



First Time Buyer Guide

Everything you need to know about buying your first home,
explained properly. No jargon, no sales pitch.

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STURGESS
MORTGAGE SOLUTIONS

RESPECTED | TRUSTED | RECOMMENDED

Swansea's highest rated mortgage advisers | 290+ five star Google reviews

Sturgess Mortgage Solutions Ltd (no: 13934247) is an Appointed Representative of BrokerSync Ltd, which is authorised and regulated by the Financial Conduct Authority. FCA No. 953496. Your home may be repossessed if you do not keep up repayments on your mortgage.



Becoming a first time buyer

Would you like to know how to buy your first home? We can help you, and make it easy to understand. This guide walks you through the whole process, and every term in **red** is explained in the glossary at the back.

Why ask us?

Sturgess Mortgage Solutions prides itself on honest, straightforward advice tailored to your specific needs and priorities. Meetings are face to face or remote, whichever suits you. Our job is to understand what you need and recommend the right product from a whole of market range of lenders, not just the handful your bank would show you.

Can you expect unbiased advice?

Yes. Treating our customers fairly has always been at the heart of how we do business. We are committed to making sure you are treated fairly at every stage of your dealings with us, now and in the future.

Why first time buyers choose Sturgess

- Over 290 five star Google reviews, more than any other broker in Swansea.
- Whole of market access to thousands of mortgage products.
- We will even make the offer to the estate agent on your behalf, so you negotiate from strength.
- Voted Top Rated Adviser by VouchedFor three years running.

The important bit

A fee will be payable for arranging your mortgage. Your Mortgage and Protection Expert will confirm the amount before you choose to proceed.

Mortgage availability is subject to your individual circumstances.

www.sturgessms.co.uk



Top Rated Adviser 2022, 2023 and 2024, as voted by our clients on VouchedFor.

Things to consider

Buying your first home is a big step and a huge commitment. Stay realistic, do your research and follow a few key rules, and the process becomes far less daunting.

Be realistic

Be realistic about what you can afford. Your Mortgage and Protection Expert will help you complete a Detailed Budget Planner, and we use that to outline your options. Factor in the extras too: **Land Transaction Tax**, conveyancing and **arrangement fees** all add to the bill, and we will talk you through every one of them.

Remain flexible

- Be flexible about the type of home you want and its location.
- Think about the knock-on costs of each option: purchase costs, travel and insurance.
- What matters most, being close to schools, shops or work?
- How might your needs change over time? You may want to sell one day, so take a long term view.

Buying at auction

Auctions can be a route to buying below market value, but get a survey done and your finance agreed before you bid, and read the auction terms carefully. Once the hammer falls, you are committed.

Ask for help

Only you can decide whether to ask for financial help, but it might be that someone close to you could help with a deposit or act as a guarantor. There are more ways to do this than most people realise, see page 10.

Use our experience

Your Mortgage and Protection Expert is there to help and offer advice. Lean on that experience as much as you like, it is what you are paying for.

Making an offer on your dream home

Before you make an offer, ask us for advice on the best approach. A few tips:

- Look at the prices of similar properties nearby and how quickly they are selling. It helps you gauge a realistic offer.
- Agree in writing which fixtures and fittings are included, so there is no confusion later.
- Ask the seller to take the house off the market once your offer is accepted. They do not have to agree, but it shows they are serious.

And here is where we are different: once your mortgage is agreed in principle, we will make the offer to the estate agent for you. The agent hears it from a professional who has already verified your finances, which makes your offer very hard to ignore. More on this over the page.

Your Buyer's Champion

Most brokers stop at the mortgage. We stay in your corner for the whole purchase: we will make the offer, negotiate with the agent and fight for your deal.

Why first time buyers need a champion

Buying your first home means negotiating against people who do this every single day. The estate agent is experienced, confident and, remember, paid by the seller. Too many first time buyers get talked over, pressured or quietly pushed aside for a "safer" buyer. Not on our watch.

Sturgess was founded by a former estate agent. We know exactly how agents think, how offers get ranked behind the scenes, and which pressure lines to ignore. We put all of that experience to work for you, the buyer.

What we actually do

- **Advise on your offer strategy.** We look at local sold prices and how fast similar homes are moving, then help you pitch an offer that is competitive without overpaying.
- **Make the offer for you.** We call the agent, present your offer professionally and confirm your finances are verified and ready to go.
- **Negotiate on your behalf.** If the seller counters, we handle the back and forth so you are never pressured into a number on the spot.
- **Protect your position.** We push for the property to come off the market and keep the pressure on so your sale keeps moving to completion.

Why it works

An offer phoned in by a professional, with an Agreement in Principle already checked, carries real weight. The agent knows your money is real and your purchase will not fall apart in underwriting. That certainty is often worth more to a seller than a slightly higher offer from an unproven buyer.



All under one roof

Mortgage, protection, offer, negotiation, conveyancing panel and surveys, one team handling the lot, talking to each other every day. No chasing five different firms who have never met.

You will never be left to face an estate agent on your own.

This service comes as standard with every Sturgess purchase, at no extra cost.



What is a mortgage?

Most buyers need a loan to purchase a property. That loan is a mortgage.

Mortgages are available from banks, building societies and specialist lenders. They assess your circumstances, lend you an amount you can realistically afford to repay, and charge interest on the loan over an agreed **mortgage term**.

Deposits

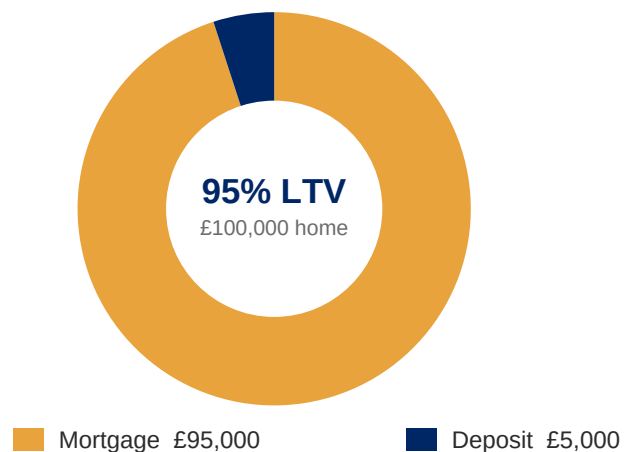
The lender will want to see you can put down a **deposit**. It can be as little as 5% of the property's value, which means borrowing at 95% **loan to value (LTV)**.

Raise a bigger deposit and two good things happen: you borrow less, and you typically qualify for a better interest rate. Generally, a lower LTV means paying less interest over the life of the mortgage.

Our honest take: do not wait years to scrape a 25% deposit while paying rent. For many buyers, getting on the ladder sooner at 90% or 95% works out better. Run the numbers with us and decide with the facts in front of you.

Loan to Value, in one picture

On a £100,000 home at 95% LTV you put down a £5,000 deposit and borrow £95,000.



Choosing the right mortgage

With so many lenders and products out there, it is easy to get lost. That is exactly why we are here.

Four questions to answer

- How much can you afford to borrow and repay each month?
- How long should your mortgage term be?
- Which repayment option is best for you?
- Which type of mortgage suits your circumstances?

How much can you borrow?

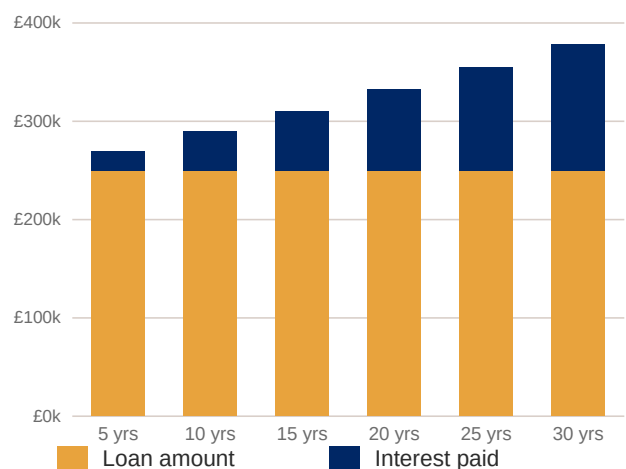
It depends on a number of factors, so you will need to weigh up the cost of moving, your monthly income, your outgoings and your credit history.

Your Mortgage and Protection Expert will:

- Complete a Costs to Consider exercise with you, so you understand every cost of buying.
- Help you build a Detailed Budget Plan.
- Review your payslips, bank statements and other financial evidence.
- Give you a clear, realistic monthly figure before you start viewing houses.

Mortgage term

Spread your mortgage over a longer term and the monthly repayments fall, but the total interest you pay rises. The chart shows the trade-off on a £250,000 mortgage at a fixed 3% rate.



Illustrative only: £250,000 repayment mortgage at a fixed 3% rate.

Mortgage types explained

Repayment options

There are two main repayment options: repayment and interest only. The availability of each depends on your circumstances, and part-and-part mortgages (a mix of the two) may also be available. Your Mortgage and Protection Expert can talk this through with you.

The repayment mortgage

Each monthly payment is part capital, part interest. Your loan gradually reduces, building equity in your home, and at the end of the term the mortgage is repaid in full, provided you keep up your monthly payments.

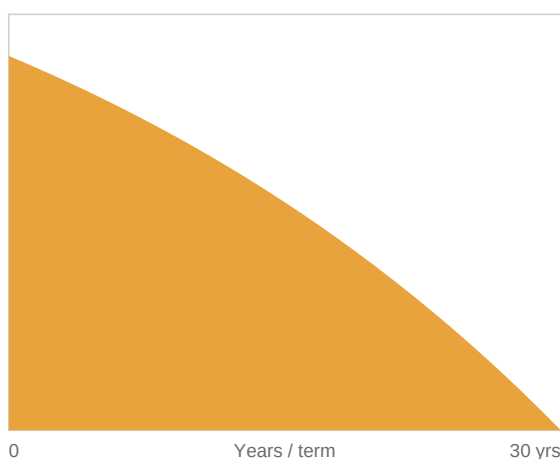
This is the safest type of mortgage, and it is what we recommend for almost every first time buyer.

The interest only mortgage

Each monthly payment covers interest alone, so monthly costs can be lower, but at the end of the term you still owe 100% of what you borrowed.

- It is your responsibility to have an adequate repayment strategy in place, usually an investment or savings plan.
- It is also your responsibility to monitor that plan and make sure it will repay the capital. That makes this higher risk than a repayment mortgage.
- Not all lenders offer it, and for first time buyers it is rarely the right answer.

Repayment mortgage



Amount still owed to the lender

Graphs are for illustrative purposes only.

Interest only mortgage



Types of mortgage

You have several options, each with advantages and disadvantages. Here they all are, side by side, with our honest view.

Type	How it works	Advantages	Disadvantages
Fixed	The same monthly payment for an initial period, usually 2, 3 or 5 years. After that, the rate usually reverts to a variable rate.	Simple to plan and budget: your exact monthly cost is known and cannot change during the fixed period.	Payments cannot decrease during the fixed period, and early repayment charges may apply.
Variable	Driven largely by the economy and the market. The lender decides their current rate, which you pay, and it does change.	You may benefit from rate reductions and pay less each month. No early repayment charges during the term.	Rates may increase, so you pay more each month. Harder to budget accurately.
Tracker	Charged at a set percentage above or below the Bank of England Base Rate for a set period.	Immediate rate reductions mean you pay less. Payments reflect the interest rates of the time.	Immediate rate increases mean you pay more, with no protection. Hard to budget.
Capped	A variable rate with an upper limit (the cap) but no lower limit.	The security of knowing payments will not go above a certain level, but they can fall if rates reduce.	Capped rates can be pricier than the best tracker or discounted rates: you pay for the security.
Discount	A special offer set below the lender's standard variable rate (SVR) for a fixed period. Payments can go up and down.	When interest rates are low, your payments will be lower.	If rates go up, so do your payments, which makes budgeting difficult.
Offset	Your savings are offset against your mortgage: you only pay interest on the balance minus your savings.	Less interest charged. With the interest saved you could shorten your term or make lower payments.	Payments may rise if you withdraw savings, and you cannot earn interest on those savings.

Our view: for most first time buyers, a fixed rate wins. Your first years of ownership come with enough surprises without your mortgage payment being one of them.

We can search 1,000's of mortgages for you

Whole of market access means we recommend the right deal for you, not the deal that suits a lender.





Comparing mortgage deals

Is there more to consider?

- Some mortgages carry **early repayment charges**.
- Some are more flexible: portable, with repayment holidays, or allowing under and overpayments.
- Some have booking and/or product fees.
- Some are collared: the rate will not fall below a set floor, even if the Base Rate does.
- Some include a charge for the **valuation** on your home.
- Some offer **cashback**, which can help cover fees.

How do you compare deals?

Look at the Annual Percentage Rate of Charge (APRC) as well as the headline interest rate. The APRC shows the total cost of the mortgage, expressed as a percentage of the amount borrowed plus all other costs, over the full term.

The APRC is calculated using:

- The introductory offer rate.
- The standard variable rate your mortgage transfers to when the initial rate ends (typically after 2, 3 or 5 years).
- All mortgage related fees.
- The term of your mortgage.

A word of honesty about the APRC

The APRC assumes you keep the same mortgage for the entire term. Almost nobody does. If you plan to switch to a new rate when your introductory deal ends (and with our free mortgage reviews, you will), the initial rate and fees are usually a better guide to the best deal for you.

Your Mortgage and Protection Expert will use the APRC alongside many other factors to determine the most suitable deal for your circumstances.

Bottom line: never choose a mortgage on the headline rate alone. The fees, the tie-in and the rate you fall onto afterwards all matter just as much.

Ways to boost your buying power

Buying a home is likely to be the biggest single purchase of your life, but there are more ways to make it affordable than most first time buyers realise.

Lifetime ISA (LISA)

Save up to £4,000 a year and the government adds a 25% bonus, up to £1,000 of free money every year. You can use it towards a first home worth up to £450,000, once the account has been open 12 months. Withdraw for anything else and you pay a penalty, so only pay in what is genuinely for your house fund.

Gifted deposits

Family can gift some or all of your deposit. Lenders will want a simple letter confirming it is a gift, not a loan. We handle that paperwork with you.

Buy with somebody else

Usually called a joint mortgage, with two options for ownership: own the property equally, or each own a share (equal or otherwise). Buying with parents, friends, a colleague or a partner can ease the financial pressure, but relationships change and circumstances alter. Think hard before buying with another person, and consider a legal contract.

Shared ownership

Own a share of a property, with the remainder owned by another party, usually a housing association. You pay rent on their share as well as your own mortgage payments, and in many cases you can buy more of the property as your finances improve. This is called staircasing.

Guarantor and family-assist mortgages

Some lenders let a family member support your application, either as guarantor or by joining the mortgage without going on the deeds (joint borrower, sole proprietor). It can significantly increase what you can borrow. It also puts obligations on them, so everyone needs proper advice first.

Buying in Wales?

You pay **Land Transaction Tax** rather than Stamp Duty, and on most homes under £225,000 there is nothing to pay at all. We will confirm the exact figure for any property you are considering.



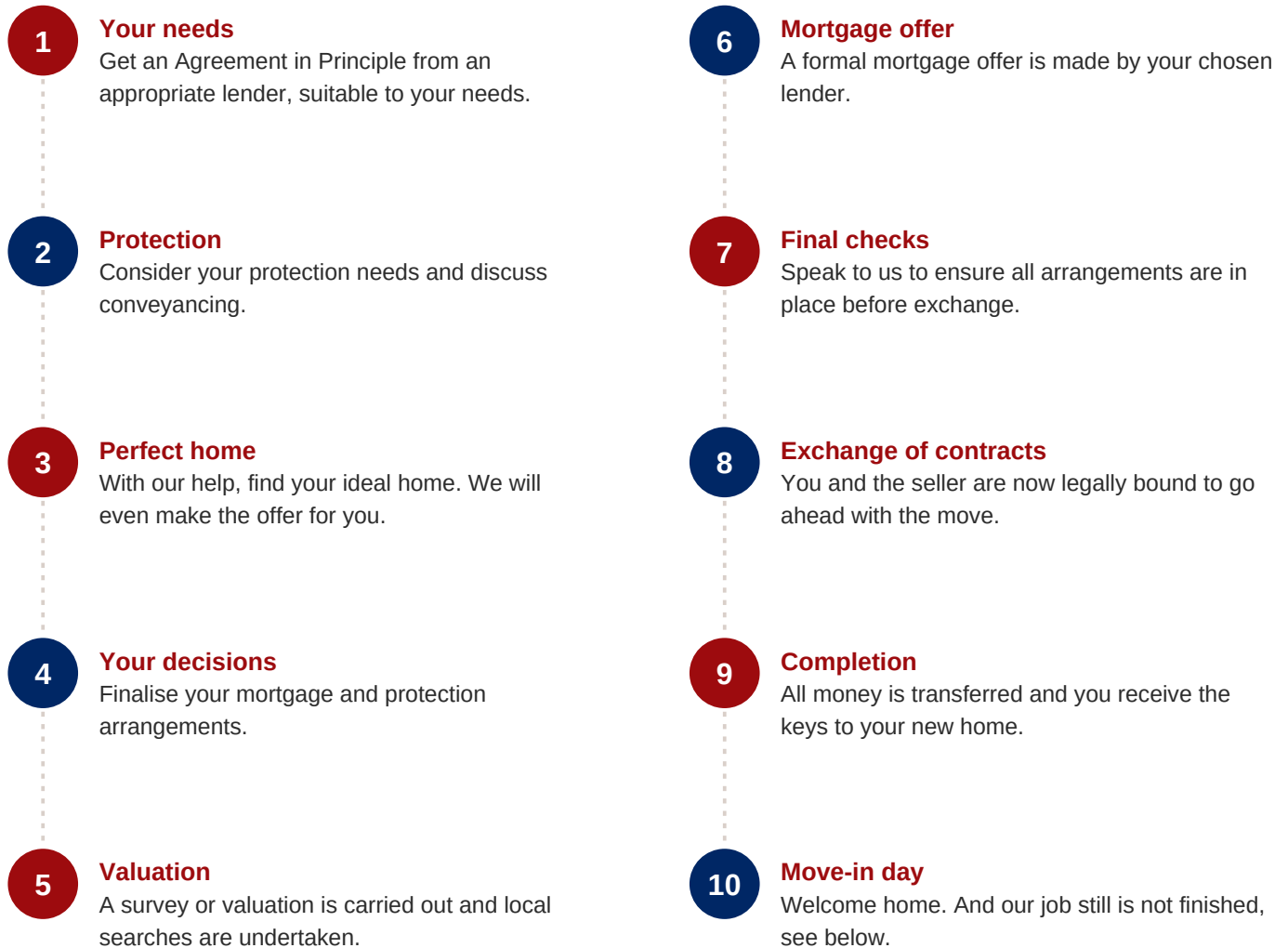
Not sure which of these applies to you?

That is a 15 minute conversation, not a research project. Call us and find out.

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Your mortgage and protection journey

We are here for you every step of the way, keeping the process as simple as possible. Here is the whole journey, start to finish.



Your journey with Sturgess does not end here

We will keep in touch throughout your mortgage, and before your fixed rate ends we will be back in contact to make sure you are always on the right deal. You can feel secure knowing we will always find the mortgage that is right for your circumstances.

Your protection

A mortgage is the biggest debt you will ever take on. Protecting it, and the people you share your home with, is not an optional extra. It is part of doing this properly.

Buildings Insurance

A requirement of most mortgages. It covers the structure of your home against a wide range of risks including escape of water, fire, storm and flood. Accidental damage cover is automatically included, subject to the property being kept in good repair.

Life Insurance

If you die or are diagnosed with a terminal illness before your cover ends, a Life Insurance policy pays a lump sum, or monthly instalments if family income cover is selected. It can help clear the outstanding mortgage and provide for your family's future.

Income Protection

If you cannot work due to accident or sickness, Income Protection replaces lost income with a monthly payment until you can return to work or the policy ends. Ask yourself: how many months could you cover the mortgage without your salary?

Contents Insurance

Covers your belongings if damaged, lost or stolen through risks such as fire, flood or theft. Optional extras include accidental damage, pedal cycles, personal possessions away from home, home emergency and legal expenses.

Critical Illness

Pays a lump sum, or monthly benefit if selected, if you suffer one of a range of illnesses covered by your policy. It can be tailored to your needs and also provides cover for your children.

Will writing

Make sure your property and possessions are dealt with according to your own wishes. We can point you to clear, understandable advice from a specialist law firm.

Our honest take

Nobody enjoys talking about illness or death. But we have sat with too many families who wished someone had made them have this conversation. Ten minutes on protection now is worth more than any mortgage rate we will ever find you.

Conveyancing, valuations and surveys

Our conveyancing panel

Your conveyancer will have a massive impact on the speed and accuracy of your purchase, so it is crucial to work with someone who echoes our core value of putting the client at the heart of everything we do.

At Sturges we have built lasting, professional and personal relationships with a whole host of local conveyancing firms, and we have turned that into a dedicated Conveyancing Panel where we personally recommend each firm based on experience, not commission.

Contact us and we will put you in touch with the right people.



Valuations and surveys

A mortgage **valuation** is not a survey. It is a limited inspection for your lender's purposes only, so they can assess the risk of lending against the property. The lender may not even show you the report.

HomeBuyer survey

Suitable for standard and smaller properties, and includes a valuation. It highlights significant and urgent matters in order of importance, so you know exactly what needs doing before you agree to exchange contracts.

Building survey

Suitable for any property type, including listed, unusual or renovation projects, and typically used for larger or older properties. It comments on defects, their cause and the remedial work required, but does not include a valuation and is not a structural report.

Our advice

Do not skip the survey to save a few hundred pounds. It is the cheapest insurance you will ever buy on the most expensive thing you will ever own. We work with a number of professional, accredited surveyors and will happily recommend the right one.



Staying in touch

Part of the ongoing service Sturges Mortgage Solutions provides to every customer is a free mortgage review, for life.

Around **6 months** before your initial fixed rate or incentive period ends, your Mortgage and Protection Expert will contact you to arrange a **Mortgage Review** and talk through your options, and we will make sure your current lender's offers are on the table alongside the rest of the market. You will never drift onto an expensive standard variable rate on our watch.

And if you have any questions at any time, before, during or years after your purchase, just get in touch:

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Glossary of technical terms

Agreement in Principle (AIP)

A full credit check by a lender before they confirm in writing how much they are prepared to lend you. The AIP is initial confirmation only; your mortgage is not guaranteed and remains subject to further underwriting.

Bank Base Rate (BBR)

Set monthly by the Bank of England's Monetary Policy Committee. All mortgage rates are linked to it, directly or indirectly.

Completion

The moment the property transfer legally takes place: all documentation is complete and funds have moved from buyer to seller, usually via their solicitors.

Early repayment charge (ERC)

A charge on certain mortgages when all or part of the loan is repaid within a set period, usually applied proportionally to capital repaid beyond the agreed monthly payments. ERC periods are often linked to fixed, capped or discounted offer periods.

Land Transaction Tax (LTT)

The tax paid on property purchases in Wales, charged on the portion of the price falling within each rate band. Buying in England? You pay Stamp Duty Land Tax instead. Current rates and bands: gov.wales and gov.uk.

Standard variable rate (SVR)

A variable rate decided entirely by the lender. It is the rate your mortgage moves to at the end of any special offer period, such as a fix or discount, and it is almost always worth reviewing before that happens.

Arrangement fee

Charged on specific products, usually payable in advance or, in certain circumstances, added to the loan. It covers the lender's administrative costs in processing an application.

Cashback

A cash payment after completion on certain mortgages, either a proportion of the amount borrowed or a fixed sum. Cashback mortgages often charge a higher interest rate than other deals.

Deposit

The amount you pay upfront towards the purchase price of the property.

Exchange of contracts

The stage when the deposit is paid and both parties become legally bound to complete the sale and purchase on the agreed terms.

Loan to value (LTV)

The loan expressed as a percentage of the property value. A £100,000 property bought with a £70,000 mortgage is 70% LTV. Generally, the higher the LTV, the higher the interest rate.

Mortgage term

The agreed number of years over which you repay the mortgage.

Valuation

An inspection your lender requires to establish their lending risk, assessing the nature of the property and factors likely to affect its value.

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