What House?

New Homebuyers Guide

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Introduction

Buying a home – particularly for the first time – can be very exciting but also rather stressful, due to the legal procedures and reliance on other people involved in the buying journey.

So, together with Redrow, we've created a guide to take you through the whole process, step-by-step; from house-hunting to past moving-in day. There are handy tips on how to anticipate and avoid complications, and some advice on ways you can successfully purchase your ideal new home.

Step-by-step guide in summary

1. Save for your deposit and purchasing costs
2. Find out how much you can borrow
3. Apply for a mortgage agreement in principle (AIP)
4. Start house-hunting – why choose a new build home?
5. Consider buying off-plan
6. Make the most of a show home visit
7. Make an offer
8. Apply for a mortgage
9. Appoint a solicitor
10. Arrange a property survey
11. Hire a removal company
12. Exchange contracts
13. Complete and move
14. Spot the snags

Saving for a deposit

Take a look at the place you'd like to live and the type of property, to see what kind of budget you'll need. You'll have to pay a deposit on exchange of contracts in order to take the buying process forward. Because of mortgage lending criteria, first-time buyers are often asked to lay down over 20% of the property's value. The latest figures from Halifax show that the average first-time buyer deposit in 2020 was over £57,000. Deposit Unlock is a new scheme designed to unlock homeownership for more people, offering competitive interest rates on 95% mortgages. The scheme has been created through a partnership between lenders and the housebuilding industry.

The larger the deposit you can provide, the greater your buying options, and always remember there are other expenses to cover too, such as legal and removal fees (typically around around £2,000+), and stamp duty.

So what's the best way to maximise your savings?

Set yourself a budget. Work out your total household income and your essential bills. Will you save money by switching energy/phone/broadband/insurance providers? You'll have to prioritise other spending too, as things like holidays can really affect your savings progress.

Work out a schedule. How much do you need in total, when are you aiming to buy and what can you save on a regular monthly basis? If you are planning to save around £15,000 to £20,000 to buy a home in three years' time, you'll need to put by an average of £400 to £550 per month.

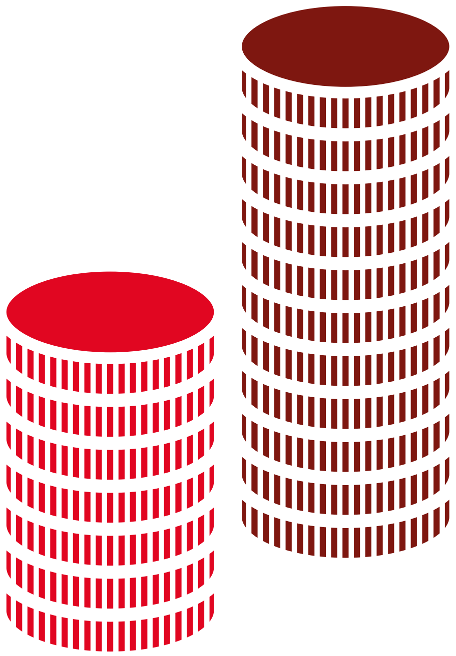
Choose the right savings account. Saving accounts with no instant access will offer a higher interest rate – and will stop you suddenly withdrawing money from your funds. Some do allow an occasional withdrawal in case you want access for an emergency. Set up a regular payment from your current account and keep an eye out for accounts that offer a better rate.

Use ISAs. On a cash ISA, people over 16 can pay in up to £20,000 a year and will not pay any tax on the interest. If you're under 40-years-old, you can set up a Lifetime ISA (LISA). You can save up to £4,000 into one of these each year, with a 25% bonus of up to £1,000 received from the government annually.

Don't rent, or rent better. Monthly rent will often be more than the mortgage payment on an equivalent home. You might find somewhere cheaper to rent than your current place but better still, if you can sacrifice some independence, move in rent-free, or at least flat-share more cheaply, with family or friends.

Get a lodger. If you have the space and your landlord allows it, sub-let a room where you currently rent. Whether or not it's someone you already know, this is a way to reduce your split of the rent and save some money by sharing some of the overheads.

Bank of Mum and Dad. Parents, grandparents or other generous relatives may wish to help you with something towards your deposit. Whether as a gift or loan, this can be a great contribution to your funding target – just ensure that both sides are clear about what 'terms and conditions' there might be. An alternative would be for them to act as a guarantor on a mortgage, meaning they would be liable if you were unable to repay the loan to the bank.



Your credit score

Unless you are one of the lucky few, a mortgage is essential to purchasing a home, and to be approved for one you'll need a good credit score. But what does that mean?

What's your credit score?

There's no simple answer as all the main credit reference agencies use their own systems and come up with their own score. One example is FICO Scores, which uses ratings between 300 and 850, with a score above 670 considered 'Good', and 800 or more 'Excellent'.

All these agencies use a wide variety of data to calculate your score. This includes things like bank accounts and credit cards, other loans, and utility/phone bills from the last six years. Legal records of bankruptcies, insolvencies and County Court Judgements (CCJs) are also taken into account. There's also an ongoing tally of companies checking into your credit profile – too many of those and it looks like you may be struggling to find a lender. Not only are there different scoring methods from different agencies, but mortgage lenders also have their own rules and levels of risk, so it's impossible to summarise your chances of successful approval of the mortgage you want with one score number.

No credit history?

It might seem strange (and frustrating) but having no credit score from borrowing money isn't much better than having a bad one, as lenders will still consider it a big risk. But things like direct debits, paying off your utility and mobile phone bills will help to contribute to your score.

How to check your credit score

It is certainly a good idea to check your score before applying for a mortgage. The UK's main credit reference agencies are Experian, Equifax, TransUnion and Crediva and you might be able to check your score using a free monthly trial.

Start building a credit history

Firstly, make sure you are on the electoral roll, as lenders will use this to check your identity. Setting up a credit card is a good move even if you only use it for small purchases each month, and at least pay by direct debit the minimum, if not the bill in full, on time every month. Over time this will show you are a reliable borrower.

Improving your score

Once you have a score, it's important to maintain and improve it. You can do this by making sure you make all your repayments on time. The more you use your credit card and pay on time, you will be seen as more reliable, but try not to go above halfway over your credit limit and certainly don't 'max out' on it. Also, don't open more credit cards just for the sake of it – it's far better to use the one you have more regularly. A long-term employment history and living in one place for a good length of time will also be looked upon favourably by lenders.

Are you ready to take on a mortgage?

If your credit is already good, maintaining it will be key to getting the mortgage you want. Don't take on any new debt just before applying for a mortgage. It's also important to 'de-link' yourself from accounts that you have no connection with any more. You may be seen to have a financial link with someone else, for example, a previous partner, and if there have been late or default payments and debts on their part, it could reflect badly on your own history. You can write to the credit agencies asking for a 'notice of disassociation'.

Getting a mortgage Agreement in Principle

An Agreement in Principle or Approval in Principle (AIP), also referred to as a Mortgage in Principle (MIP) or Decision in Principle (DIP), is the first step to buying your home as it will give you an idea of how much you could borrow before you formally apply for a mortgage.

It is a short procedure, taking around 15 minutes, and will let you know straightaway what you can borrow and an idea of the property price you can afford. It's usually valid for 90 days.

You'll only need a few details at hand:

- some personal details including your full name and date of birth
- your addresses for the last three years
- details of your income, outgoings and any existing credit agreements.

It's not compulsory to have one when you're house-hunting, but, if you do, it means agents and sellers will know you are a serious buyer – in fact, some may insist on seeing you have one. It also means you can make an offer as soon as you find your ideal home.

Unlike a full mortgage application, many lenders process an AIP as a 'soft' credit check so it won't affect your credit score.

Why buy new build?

Whether you are purchasing a first home, moving up the property ladder or downsizing, the new build market offers something for you. It caters for a host of budgets and tastes, from modestly priced entry-level starter homes to luxury mansions and age-exclusive later living developments.

There are many reasons why savvy house-hunters should be considering the purchase of a new home.

A blank canvas

The idea of moving into a home that is ready to personalise is very appealing to many people. Walls and flooring in neutral tones await the owner's choice of decoration and furnishings exactly as they want them. 'Early bird' buyers who purchase off-plan may also have the opportunity to make their choice of fittings and décor to be ready before they move in. A show home will demonstrate the range of options and upgrades available and inspire how you decorate and lay out your new place – so a 'spare room' could be the perfect home office.

Energy efficiency

These days, building regulations demand a high standard of energy efficiency, achieved through good insulation, glazing and high-quality appliances. All these things combine to make brand new homes inexpensive to run, great for the bank balance and the benefit to the environment.

Low maintenance

DIY and maintenance jobs – which many of us don't enjoy at all – are greatly reduced with a new home thanks to its newly installed fittings to ever-increasing industry standards.

Technology

Whether for pleasure or, increasingly, home-working, most of us rely very much on the best broadband and telecom connections. New homes come flexibly designed and fitted. Things like video entry, discreet AV systems, security alarms and 'smart' kitchen/bathroom appliances are increasingly coming as standard in new developments.

Designed for modern life

Buyers' expectations of what a home offers has changed considerably over the years. Go back a generation and things like fitted kitchens, utility rooms and en suites were considered a luxury – these days, it's unusual to find a new build home that doesn't have many of these things as standard. Open-plan kitchen/living spaces are incredibly popular and some housebuilder's are taking things a step forward by giving each bedroom its own en suite bathroom, offering a comfortable independent lifestyle – so there will be no need to take on a refurbishment project.

No onward chain

When you are buying a new home straight from a housebuilder, there's no onward property chain to worry about. Some housebuilders also offer schemes such as Part Exchange, which will also eliminate the chain behind you too.

Incentives

Through government-backed schemes or housebuilders' own initiatives and special deals, there are a range of ways to reduce costs or enhance the specification of your new home.

Buyer protection

All new homes in the UK must come with warranties and insurance, which provide very comprehensive cover against a range of potential problems, including any issues with the construction of the home itself.

Character

Whatever the critics may think, it won't take long to find brand new homes with distinctive style inside and out. You can get the best of both worlds with beautiful Arts & Crafts inspired architecture built to the latest standards and up-to-date interior specification without the hassle of a period property.

Are there any disadvantages to new build?

There are aspects of new homes and the process of buying them that some purchasers are wary of, and it's worth considering them to see whether it will affect your decision.

Delays

With mortgage offers tending to be valid for six months, if there is a hold up or a problem with the construction of your home, your offer could expire. Lenders will still lend if you are looking to purchase off-plan but if there is a delay, there will generally need to be a reassessment. If your circumstances have changed considerably, the lender may not extend the mortgage offer.

Less space?

Yes and no. There is a new homes price premium, which means that for the same money, you might well get a second- (or third- or fourth-) hand property with more floor space and bigger garden. But is that space used wisely? New home design can make the most of the space it has to allow more flexibility in how you layout your rooms, and with some really good storage spaces. Many new apartments now come with a private balcony or terrace, great to make the most of the weather or just take a break from indoor life.

Snagging

Before you complete on your new home, you'll need to do a snagging check. Snagging your new home means checking for any problems or minor defects with the build, so the housebuilder can correct these, ideally before you move in. Most faults will be small defects that can quickly be corrected before you move in, but it is a good idea to complete a snag list to ensure there are no big problems. Examples include an unpainted skirting board or a cracked bathroom tile.

Buying off-plan

Buying a home off-plan means purchasing it before it's been built. It's a great way to ensure you get the home you want and by purchasing a home at an early build stage you have the chance to really personalise it with options and upgrades in fixtures and fittings, and sometimes even the layout of the property.

It can also mean a very long wait between paying your deposit and actually moving in, timing can be subject to change and it's not easy to find a mortgage so far ahead of completion.

But being well-organised can make buying off-plan pretty straightforward.

Step 1: Speak to a financial advisor. As you won't be able to get a mortgage until around six months before completion, the advisor can guide you to how much you'll be able to borrow and when to start applying.

Step 2: Once you've agreed a price on the home that you want, you'll reserve it with a deposit to take it off the market. This money is part of the agreed purchase price. Sign the reservation form and appoint a solicitor, preferably one with experience of off-plan purchases. They will then start the exchange process, which can take a few weeks.

Step 3: When it comes to exchanging contracts, you'll need to put down a deposit, usually 10% of the price (less the reservation fee). Some builders will require further instalment payments as construction progresses.

Step 4: Once you've exchanged, check with your financial advisor as to when you should start your formal mortgage application process. This is usually around six months prior to completion.

Step 5: The builder should be keeping you well informed throughout the construction process but you can always contact them and meet them to see how things are progressing.

Step 6: When the property is finished, you'll receive a notice to tell you how long you have to complete on your purchase. This is usually a couple of weeks. Inform your lender and your solicitor and, if all goes smoothly, you can have your new front door key on the date of completion.

Visiting a show home

While purchasing off-plan can have its advantages, most homebuyers understandably want to see a finished product before committing their money to what is probably their biggest-ever investment.

A show home, professionally decorated and furnished by expert interior designers, gives house-hunters an opportunity to see in person the quality of the home and the whole development offer. It can also be inspiration for what you'd do with your own home when you move in.

It's worth booking an appointment to see a show home as the sales team can give you one-to-one attention.

There are questions to ask yourself and the sales team when you're there.

Is it exactly what I want and need? You'll see the space that the house type offers and whether the number and layout of the rooms suits your requirements. Will the whole family be comfortable? Is there enough room for your furniture and sufficient storage space? A show home may not be fitted with the same amount of 'stuff' that you have.

What about outdoors? Whether it be a garden, balcony, terrace or driveway – is there enough for your needs and wishes? Somewhere to comfortably sit for a meal or to entertain friends? Enough space for a vegetable patch, or to put the children's pool and trampoline?

How would I use the space? Regardless of how the show home has been fitted, you would be able to utilise any room the way you want to. A bedroom, dining room – even a garage – has the potential to fulfil a different function if you'd like a dressing room, home office, games/TV room or gym, for example.

What's standard and what's extra? Show homes usually mix standard specification with a few options and upgrades. You should ask what is and isn't included for the asking price and find out what choices there might be with things like kitchen units/worktops, flooring, fitted wardrobes and home tech. There may be a deal to be done, or some plots already fitted with any upgrades you want.

What's the whole development going to be like? You can ask for a tour of the site so that you can get some idea of street layouts and open spaces. Are the local shops, amenities, schools and transport links as close as the brochure says? Do you get the view that you want from your bedroom window?

Finding the right housebuilder

Before committing to purchasing a new build property, it's worth doing some research on the housebuilder to see what other buyers have to say about them.

The Home Builders Federation (HBF) represents a host of large and small housebuilders in England and Wales and its annual Customer Satisfaction Survey is one of the most respected in the industry. Buyers of all its members' homes are asked to fill out the detailed questionnaire, and with a response rate of over 60% – nearly 50,000 homebuyers – the results are considered an accurate figure for the market as a whole.

One of the crucial questions in this survey asks buyers if they would recommend their builder to a friend, and if a housebuilder scores over 90% then they are given a '5-star' rating. These top-scoring companies will probably have HBF flags flying at their latest sites and it's worth asking the team there about this.

Recent industry and consumer awards should also be a positive sign that they are a good choice to buy from. Success in things like the prestigious WhatHouse? Awards indicates that they are a company to have faith in.

There are plenty of websites and online forums that can give direct comments from buyers so it's worth checking out popular social media apps and websites like Trustpilot. Trustpilot has become one of the world's most respected consumer review sites and a list of the best-performing UK housebuilders is based on responses from thousands of buyers.

Also, when you visit a development where there are already people moved in, try to have a chat with them to get their feedback.

Applying for a mortgage

Having approval for a mortgage is essential, otherwise all your previous efforts in house-hunting are in vain. It's a serious process, as applying for one, regardless of whether or not it is successful or whether you use it, will affect your credit score. Therefore, it is important to take a methodical approach to the application process.

Preparing for your mortgage application

Ahead of your formal application, you should ensure that you're on the electoral roll in order to help lenders confirm your identity and check your credit record. Check it yourself too and ensure that it is as good as it can be – so if there are any errors on it, now is the time to correct them. You can have any mistakes corrected for free by the major credit reference agencies. If you're making a joint mortgage application, the other person should also check their credit record.

It's time to cut down on any unnecessary borrowing, make sure all your bills are paid on time and manage your outgoings so that lenders can see that you have enough money spare each month to be able to afford a mortgage.

Don't apply for other loans or credit cards around the time you make your application, as the lender can see this and think you're struggling with your finances.

Choosing a mortgage

There are hundreds of mortgages out there and there are always new ones being introduced and others being withdrawn, so unless you are something of an expert, it may be best to consult with a mortgage broker or financial adviser. They will help you filter through the myriad options with fees, interest rates, fixed-term periods, loan-to-value ratios, early repayment charges, etc.

Mortgage application

Once you've chosen a mortgage, the formal application begins. The lender's affordability check will include a full credit check – meaning they'll be able to see all your current bank and credit card accounts, plus any other activity linked to credit that you've had in the past, such as any outstanding loans. They can also check whether you've made repayments in full and on time.

What personal details do you need to provide?

The lender will need a few details from you so it's best to have these lined up in advance:

- full UK driving licence or passport
- a recent utility bill
- employment details with proof of your income
- last three months' bank statements and payslips
- evidence of the deposit you're putting towards a property.

The lender may also ask for other financial details, such as child maintenance costs or personal expenses.

What if you're self-employed?

Self-employed applicants should ensure they have the following close at hand:

- two or three years' accounts from an accountant
- tax form SA302
- other evidence of income, such as bank statements.

The legal process

Due to the complexity of the UK's historic legal system, experts advise that the process will usually take between eight to 12 weeks from start to finish. This differs case to case but with the benefit of no property chain ahead for buyers of new homes, there's less chance of unexpected delays. It's not unknown for new-home buyers to complete within a month of starting the legal process.

The first thing to do once you have agreed a price on a new home and confirmed that you will get the mortgage you need is to appoint a solicitor. You might be recommended one by the developer or selling agent but you are free to choose who you use. While some buyers will be satisfied with an online/phone service, you may prefer a more traditional approach where you can arrange face-to-face meetings if you want to.

Overall, it's much better to go with quality of service rather than the cheapest option and membership of reputable regulatory organisations such as the Council for Licensed Conveyancers (CLC) adds another degree of confidence in your choice.

Once you've selected them, the conveyancer will start to draw up contracts marking out the terms of the purchase. They will then carry out all the necessary diligent searches and when you have agreed a price for the property, contracts are exchanged and a deposit paid. This is usually 10% of the price but if you are using a scheme such as Help to Buy, you may only need a 5% deposit.

Soon after, on the day of completion, the conveyancer will handle the exchange of funds to the seller and also pay any stamp duty required and register you as the new owner with the Land Registry.

Arranging a property survey

While not a legal requirement, it is strongly advised that if you are considering purchasing a home – even a new build – that you arrange for a survey by a qualified professional.

It will determine if there are any faults with the home that need repairing and also means you won't get any nasty surprises – and sudden unavoidable bills – once you've moved in.

This is separate from the mortgage valuation survey required by your lender, which helps them determine whether a fair price is being asked for the home.

When arranging your own survey, you should always use a registered surveyor who belongs to the Royal Institute of Chartered Surveyors (RICS) or Residential Property Surveyors Association (RPSA). You can find one by recommendation or use reviews of local surveyors to select the right one.

There are different levels of surveys at different prices – the more detailed it is, the more it costs. The price also depends on the size and price of the home – the larger or more expensive the property, the more expensive the survey will be. You choose which level of survey you think is most appropriate, but it's always worth remembering that if a survey finds an issue, it can justify lowering your offer on the property. Or if it's a major problem, you can pull out of the deal and it may have saved you a fortune and a lot of headaches.

There are three types of survey.

Type 1: Condition report. For around £300, this is the most basic form of a property survey. It doesn't go into great detail but is advisable to use for new homes or for properties in good condition. It will highlight any serious or urgent risks or defects in the property that will need to be fixed.

Type 2: Homebuyer report. Costing around £400, this more in-depth report highlights issues that could affect the property's value and ongoing maintenance, such as damp or subsidence. It will only cover what is initially visible to the surveyor. You may also have the option for a valuation to estimate the value of the property on the open market. If this figure is lower than your offer, this could provide evidence for reducing your offer.

Type 3: Building survey. For £600+, this is the most detailed survey for residential properties, with the surveyor inspecting all parts of the property including chimneys, attics, cellars, walls and under floors. It is ideal for properties that are older, listed or intended to be renovated extensively. The report lists the defects and advises on any repairs and maintenance that should be made.

Total costs and fees of buying a home

The cost of buying a home is more than just its purchase price – there are a number of other bills and fees that you'll also be responsible for paying.

Mortgage

This includes:

- the product fee for your choice of loan (some are free, rising to over £2,000 depending on the type of mortgage deal);
- a booking/reservation fee (around £100 or so);
- a valuation fee for the lender's surveyor (typically around £250 and not to be confused with your own survey fees);
- your broker's fee (which might be zero if they are paid through commission from the lender);
- one-off administration fee for setting up your mortgage account;
- telegraphic transfer/CHAPS fee for your payment on completion (around £40 to £50).

Legal fees

You will have to pay your solicitor for all of the legal work, which includes:

- conveyancing fees (most likely starting at around £1,000+VAT);
- local authority land/property searches for around £250;
- Land Registry fees (a convoluted government system, but around £250 for the average property price);
- disbursements for other required documents.

Surveyor

Even with a brand new home, it is recommended (though not essential) to pay a chartered surveyor to inspect the property to find any potential problems, such as structural problems, damp and flood risks. If any problems are found, you can decide whether or not to purchase at all, to get things fixed or negotiate on price.

Stamp duty

Stamp duty (also referred to as stamp duty land tax, or SDLT) is a tax paid to the government for land and property transactions. After the end of the government's temporary stamp duty 'holiday' from 1 October 2021, rules have reverted to previous levels, which are broken down in layers relating to the property price.

Standard rates for buyers of the only property they will own are as follows:

Property price	Stamp duty rate
Up to £125,000	0%
Portion between £125,001 and £250,000	2%
Portion between £250,001 and £925,000	5%
Portion between £925,001 and £1.5million	10%
Remaining amount over £1.5million	12%

As an example, for a property purchased at £350,000:

0% payable on the first £125,000 = £0

2% on the next £125,000 = £2,500

5% on the final £100,000 = £5,000

Total SDLT payable = £7,500

Rates are different for first-time buyers purchasing a home priced up to £500,000. There is no SDLT payable on the first £300,000 and a rate of 5% on the balance.

So for the example above for a first-time buyer:

0% payable on the first £300,000 = £0

5% on the final £50,000 = £2,500

Total SDLT payable = £2,500

A significant saving for a first step on the property ladder. For those lucky enough to have the budget to spend over £500,000 for a first home, the standard rates apply.

For people buying a property in addition to their main home, the rates will generally be 3% higher than the standard level across the same price thresholds.

So for the example above as a second home:

3% SDLT payable on all £350,000 = £10,500

Removal costs

Whether you're a first-time buyer or an experienced home mover, you may be surprised by the amount of stuff you'll need to take from where you currently are to your new place. You might be lucky in having very helpful friends and family to do it with you, but to get the

professionals to load and unload vans and lorries for you, you'll be talking about several hundred up to several thousands of pounds, especially if you are moving a long distance. Remember to ensure that the move is covered – if your standard home contents insurance policy doesn't cover this, you can organise a 'goods in transit' policy, where the cost very much depends on the total value of what you are moving.

Additional costs

If you currently own a flat, your management company may charge a one-off fee for collating their documents relating to it and sending to your solicitor. Hopefully no more than £100 or so but some companies can charge a lot more.

You may be owed some of the service charge and related costs you have paid in advance for your old property but may need to offset this against something upfront for your new one.

Homebuyer assistance schemes

One of the benefits of purchasing a new build home through a reputable housebuilder is that they may offer one or more ways to assist you, either financially or by removing some of the hassle of buying and selling. These are the most commonplace.

Help to Buy

The government-backed scheme is now only available to first-time buyers in England and only qualifies on properties up to a regional price threshold. It only requires a 5% deposit and 75% mortgage, with the remaining 20% provided by the government as an equity loan, interest-free for the first five years and repayable when the property is sold.

In Wales, the scheme is available to first-time buyers and home movers on new homes priced up to £300,000.

Part Exchange

While buying a new home can be exciting and very enjoyable, selling your existing home may be neither of those things. Part exchanging your current property for the new one is quite a self-explanatory initiative offered by many housebuilders. They act as cash buyers for your property and offset its agreed value against the price of your home.

There are real benefits to this: it eliminates the property chain from the transaction altogether; there will be no estate agent fees to pay on the sale of your home; and completion of the deal will be timed so that you can move straight from your old home to the new one without worrying about potential delays leave you temporarily 'homeless'.

The downside is that while the price offer from the housebuilder is usually based on independent agency valuations, it may not be as high as you'd hope to get if you were to put the home on sale in the open market. Also, in many cases, the scheme is only offered where the price of your old home is only up to a certain percentage of that of your new one; so if this limit were 70% and your old home is valued at £350,000, part exchange would only be offered if your new home were priced at the value of at least £500,000.

Easy Mover/Assisted Move/Help to Sell

This kind of scheme comes under several names but the concept is the same. Once you've chosen your new home, the housebuilder will agree a price and marketing plan for your current property. They will deal with the agents for you and make a significant contribution to the agency fees and advertising costs for selling the home.

Home Reach

Home Reach is a 'part-buy, part-rent' initiative where housing provider heylo works in partnership with a number of housebuilders on selected plots and developments across England. To first-time buyers who meet the eligibility criteria, it offers a way of purchasing a share of a new build home (usually starting at 50%) and paying a subsidised rent on the remainder. If they wish to, owners can later buy further shares in their home as their budget allows, until they own 100% of it.

Prime Position

This is a recently introduced scheme from Redrow where 'early bird' house-hunters can pay a refundable deposit on a plot that has yet to be officially released for sale. They will contact you before it goes on general sale so that you get first refusal on proceeding. If you want to go ahead, the deposit is transferred to a standard reservation fee. No problem if you've changed your mind by then as the deposit is paid back to you in full if you're no longer interested.

Other types of help

When it comes to assisting buyers, it's not just about financial matters. Increasing numbers of housebuilders have secure online customer service systems where buyers can keep track of the whole purchase process, from searching for a home and arranging viewing appointments to choosing upgrades and options for their new place from the comfort of their sofa.

First Homes

Launched in June 2021, First Homes is the latest government-supported new build homes scheme for first-time buyers. There are caps on the earnings of the buyers and the full price of the properties offered, but it allows people to purchase a home at a significant discount from the open market price of no less than 30%. So, unlike Shared Ownership, there is no rent to pay, as the property is owned 100% by the purchaser. When this property is sold, it will be to other first-time buyers at the same discount rate.

Key worker/Armed Forces discounts

Numerous housebuilders have been offering special deals to buyers who are current or recent members of the UK Armed Forces, or defined as key workers. This usually takes the form of a price discount of a certain percentage or sum as a 'thank you' for all their hard work and duties.

Moving home

You're nearly there! Not quite though, and physically moving from your current place to the new one might sound simple but does need to be properly organised in order to avoid any potential hitches. It has the reputation as a notoriously stressful experience but planning can minimise the risks considerably.

Here are our tips on preparing for the least stressful home move.

Book in advance. Whatever confidence you have in doing it all for yourself, it's advisable to consider professional services to help. Look around for a removal company as soon as you can. Get at least three quotes to compare and book the one you want as far ahead of moving day as you can. Leaving it until the last minute means you may not get the company you want at the price you want – or, worse still, not find anyone reliable who is available.

Declutter. Most of us own a lot more than we think, including a host of things we've not used for years or completely forgotten about. Why move it all just to throw it away at the other end? Now's the time to sort out what you want to keep and take with you and what you can say goodbye to. Websites like eBay and Facebook Marketplace can be very helpful in finding a buyer for unwanted items, or perhaps there's a local charity that would welcome your donation.

Storage for transport. Your removal company can supply boxes to load up with your possessions but you may also want to get some of your own to label up and pack carefully away, so order plenty of bubble wrap, tape, labels, marker pens etc. too.

Start your packing. Even once you've thinned out your possessions, it will still take a while to box it all up so start doing that with the non-essential things as early as possible. Clearly label boxes so that it's obvious which room they need to go in. Number them and keep a list of what's inside each one, especially when it comes to crucial things for the kitchen, bathroom and bedroom. Some removal companies offer a service to pack and unpack your things for you in advance or on the day.

Keep important things secure. Collate things like legal documents and passports and keep them safely with you to avoid any chance of them being lost in transit.

Empty the freezer. Frozen food won't safely survive a move so prepare the menus ahead of moving day to use up what you can before you go.

Call on friends and family. Many hands make light work (let's overlook the possibility that too many cooks spoil the broth) so even if it's not the physical work of moving your things from one place to another, they could be very happy to help with unpacking, cleaning or duties like looking after the kids or pets for a while to ease things for you.

Update utilities companies. Keep a record of your final meter readings when you leave your old place and take readings of the new place when you arrive. Make sure your broadband supplier knows about your move; it is usually very simple for them to transfer the service at fairly short notice but best be on the safe side.

Change of address. As well as the power and telecoms companies, you'll need to inform lots of others too. Consider paying Royal Mail to redirect your post for a short while to give you a chance to inform everyone. It currently costs £34 for three months. Doctors, banks, building societies, credit and loyalty cards, subscriptions, TV licence, pensions companies – the list goes on, so take a thorough look at your post and filing, and tick them off the list as you call/post/amend online your new contact details.

Keep the essentials close at hand. There are some things you shouldn't let out of your sight on the big day. Toiletries and cleaning products, phone chargers and plenty of snacks and refreshments should be right on hand.

Where's the stopcock? Most housebuilders and developers will hand you a 'welcome pack' with information about your new home's important amenities like the power meters, boiler, fuse box, stopcock. Some also take you on a personal tour so that you are familiar with it and can ask questions on the way.

Spot the snags

While many new build homes are exceptionally well finished, and have undergone a final inspection, there's a chance you'll find faults ('snags') that the housebuilder should rectify for you. Hopefully, anything you find will be minor but there may be more serious issues that require urgent fixing.

You can hire a snagging surveyor to do this for you, usually at about £300, or you may want to put together your own detailed list of things you find.

So, what should you be checking for snags? Here's a basic list but a professional surveyor will provide a more detailed inspection.

Throughout the home

- Plastering and painting of walls
- Cracking of plaster and brickwork
- Fitting and correct types of carpets and flooring
- Fitting and painting of skirting boards and architraves
- Power sockets and light switches fitted and working
- Leaking pipes and radiators
- Doors and windows fitted, opening and closing correctly
- Door and window locks fitted and working
- Broadband/TV points fitted and working
- Loft insulation

Kitchen

- Units and worktops correctly fitted and unmarked
- Appliances correctly fitted and working
- Tiling/splashback fitted and undamaged
- Taps fitted and working

Bathroom

- Tiling and flooring fitted and undamaged
- Taps and sanitaryware correctly fitted and working
- Leaking pipes and heaters

Outside

- Roof tiles fitted and undamaged
- Fences and gates fitted and undamaged
- Locks fitted and working
- Turf/patio/driveway fitted and undamaged
- Power points/taps working

Housebuilders are responsible for putting right any defect caused by their failure to meet the standards as set out by their warranty and insurance provider; but if there's a serious fault that won't be fixed, you can go to the warranty provider, who can offer to resolve the matter free-of-charge.

Glossary A-Z

A

Agreement in Principle (AIP or also Approval in Principle or Mortgage Promise or Decision in Principle)
A document from your potential lender outlining the amount they might be prepared to lend you.

Architrave
A moulding that is fitted around the frame of a doorway or window.

Arrangement fee
Charged by the mortgage lender when arranging a loan.

Arrears
Mortgage payments that haven't been made on time.

B

Build complete
The point in construction when a home is ready for final inspection.

Building survey
The most detailed survey for residential property, with the surveyor inspecting all parts of the property, including chimneys, attics, cellars, walls and under floors – ideal for properties that are older, listed or intended to be renovated extensively.

Buildings insurance
Insurance to cover any structural damage to your home in the event of a fire, flood or other incident.

Buy-to-let (BTL)
Purchasing a property with the main aim of finding tenants and renting it out.

C

Chain-free
Referring to the property chain; here a potential buyer does not need to sell a property in order to buy a new one.

Completion
The point at which the property being purchased legally belongs to the buyer.

Condition report
The most basic type of property survey but recommended when purchasing a new build home.

Contract
In terms of buying a home, a contract is a legally binding document between the buyer and seller. When the contracts are exchanged, buyer and seller are legally committed to completing the transaction.

Conveyancing
The legal process of moving the ownership of property or land from one person to another.

Credit score
A number used to rate a consumer's credit worthiness. It is calculated by statistical analysis by financial institutions and the higher the score, the better.

D

Deed(s) (also mortgage deeds)
A legal document proving ownership of a property or asset

Default
A failure to make mortgage payments as agreed in your contract with the lender.

Deposit
Usually 10% of the full price of the property, which needs to be paid when contracts are exchanged.

Disbursements
Costs incurred by your solicitor on your behalf throughout as part of the house-buying process, which could include local searches, Land Registry fees and administrative costs.

E

Early redemption charge/early repayment charge (ERC)
A fee if you pay off all or part of your mortgage before the contracted time.

Energy Performance Certificate (EPC)
A document that shows the energy efficiency of a property.

Equity
The difference between the value of the property and the value of the mortgage.

Exchange of contracts
The legally binding final stage in the process of buying a home, once both parties have agreed to the terms set out within the contract and they've been signed.

F

Fixed-rate mortgage
A mortgage with an interest rate that stays the same for a set period of time.

Fixtures and fittings
Items not included in or excluded from the sale of the property, for example carpets, curtains, flooring, wall lights.

Freehold
Outright ownership of a building and the land it stands on.

G

Gazumping
When a seller accepts a higher offer price from someone else after your offer has been accepted but before exchange of contracts.

Gazundering
When a buyer reduces their offer price after the original offer has been accepted by the seller but before exchange of contracts.

Ground rent
On leasehold property, rent to the owner of the freehold, often separate from a service charge.

Guarantor
Someone who agrees to guarantee that they will repay a loan or debt if you default on payment.

H

Help to Buy
Government-backed scheme for first-time buyers of new build homes, which provides an equity loan on a percentage of the property. It only requires a deposit of 5% and mortgage of 75%. The equity loan is interest-free for the first five years and must be repaid after 25 years, or if you sell the property before that.

Homebuyer report
The middle of three types of property survey highlights issues that could affect the property's value and ongoing maintenance, such as damp or subsidence.

I

Indemnity insurance
A one-off payment used during conveyancing transactions to cover a specific potential problem with the property that can't be resolved swiftly, if at all.

Individual Savings Account (ISA)
A form of UK investment that is exempt from tax on its returns. The amount of money you can invest in ISAs each year is limited.

J

Joint mortgage
A home loan for two to four people, such as partners, friends or relatives. If one is unable to pay their share of the mortgage payment, the other(s) are liable to pay the whole amount.

L

Land Registry
The government office responsible for registering all ownership of land and property in England and Wales.

Land Registry charge
The fee payable to the Land Registry in order to register the ownership of a property to the purchaser.

Lease
A document in which the freehold owner of a property lets out their premises to a named party at a certain price and for a specified time.

Leasehold
The temporary right to live in a property and occupy the land it is on. While the length of the lease can vary, it most commonly starts at 99 years, 125 years, 250 years or 999 years.

Licensed conveyancer
A solicitor trained and qualified in all aspects of property law.

Loan-to-value (LTV)
The size of the mortgage as a ratio with the property's value.

Local Authority search
An official query into the local area and land where the property you are hoping to buy resides. It informs if there are future development or highway plans for an area, or an existing planning consent for another property close by.

M

Mortgage
A loan taken out in order to purchase property or land.

Mortgage deed
A legal document that gives your lender legal title to your property in the event that you do not pay your mortgage.

Mortgage interest
Interest paid on your home loan, either at an agreed fixed rate for a certain period of time, or a variable rate that can fluctuate up and down.

Mortgage term
The period over which a mortgage is set to be repaid.

N

Negative equity
When the value of your outstanding mortgage is less than the market value of your property.

O

Off-plan
Purchasing a home before it's been built.

P

Property chain
A series of related property sales, where each is dependent on another, relying on the buyers receiving the money from selling their house and the sellers buying the house they move into.

R

Redemption
Full repayment of the mortgage.

Redemption fee
A fee required by some lenders if you pay off your mortgage before the agreed term.

Remortgage
Switching a mortgage from one lender to another or taking out a second mortgage to make use of any equity gained by a rise in the property's value.

Repossession
Where the mortgage lender takes possession of a property due to the buyer defaulting on payments.

S

Sanitaryware
A term for toilet bowls, cisterns, and other fittings to bathrooms and en suites.

Service charge
A charge on a leasehold property, usually covering things like maintenance, cleaning and gardening of communal areas, caretaker and amenities staff, lifts, buildings insurance, lighting etc.

Shared Ownership
A scheme run by housing associations on new build and existing council homes where the borrower buys, owns and pays a mortgage on a share of the property and pays rent and service charge to the housing association on the remainder. Over time, further shares can be purchased, up to 100% ownership.

Site manager
The person responsible for overseeing on-site operations at a housing development while it is being built, often liaising with buyers during the build process.

Snagging
Checking for faults when you move into your new home, which need to be fixed by the housebuilder.

Stamp duty (Stamp Duty Land Tax, SDLT)
A government tax on the purchase of a property. The amount varies according on the value of your home and whether it's your only or main property to live in.

Subject to contract
Where a provisional agreement has been made to purchase the property, but it is not legally binding, so the price can still be negotiated and either party may still withdraw from the sale.

Survey
A full inspection of the property by a professional surveyor to identify any property defects. This could be on behalf of the mortgage lender or, separately, on behalf of the buyer.

T

Telegraphic transfer/CHAPS
A quick and secure electronic way of transferring money from one account to another. The purchaser's solicitor will use telegraphic transfer to send money to the vendor before handing over the keys.

Title deeds
Legal documents proving ownership of a property, providing details of any rights and liabilities attached to it.

U

Under offer
When an offer has been made on a property either verbally or in writing, but the contracts have not yet been exchanged.

V

Valuation report/valuation survey
The result of a brief inspection of a property by the lender's surveyor to assess the property's value for the purpose of providing a mortgage.

Vendor
The person or organisation selling a home.