough survey done before making a serious purchasing decision.

## Check for damp

Damp can cost a lot of money to put right, so be wary if you do see any. Look out for peeling wallpaper, bubbling paint, mould or a musty smell.

## Winning windows

Check the condition of the windows and their frames? Condensation on the window could mean poor ventilation or insulation – a quick and easy test is to run your finger down them to check for dampness. If the windows are PVC look for cracked sealant around the frames.

## Take a friend

It's always good to have a second opinion. A friend or partner, or even your mum or dad, can stop you from getting carried away.



## Think about storage

A good test is to think about where you'll put items you want hidden away like the vacuum cleaner or clothes horse.

## Turn on the taps

If you like nice long showers, good water pressure is a must. Turn on the taps upstairs to see how powerful the flow is and if the water heats up quickly.

## Snap away

Take photographs, or even a short video on your mobile phone, when you look around. It will help you remember each property you view and you may even spot something you've missed later on. Just remember to ask the current owners' permission before you get snap happy.

## Take a walk through the neighbourhood

Scope out what amenities are nearby – are there shops or schools? Get a feel for the area, can you imagine yourself living there and does it have everything you need.



## 5 SIMPLE STEPS WORTH CONSIDERING BEFORE YOU MAKE AN OFFER

When you're dreaming of the perfect house, it can be easy to overlook the practical things that really make a difference to your home life, such as outside storage and high-speed broadband. Is a walk in wardrobe really your number one priority when looking for a new house.

### **Step 1: Outside storage**

Storage space is a valuable asset in any home, but many people forget about the outside. Where will you keep your lawnmower, BBQ, deckchairs, and bikes. Garden sheds, storage chests, bike sheds and log stores are a handy addition to the back yard.

### **Step 2: Off-road parking**

A home that comes with a garage or off-street parking is a must-have for many buyers. Not only does it keep your car safer and reduce the cost of motor insurance, it also means you can avoid parking charges or the constant struggle of finding a space on the road if you live on a busy street.

Never underestimate the untold misery of returning home from a hard day at work to find nowhere to park. Parking hassles can soon spiral out of control and even lead to feuds with your neighbours.



### **Step 3: High-speed broadband**

Whether you use the web for business or pleasure, there's nothing more likely to get your fists hammering on the desk in anger than sluggish internet. For many people, access to a high-speed internet connection that can stream films and TV has become a modern home essential, while a reliable mobile phone service is another priority.

### **Step 4: Downstairs toilet**

The smallest room in the house is a big deal for many house buyers. A downstairs toilet is very handy for when you have guests round for barbecues and children's parties etc. It means they don't have to traipse all the way upstairs – and stops them from having a quick snoop around your bedroom! A downstairs loo is also great if you've got a big family. If someone's in the bathroom when you're desperate for the loo, you don't have to cross your legs and hang on until they come out.

### **Step 5: Kitchen island**

From Christmas get-togethers to drinks parties, the kitchen has become a real focal point for family life. Having an 'island' kitchen can make great use of space. Some islands are standalone, while others are joined to form an L-shape. Many have sinks and grills built in, and they can be used for storage or sitting at like a table, so they're not only stylish to look at but very practical too. A kitchen that hides away big appliances like fridges and dishwashers is also desirable.



## MAKING AN OFFER

Now that you have found the property of your dreams?  
**it's time to make an offer.**

Decide how far you want to negotiate. When deciding, consider the following things, so you can get the best deal for you:

- Compare your property to others that are for sale or just sold in the area.
- Decide on the most you can afford to pay. Remember to use your Agreement in Principle as a guide for what you might be able to borrow. Also think about the other costs of running a house, not just your monthly mortgage repayment.
- Will you need to spend any money to make home improvements?
- When making an offer, remember not to go over your budget.
- When you apply for a mortgage, speak to one of our mortgage advisers, who will help you choose the right rate and term.
- It can take a month or two to exchange contracts. This can vary, depending on circumstances. Your conveyancer will be able to keep you updated.
- On the day your mortgage is complete – known as ‘completion’ – you’ll be able to pick up the keys and move in.



## MAKING AN OFFER

To make your offer, you just need to call the seller's estate agent. Follow up with an email for confirmation. Tell the estate agent about where you are in the buying process. Your offer may have extra sway because you're a first time buyer with no chain. The agent may ask to see your Agreement in Principle and proof that you have your deposit.

The seller may accept your offer or they may want to negotiate the price, this will usually be done through the estate agent.

Remember to keep to your budget and don't get carried away. You don't want to end up paying more than you can afford or what you feel the house is worth.

If the seller accepts your offer, by law you still don't have to buy the property (unless you're buying in Scotland). After that, you'll need to find a solicitor and speak to us about the most appropriate mortgage for you.



## YOU'VE GOT THE KEYS

Buying a home is a long term commitment.  
That's why our commitment to you doesn't stop there.  
We'll now talk you through some of the next important steps.

### What you need to know

When you've done the hard work of sorting out your mortgage and arranging the purchase, it's time to take care of the logistics.  
Check out our tips for making the move.

### The big move

- Decide if you're going to employ a removal firm or do the move yourself.
- If you're hiring someone, get a few quotes and check their insurance.
- After all, they'll be responsible for the safe transport of your belongings.
- If you're hiring a van and doing the driving, everyone who might drive it will need to be insured.
- It might be an idea to start clearing out anything you haven't used for a while – there's no point in moving junk from one loft to another.
- Decide what you won't be taking with you. You can recycle the rest or take it to a charity shop.



## Ready...

- Start collecting what you'll need to pack up your life, like newspaper, boxes, bags and tape.
- Begin to pack away the stuff you won't need between now and moving day.
- You should have buildings insurance sorted. But if you haven't arranged cover for your contents, you'll need to get cover at this point. Make sure it starts from the day you move into your new home.

## Get set...

- Make it easier for yourself when you arrive: clearly label what stuff needs to go in what room.
- List everyone who needs your new address and send it to them.
- Make sure your mail gets forwarded to your new address for a while after you move.
- Pack a box of essentials so you can eat, drink or feed the pets when you get to your new home.

## Go!

- Grab a bag and pack it with all you'll need to get through the first night in your new home, like toilet paper and some clean nightwear.
- Read the gas, electricity and water meters at your new home and let your suppliers know the readings.

# JUST MOVED IN? JOB DONE



**Well not quite. Have you considered  
how you'd pay the bills if you were too ill to work for a while?**

Ill health can happen to anyone, at any time.

In fact, every year almost a million people in the UK suffer an injury or a serious illness that means they can't work for a month or more.\* Income protection could provide you with an income if you're too ill to work.

**Protect your income to help pay the mortgage if you're ill**

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**To find the best way to protect your income, talk to us today**



Call us on 01494 451441  
Visit us at [www.chilternconsultancyltd.com](http://www.chilternconsultancyltd.com)

\*Source: Department for Work and Pensions, February 2014

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## NOW YOUR MORTGAGE PAYMENTS BEGIN

Once you're in your new home, the next milestone will be your first mortgage payment. You will be informed how much your first payment will be, shortly after your mortgage is complete by your new mortgage provider.

### How much will my first payment be?

It's normally more than your regular monthly payment. That's because it includes an initial interest payment. This covers the interest for the days between the date you move in and the end of that month.

For example, if you complete on the 15th, interest will be charged from the 15th to the end of the month. This will typically be added to your standard monthly payment for the following month. This is why your first payment will be more than normal.

### When do I make my first payment?

Your first payment will usually be in the month after you have completed your mortgage. You will be informed of this by your new mortgage provider.



## SIMPLE TIPS TO MAKE YOUR HOME MORE ENERGY EFFICIENT

Here are some ways you can do your bit for the environment, and improve the energy efficiency and value of your home.

- Smart meters save energy and reduce your bills. Meter readings are sent automatically to your supplier, and you can set a limit on how much you spend on energy.
- It may be cheaper to do smaller jobs, like sealing the gaps between floors and skirting boards, yourself.
- Check the energy efficiency of new appliances. Compare their energy use by looking at the energy label, where ratings go from dark green (most efficient) to red (least efficient).
- Replace halogen bulbs with light-emitting diodes (LEDs). LEDs are a quick and cheap way to improve EPC rating. If the average household replaced all of their bulbs with LEDs, it would cost about £100 and save about £35 a year.
- Cutback your washing machine use by just one cycle a week and save £5 a year on energy. For dishwashers, use the energy-save or economy setting.
- Use a bowl to wash up rather than a running tap and save £25 a year.
- Only fill the kettle with the amount of water you need and save around £6 a year.
- Set your heating and hot water to come on and off when needed, with the right temperature for each area of your home.



## WANT TO TALK IT OVER?

You can speak to one of our mortgage advisers in person, or chat things over on the phone.

Call us on 01494 451441 (Mon-Fri 8.30am – 5.30pm) or you can arrange a personal appointment either at your home or if convenient at our Head Office in Stokenchurch.

We advise on all types of mortgages with different types of interest rates. These change from time to time. We'll let you know what's available when you apply.

When you have your mortgage appointment, your mortgage adviser will find out what mortgage is right for you. You'll discuss the various types of mortgages, interest rates and any associated fees.

For more information of our services and our Chiltern Mortgages Guides visit the Our Services section of our website at [www.chilternconsultancyltd.com](http://www.chilternconsultancyltd.com)

For expert advice call 01494 451441



**Please note:** Your home may be repossessed if you do not keep up repayments on your mortgage.

**You may have to pay an early repayment charge to your existing lender if you re-mortgage.**

We will charge a fee of £750 payable (non-refundable) at the outset.

We will also be paid commission from the lender and any such commission will be disclosed to you in writing.

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**PLEASE NOTE:**

The information contained within this brochure is intended to provide a general appreciation of the topic and it is not advice.