Buying a house can be a complex business, especially if it's your first time. Having an overview of what you need to do throughout the process will help you get it right, saving you money and stress! We've broken it down into manageable steps to help you plan for every stage, from organising your finances to finding the right property to sealing the deal and moving in.

Step One: Finances

Before you begin to look for a house, you need to know what you'll be able to access in terms of funds and, for most people, this means applying for a mortgage. A mortgage is a long-term commitment, so you need to be sure you find the right one.

There are a lot of mortgage providers out there, all offering different rates and advantages. Get to grips with the terminologies, and spend time checking on 'best buy' guides. The main types of mortgages are:

- **Fixed rate**, where the interest is fixed for the duration of the deal. This will usually be for a set period of time - two years or five years, for example - which means you'll be able to shop around again when the fixed term comes to an end. Whilst a fixed rate means you know exactly how much you'll be paying each month, the interest tends to be set at a higher rate than a variable mortgage, and you won't benefit by any interest rate falls. On the other hand, you won't have to worry about interest rates rising, either.

- **Variable rate**, where the interest changes throughout the lifetime of the mortgage. A Standard Variable Rate (SVR) means the rate will go up or down in response to changes in wider interest rates, at levels decided upon by the lender. Most mortgages begin with an introductory deal, for example involving a **discount** on the variable rate (say, 2% below the SVR), **tracker** mortgages, where your rate is linked to another interest rate, usually the Bank of England Base Rate, or a **capped rate** mortgage, where the interest moves with the SVR but won't go higher than a set rate. At the end of a deal period, your rate will revert to the SVR. This will almost certainly be higher than many deals, so be prepared to look around for your best option again.

Deciding on the size of your mortgage isn't just down to what you think you can afford: you'll need to convince your mortgage lender that you're a good risk. They'll want an in-depth look at your finances, so be ready to provide details about income, any debts and general living costs, including things like gym membership, childcare and transport costs, and even how often you eat out. It's common for a mortgage provider to look at evidence of your outgoings for the three months before your application, so think ahead and be sensible during this time. They'll also want to check your **credit rate**: you can check it in advance and for free through Experian, Equifax or TransUnion. Your mortgage provider will also 'stress-test' your ability to keep on paying should interest rates rise.

If you're employed, pay slips can be used to prove income. It's a little more complex for the self-employed, with providers commonly asking for three years' worth of accounts to prove income. There are steps you can take to make your application as risk-free as possible, something that can also help if you work as a contractor. It's worth thinking about this well in advance, and getting good advice from a specialist.

Saving for a reasonable **deposit** or asking for family help with an upfront injection of cash, will help you no matter what your employment status. The more money you have upfront, the less of a risk you are to the lender. The **loan-to-value ratio** (LTV) means you'll get better rates if your borrowing is for a lower proportion of the cost of the house. So, for example, if you have a 10% deposit, you'll be borrowing 90%; if your deposit covers 20% of the value, your percentage of borrowed money drops to 80%. Mortgage rates will improve the lower your LTV becomes. If you find a house that's well within your budget, therefore, your deposit will cover a greater percentage of the cost and your mortgage options will increase. LTV boundaries are fairly predictable, so it's well worth bearing in mind how close you are to one. If you can find a little extra money to push your deposit into a more favourable band, or haggle on the price of a house to bring it down just enough, you'll see the benefit for your first mortgage and be more likely to better rates when you need to renegotiate when any introductory offer comes to an end.

To help you get to your deposit goals, a **Lifetime ISA** (LISA) allows you to save up to £4000 a year, which the state will add up to £1000. If you can't manage more than a 5% deposit, there's a Government-run **95% mortgage guarantee scheme** aimed at encouraging lenders to offer 95% mortgages - check which lenders have signed up. If you're a first-time buyer, you'll be eligible for a **Help-to-Buy Equity Loan**, which can cover up to 20% of a property's value and is interest-free for five years. **Shared ownership** can allow you to buy a proportion of a property, paying rent on the share you don't own. You will have the option to buy the remaining share at a later date. Finally, **First Homes** is an upcoming scheme which aim to help local first-time buyers and key workers to get on the housing ladder by discounting new build homes by at least 30%.

Although you can make a decision and apply for a mortgage by yourself, using an advisor means you'll probably end up making better choices. An advisor who works through your bank or building society will often give advice free of charge, but will be restricted to the mortgages available through that financial institution. An independent mortgage broker will be able to advise on a wider range of products, though some will be tied to particular providers. It's worth checking a few to make sure you feel happy with what they are offering. Make sure that they are registered by the **Financial Conduct Authority (FCA)**, which gives you protection if anything should go wrong.

There are fees to pay at all stages of applying for a mortgage, for the arrangement or booking of the mortgage through to the final charges for closing the mortgage account. These can often either be paid upfront or added on to the mortgage balance. Check with your chosen provider to see what they charge and what your choices are in terms of payment. Adding them to the balance can ease the need for immediate access to cash but interest means you'll end up paying more in the long term.

Step Two: Deciding where you want to buy

At this stage, you're asking a lender to say what they might offer you. When they've done the sums and balanced the risks, they will offer you a **mortgage in principle (MIP),** sometimes called an agreement in principle - you can't apply for a full mortgage until you have a property to make an offer on, because the final part of a mortgage application is the valuation of the house or flat you want to buy.

Once you know what you'll probably be able to spend, though, you can start finding that property, with the knowledge that your MIP also means the process will go much faster when you're ready to make an offer.

Start by identifying where your budget will buy you the kind of home you want. If you already know an area well, you'll have a head start here, but don't assume that your knowledge is necessarily up-to-date. There may have been recent improvements to districts you've always thought of as less desirable. If you're heading to somewhere new, you'll want to gather as much information as possible about what it's like to live in a certain place. Ask friends and contacts for opinions: social media is a great way to start this conversation.

In general, city centres will be more expensive than suburbs. Rural properties can come with a premium, but there is significant variation across the UK. If you're not tied to a particular location, do a bit of digging to find out where affordable spots might be: there are lots of resources for comparing prices in different parts of the country. As a general rule, the South tends to be more expensive than the North, with London the priciest sector of all. An area that has recently been gentrified will hold less opportunity for property value to grow. Be canny, and look for the parts of a town that look as if they'll improve over time.

Checklist to go through:

- How much space do you want? This might include the number of bedrooms, potential work from home space, overall floor area, outside space. Do you like big windows, low ceilings, period features? Every potential property is a balancing act between what you'd like and what you can afford, so make a list of priorities and know where you can make compromises.

- What are the transport links like? It's not just about getting around yourself: good transport will always help a property to hold value in the long term. If you plan to travel to work by train, how easy will it be to get to the station, and does the timetable match your needs? If you're going to drive, is there parking? What's the traffic like at different times of day?

- Are you thinking long term? Moving house costs money and takes time, so you might want to factor in future life changes. Planning for children, for example, might lead you to a house in a cheaper area with access to good schools. If, however, you want to get on the housing ladder but have culture and nightlife at the forefront of your plans, a flat nearer to a city centre may work better.

Step Three: Finding the right property

Property websites are a good way of getting an overview of what's available on the market. Taking a little time to familiarise yourself here will help you gauge what's a good price, and build on your existing research. Then check out the estate agents in your area, and make contact about possible choices. It's a good plan to keep in regular touch with an agency you feel comfortable with: if they get to know what you're after, they'll think of you when a possible property comes on the market.

When you go to visit a property, make sure you have something with you for keeping notes. It's very easy to forget what's been said, especially as you should be asking a lot of questions! These can include:

- How long has the property been on the market?
- Is there any immediate work that needs doing?
- What will be included in the sale? (Eg. Curtains, light fittings, furniture)
- If it's a flat, check on the freehold/leasehold situation

There are also things you should be looking out for. Be especially aware of signs of damp: this may be obvious (a musty smell, peeling or marked wallpaper) or it may be harder to spot. The backs of cupboards can be a place to check. Watch out also for any cracks, which might give an indication of possible structural problems.

Be thorough with your approach - don't wait to be invited to try things out. Turn the taps on, flush the toilet, test the lights. Are there smoke alarms? What's the security like?

Ask the agent about:

- Home energy performance rating
- History of flooding in the area (can cause problems with insurance)
- Council tax band

Use your research and planning to work out how you'd want to use the space. If there are changes you'd need to make, consider how much they might cost. It can be handy to keep a record of size in feet squared for each place you look at, so that you can compare them even if they have a very different layout.

If you think you might be seriously interested, check recent selling prices for similar houses in the neighbourhood. Visit the area at different times - weekend, evening, in the rain. Keep an eye out for neighbours to get the resident's viewpoint.

Step Four: Making an offer

When you find the home you want, you'll need to make an offer. This usually happens via your estate agent and won't usually cost you anything: estate agents get their percentage from the seller. As a first time buyer with a mortgage in principal, you'll be an attractive proposition, so factor that into your offer price.

When deciding on how much you're going to offer, also take into account:

- How long the property has been on the market
- How closely the asking price reflects that of similar houses for sale in the area
- Does the market in your chosen area move fast? If it does, the house might be snatched up by another buyer. If it doesn't, you could haggle the price down.

Don't get carried away, and keep checking back in with your budget. Remember that you'll have other costs coming up as part of the sale, and that there will always be other houses. Another thing to consider: if it's been a while since getting your mortgage in principle, check if other good deals have arrived in the meantime.

If your offer is accepted, it will be **Subject to Contract (STC)** with the sale only becoming final once legally binding documents are exchanged (see below). It will also be **Subject to Survey** – your lender will need a valuation survey before your mortgage is cleared, and you'll also want to be aware of any faults or issues from your own survey before committing yourself entirely: you may want to negotiate on the price if anything comes up.

When an offer has been accepted, you'll get a letter from your estate agent in confirmation. Also, the house should now be taken off the market. Check up on this, because the last thing you want is for another, better offer to be made (aka **gazumping**). Note that, at this point, both you or the seller can pull out (note that this is not the case in Scotland).

It's possible that you'll come across a **sealed bid process**. This happens when there's more than one offer on a property and the interested parties are asked to submit their best offer in a sealed envelope by a certain date. Remember to remain realistic: you won't be doing yourself any favours in the long run if you get carried away and offer too high a bid.

Step Five: Paperwork and surveys

Conveyancing is the word for the legal process of dealing with the legal paperwork of a house sale and transferring ownership to the purchaser. A **conveyancing solicitor** is fully trained in legal services but specialises in conveyancing; a **licensed conveyancer** is trained in conveyancing only. Solicitors tend to be more expensive but are able to sort out any legal or tax issues that come up during a sale. A licensed conveyancer wouldn't be able to do the same, but can have more of an immediate focus on the intricacies of the sale process. Ideally, you'll find either one or the other well before you need their services. Getting organised in advance means you'll have time to gather recommendations and will be less likely to rush in and choose the wrong one. Also check reviews online: there's little more frustrating than being stuck with someone who turns out to be hard to contact and slow at responding. Budget firms can offer deals that sound very attractive but turn out to be hiding hidden costs and a poor service.

When you approach a solicitor or conveyancer, they will be able to give you some idea of what the overall fee is likely to be. It will probably range from £400 - £1500, depending on the cost and location of the property, and the expected complexity of the sale. A leasehold, for example, will involve extra work. It might be based on a percentage of the property's value, or a flat fee. Check what the fee will cover, and ask about what the charges might be for anything unexpected. Get several quotes so that you can compare what's being offered. You might also be asked for a deposit, of around 10% of the final fee.

The solicitor's role is to review contracts, organise the transfer of money, organise necessary checks and liaise with the seller's solicitor. They may discover something that affects the value of the property, or even makes it unsuitable for you to continue with the purchase. At this stage, you can still negotiate another price or pull out completely, though you may not get certain costs back.

If you've previously had a mortgage in principle, your lender will now be finalising your mortgage application.

At this stage there also will be:

- A **Local Authority Search**, to check for planning or other issues that might affect the property's value. One part of this search covers questions such as planning agreements, listed building status, whether the property is in a conservation area or has a tree preservation notice. The owner is legally bound to abide by any such restrictions. The second part covers questions such as road, rail or planning decisions within a certain distance which may have an impact. It will also identify environmental concerns, such as contaminated ground.

  Typical cost: £250 - £300

- A **Valuation Survey**, undertaken to check that the property is worth the price being asked. This is for the lender, and forms part of the mortgage process. The surveyor is chosen by the lender although you will often have to pay for it. Sometimes the lender includes the valuation survey as part of a mortgage deal. It will not assess the condition of the property, and might even be undertaken as a drive-by, with the surveyor not even leaving their car. The mortgage lender may withhold a proportion of the mortgage until essential work is completed. This is known as a **retention**. You can make up the shortfall yourself, or negotiate with the seller to have them do the work or reduce the overall price.

  Typical cost: from £150 - £1500, depending on the price of the property.

- A **Property Survey** is an optional step, but one that is recommended. You will have to pay for it yourself - and won't get the money back if the sale falls through - but it will identify any structural issues that might cost you a great deal in the future. You should look to have it carried out by a **Royal Institute of Chartered Surveyors (RICS) surveyor**, who can offer three levels of survey. The **RICS Condition Report** is a basic 'traffic light' survey. It's the cheapest kind, most suitable for new-build and conventional homes in good condition. No advice or valuation is provided in this survey. The **RICS HomeBuyers Report** will flag issues such as rot or subsidence, and is most suitable for conventional properties in reasonable condition. It's a more detailed survey, looking thoroughly inside and outside a property. It's non-intrusive, however, meaning that the surveyor will not check under floorboards, for example. This means it is somewhat limited in scope. It can also include a valuation. The highest level, the **Building or Structural Survey**, is comprehensive and suitable for all residential properties. It's particularly good for older homes or homes that might need repairs. Ask to accompany the surveyor, as you'll often gain more details than from the report itself.

  Typical costs: RICS Condition Report - £250
  RICS Homebuyer Report - from £400
  RICS Building or Structural Survey - from £600

  If the survey identifies any problems, you'll need to check potential repair costs with a builder.

You may want to try renegotiating the asking price as a result of issues identified by the survey.

Delays that can happen at this stage:

- your mortgage application is rejected
- the seller withdraws the property from the market
- the seller accepts a higher offer from another buyer (known as 'gazumping')

Unfortunately, these situations do occur, and it's a stressful period for everyone. This is the moment where you'll be grateful that you took the time to arrange your mortgage with care and in plenty of time, and that you followed a recommendation for a solicitor or conveyancer who is efficient, timely and good at communication. A smooth and speedy process means less time for things to go wrong. Also, although there will always be situations which are impossible to predict, the more you are able to get to know and keep in touch with the seller through the estate agent or solicitor, the less likely it is that they will back out of your agreement.

Finally, everything has been agreed. Your mortgage is finalised, though a binding mortgage offer has a 7-day cooling off period which you could use for a last minute search for a better mortgage deal. You're nearly at the point when you can no longer pull out of whether the mortgage or the purchase, so double check everything: details, conditions, withheld funds. You need to have buildings insurance in place from the date of signing, so make sure that has been organised.

Step six: Exchange contracts

This is the moment where the contract becomes legally binding. Before you sign, your deposit needs to be with your solicitor. It's worth checking in advance whether your bank or financial institution has any restrictions on taking a large amount of money at one go. If this is the case, you'll need to have organised a **CHAPS** (Clearing House Automated Payment System) payment. A **completion statement** from your solicitor will show what is owing.

Your solicitor will send the seller's solicitor the transfer deed to agree to take ownership, and will request money from your lender. If the property has a leasehold, your solicitor will now inform the freeholder of the change of ownership. If it's freehold, your solicitor will arrange a new share certificate.

The contract is now binding, and a completion date can be arranged. This is typically four weeks from exchange, though it can be negotiated for the convenience of both parties. This gives you time to plan ahead for your moving-in arrangements. Depending on where you are living in the meantime, you might want to move in on completion day, or just get the keys and start organising after that. If you are going to move straight in, it's worth bearing in mind that removal companies typically charge less for a weekday.

Step seven: Completion

This is the day when the final payment is made and you receive the keys and deeds to the property.

- The **balance of payment** is transferred from your solicitor's account to the seller's solicitor's account by telegraphic transfer fee.

  Cost - £25-£50.

- If you're paying your **mortgage account fee** upfront, this is when it becomes due.

  Cost - £100-£300.

- You'll also need to pay your **solicitor's bill** (minus the deposit and local searches if you've already paid them). The balance of the money due to the solicitor or conveyancer is paid the day before completion.

  Cost - up to £1,500 plus 20% VAT.

- Your solicitor will register the sale with the **Land Registry** for properties in England and Wales. Registering gives you official proof of ownership, protects your land from fraud, and makes it easier to sell the property in the future.

  Cost - from £140, depending on the value of the property.

Stamp Duty is a tax that you may be required to pay if buying property over a certain value. The rules change, so check in advance. From July 2021, first-time buyers don't have to pay it on property valued up to £300,000. Buyers of residential homes have 14 days from the completion date to pay any Stamp Duty in England and Northern Ireland, or 30 days in Wales.

Congratulations, you've just bought a house! Have a celebratory drink or two and take a breath. Next step: unpacking all of those boxes...