



Best Mortgage Lender  
for First Time Buyers

A woman with curly hair, wearing a red cardigan over a green top, is sitting on a grey quilted sofa. She is holding a smartphone in her hands and looking at the screen. There are two patterned cushions on the sofa. In the background, there is a window with a metal frame and a wooden shelf.

# First time buyers' guide

A step-by-step guide  
to buying your first home

[newcastle.co.uk](https://www.newcastle.co.uk)



Buying your first home can be exciting, but there's a lot to think about, from saving a deposit and looking for the right place, to finding the right mortgage for you.

This guide will help you know what to expect every step of the way, from house hunting to moving day.

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## Introducing our First Time Buyer Coaches



### Our friendly First Time Buyer Coaches will help guide you on your journey to buying your first home.

From working out how much deposit you need to save, all the way through to getting the keys to your first home, our Coaches will support you through the whole process and answer any questions you may have.

Your Coach will help you build a personalised plan with a realistic timeline and clear steps to get your feet on the property ladder.

You can book an appointment at a time that suits you. We're happy to chat over the phone or on a video call, or if you live near Newcastle, in person at our new Monument branch at 155-159 Grainger Street.

To get started, scan the QR code, visit [newcastle.co.uk/letsgetmoving](https://newcastle.co.uk/letsgetmoving) or call us on **0345 601 5533**.



## Saving for a deposit

We know saving for a deposit can be tough. But the more you can put down, the less you'll need to borrow. It's that simple. A bigger deposit means a smaller mortgage and often lower interest rates.

If you can save a larger deposit, this improves the likelihood of getting a mortgage and means your monthly repayments will be smaller. The bigger your deposit, the smaller the balance that's left to pay off.

At Newcastle Building Society, we do offer low deposit first time buyer mortgages, to help you get on the ladder faster. Your deposit is a percentage of the purchase price. As an example, if a mortgage requires a 5% deposit and the property you are buying is £200,000, you would need a deposit of £10,000.

## What other costs can I expect?

Don't forget there will be other costs involved that you should factor into your budget such as:

- Valuation and survey fees
- Stamp Duty\*
- Mortgage arrangement fees
- Buildings, contents, life and protection insurance
- Solicitor's fees

This list doesn't cover everything, so it's important you do your research.

\*Only for properties over a certain price. Please visit [gov.uk](https://gov.uk) for more details.

## Get started saving for a place to call your own

Saving for your first home can feel quite daunting. Here's how to start making it more manageable.

### A quick money check in

A good place to start with savings is to take a look at what you already have:

- Any existing savings
- Family who may be able to help with your deposit
- Options to reduce your rent and other outgoings

Understanding your starting point helps you set realistic goals.

### Building your savings

Set a regular weekly or monthly savings goal that works for you and transfer money as soon as you get paid. Even small amounts add up over time.

### Finding extra cash

Take a look at what you spend each month and decide what's essential. Are you paying for subscriptions you don't use? Could some little luxuries wait until you've got your own place? Simple changes can make a big difference.

### Choosing the right savings account

We offer lots of different savings options to help your money work harder. Look out for our Newcastle Cash Lifetime ISA\* which could give you a 25% government bonus on savings toward your first home.

Visit [newcastle.co.uk/savings](https://newcastle.co.uk/savings) to find out more or you can speak to a member of our team at your local branch.

\*Please note: You will only receive the government's 25% bonus if you go on to use the savings in your Lifetime ISA towards the deposit for a residential mortgage on your first home and/or towards your retirement after saving for a minimum of 12 months. If you make a withdrawal not connected to these two events then a 25% penalty will apply to the amount you withdraw. This will recover the government's bonus and you will get back less than you have saved. With the Lifetime ISA, you can deposit up to £4,000 each tax year until you are 50. Deposits into your Lifetime ISA will count towards your ISA allowance of £20,000 for the current tax year.



## How much can I borrow?



Sometimes, estate agents won't let you view properties until they know that you're likely to get a mortgage. But don't worry, we can help you with what's called a Decision in Principle – known as a DIP.

Speak to your First Time Buyer Coach to get a Decision in Principle (DIP) which provides you with information, such as how much we would be willing to lend you. It doesn't cost you anything to get a DIP and it doesn't affect your credit file. Your DIP will be valid for 90 days.

### Your DIP will be based on:

- Your income(s)
- Your employment status
- Your monthly outgoings - this includes any loans, credit cards or money you may spend monthly
- The type of property you're looking to buy
- Credit check/search

A DIP doesn't guarantee that we, or another lender, will provide you with a mortgage. You'll need a full mortgage application before that.

## Finding the right mortgage for you

Your First Time Buyer Coach will talk you through all your options, but here's a simple guide.

### Fixed rate

A fixed rate mortgage locks in the amount of interest you'll pay for two to five years or longer. Your monthly payments stay the same, no matter what happens with interest rates. This can help you plan your budget more easily.

### Variable rate

Interest rates can go up or down with this type of mortgage, so your monthly payments may change. A tracker mortgage, for example, follows the Bank of England base rate, however a discounted mortgage is linked to the lender's standard variable rate. Your payments might decrease as rates fall, but you need to be prepared for increases too.

### Term length

The mortgage term is how long you'll be paying off the loan you took out to buy your home – typically 25 to 30 years. At Newcastle Building Society, we do allow mortgage terms of up to 40 years, subject to criteria.

When you choose your mortgage, you will also choose a 'product term' that determines your monthly payments, interest and any fees. When your product term ends you can shop around for a new mortgage deal with your current lender or switch to another lender.

Find out more about the different types of mortgages we offer at:  
**[newcastle.co.uk/mortgages](https://newcastle.co.uk/mortgages)**

## Finding your perfect home

When you're ready to view places that could be your new home, it's a good idea to think with your head, not just your heart. Here are ten top tips to help you choose the right place:

- 1. Research the area.** Check out local travel, doctors, and other services nearby.
- 2. Visit the area at different times of the day** to get a general feel for the town or street you are interested in. Keep in mind the traffic and noise volumes.
- 3. Check out the property from the outside first.** Look out for loose roof tiles, cracks in exterior walls and poor-quality window frames as these could mean more work and money.
- 4. Once inside, check for damp patches on walls or ceilings.** Some may be hidden behind furniture or large pictures. Rusty radiators or pipes can also indicate damp properties.
- 5. Think about areas that would be most costly to repair.** If the property is old, ask if the electrics, damp-proof course or heating systems have been replaced at any time. Ask to see copies of guarantees and warranties. Check the Energy Performance Certificate to get an idea of your energy bills.
- 6. Kitchens and bathrooms** are the most expensive rooms to refit, so you'll have to budget to replace them if they don't suit you.
- 7. Ignore basic decoration,** everyone's tastes are different and it's not too expensive to repaint or change wallpaper.
- 8. What direction does the property face?** Where does the light come in? And where is it brighter in the morning or the evening?
- 9. Does it have a garage** or are there parking spaces?
- 10. Be prepared to be flexible** and remember there's no such thing as a perfect house.

## Making an offer

Found somewhere that's right for you? When it's time to make an offer, there are several things to think about.

Do you need to do work to the property? It's likely that this has been reflected in the price already, but you may want to offer lower than the asking price to account for this.

Are there others interested in the same property? You may want to match the asking price straight away in the hope that the seller will accept and take it off the market.

It's also useful to research house prices in the street or area to see if your offer is reasonable.

Finally, if the property has been on the market a while, the seller might be more open to an offer less than the asking price.

**Remember that as a first time buyer, you are in a great position as you have no property to sell. This is appealing to a seller as it may mean the sale goes through quicker. Once you have decided how much you want to offer:**

- 1.** Speak to the estate agent to tell them you want to make an offer and the price you are willing to pay.
- 2.** The estate agent will then chat to the seller and will let you know if your offer has been accepted or not. If not, they may give you the chance to increase your offer.
- 3.** Once it has been verbally agreed, make your offer in writing.
- 4.** The seller should then take the property off the market.

If you are buying a new build property, you will likely buy the property through the builder, rather than an estate agent.

If you are buying a property in Scotland, the process is slightly different. You can find out more information by visiting: [mygov.scot/buying-a-home](https://mygov.scot/buying-a-home)

## Finalising your mortgage application

Once your offer has been accepted, get back in touch with your First Time Buyer Coach. They will be able to discuss the next steps in advance of you submitting a full mortgage application.

### A personal service

From helping you understand how much deposit you need to save, to submitting your mortgage application, you have one dedicated point of contact in our friendly team.

We have human beings, not just computers who review your mortgage application. They look at your personal situation and circumstances, so we can be flexible and efficient when making a decision.

### Next steps

Once you've completed your mortgage application we'll arrange a valuation. This helps confirm the property is worth the sale price and is suitable for your loan.

## Surveys and valuations



As part of your mortgage application, you'll need a survey to show that the property is worth enough to cover your mortgage and that there are no major problems with it.

### There are three types of surveys:

#### Valuation for mortgage purposes

This is a basic assessment that allows us to decide whether or not to lend you the money for the property. This basic valuation is only for the lender's benefit.

#### Homebuyers report

This is a survey carried out on your behalf and must be arranged privately as we do not offer this service. You will get a report on the condition of the property, telling you about any repairs or areas that need attention.

#### Building survey

This is a comprehensive survey which thoroughly examines the condition of a property. Like the homebuyers report, this must be arranged privately as we do not offer this service. This type of survey is usually recommended if you're buying an older or more unusual property. You will get a report that tells you about any defects and potential defects, and what needs to be done to fix them.

The cost of the survey depends on the type you choose and the purchase price or valuation of the property.

## Why you need a solicitor when buying your home

The solicitor's main job is conveyancing - this means legally transferring home ownership from the seller to the buyer. Your solicitor will contact the seller's solicitor to check the legal title to the property you wish to buy is acceptable and can be legally transferred to you.

They will also carry out local searches with local authorities, draw up your contract, prepare transfer documents, check legal documents, perform land registry searches and much more.

The seller's solicitor will prepare the contract for sale and send this to your solicitor along with the required title documents. Your solicitor will then check and approve the contract and title to the property on your behalf. The contract is the legal agreement between you and the seller, which sets out the price, terms and date on which the property will transfer into your ownership.

### How to find the right solicitor

If you have trusted friends or family who have recently moved house, ask who they used. A local solicitor may better understand local regulations. Looking online can help you see who is available in your local area. Don't be afraid of speaking to different companies to get an idea of how efficient and helpful they'll be.

Newcastle Building Society works in partnership with the UK's leading conveyancing panel management specialist, Legal Marketing Services (LMS). LMS provides a managed conveyancing service to Newcastle Building Society to carry out legal work required for remortgaging or purchasing your home. For more details, please contact us on: **0345 606 4488**.

## Exchanging contracts



By this time, you should be happy with everything, and your solicitor will complete all of the legal paperwork, including drafting your contract ready for you to sign.

As part of the contract, there should be a list of fixtures and fittings included in the price – such as kitchen appliances, carpets and curtains.

This contract is legally binding, so at this point you're making a real commitment and if you then pull out, you could lose your deposit.

Once you've signed the contract, your solicitor will hand it over to the seller in exchange for the contract they've signed. From now on, you are both committed to the deal and neither of you can pull out without attracting some significant costs.

Once contracts have been exchanged, you are also responsible for insuring the property. This means that you will need to get some buildings insurance in place for this – don't wait until the completion date.



## Completion



### Congratulations! You are now a home owner!

Completion is the last legal hurdle you face. This is when the money is transferred from your mortgage provider to the seller and is all organised through your solicitor.

Once the payment has been confirmed, you will be given the keys to your new home by the estate agent. We will also write to you on completion to confirm what date your first mortgage payment will be collected.

#### How long does it take from exchange to completion?

There is no set time frame between exchanging and completing and in some cases, it can happen on the same day, but this is not generally recommended. People usually have between one week and 28 days between exchange and completion.

#### Who chooses the dates for exchange and completion?

You and the seller will agree dates for exchange and completion in advance, via your solicitors. It's a little more complicated if you are in a chain, as everyone has to complete on the same day. Completions usually happen on a week day, rather than a weekend, so that solicitors are working and the estate agents are open to collect keys.

## Counting down to moving day

You'll have lots to organise before moving day. Here are a few things to help you:

#### Declutter and donate

Sort through your belongings and get rid of or sell items you no longer need to take with you.

#### Book a moving service

Whether you're hiring a team, or want a van to do it yourself, arrange the details well in advance, so you're ready to move when you want to.

#### Change your address

Update addresses for utilities, banks, subscriptions, and healthcare services. It may also be worth setting up a mail re-direct for a few months after your move, to make sure you don't miss any important post.

#### Gather packing supplies

Stock up on boxes, tape, labels, and protective materials to make packing easier.

#### Start packing early

Begin with non-essential items to avoid last-minute stress as the moving date approaches.

#### Arrange child and pet care

If you can, make the moving day smoother by having someone look after children or pets.

#### Prepare an essentials bag

Pack daily necessities like toiletries, medications, chargers, and a change of clothes so you have easy access to them.



## Why choose us?

### Low deposit mortgages available

Making it easier for you to move into your own place and get on the ladder faster.

### Family assisted mortgages

Our Joint Mortgage Sole Proprietor mortgages use the income of a family member to increase your borrowing.

### Dedicated First Time Buyer Coach

Your friendly coach will be with you every step of the way.

### Shared Ownership and First Homes

Chat to us about our assisted purchase schemes which provide another option for you to get on the ladder.

### Free valuation

We offer a free valuation (for mortgage purposes) up to a purchase price of £250,000.

### In-person, video and telephone appointments available

Choose a time and place that suits you. You can also get face-to-face advice in our Newcastle Monument branch.

## Chat to one of our friendly First Time Buyer Coaches and let's get you moving.

Call **0345 606 4488** or visit **[newcastle.co.uk](https://newcastle.co.uk)** to book an appointment.

Newcastle Building Society Principal Office: 1 Cobalt Park Way, Wallsend, NE28 9EJ. Newcastle Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Newcastle Building Society is entered in the Financial Services Register under number 156058. You can check this on the Financial Services Register or by contacting the Financial Conduct Authority on **0800 111 6768**. Call **0345 734 4345** or visit us online **[newcastle.co.uk](https://newcastle.co.uk)**.

**YOUR MORTGAGE WILL BE SECURED ON YOUR HOME. YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.**