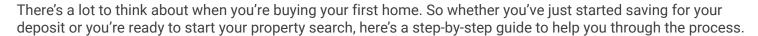
First time buyers

A guide to buying your first home in Scotland





For Intermediaries

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Affordability check

Before you get a mortgage, you'll need a check on whether you can afford to pay it back. Your broker/mortgage lender can take you through an affordability check – this is based on your income and outgoings.

When to do it:

before you start your property search.

-(2)

Decision in Principle (DIP)

Ask your broker to give you a DIP. This will give you a rough idea of how much you might be able to borrow on a mortgage, but it won't be a figure set in stone. A DIP could leave a footprint on your credit report, so it's a good idea to check with the mortgage provider before you get one.

When to do it:

before you've found a property.

(3)

Verbal offer

Customers can do this on their own with the selling estate agent, or they can have their broker/solicitor do it if they have one already engaged.



Full mortgage application

Not all mortgages are the same, so you'll need one that's right for you. Your broker will recommend a mortgage, guide you through the process and keep you up-to-date with the progress of your mortgage application.

When to do it:

after you have had a verbal offer accepted.



Move in



Once the seller's conveyancer

has the purchase money,

they'll instruct the agent

Congratulations! You're

officially a homeowner. Now

it's time to make it your own.

to give you the keys.





Conclusion of missives

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Conveyancing and Valuation Survey

Once you've received your mortgage offer, the conveyancer will arrange the signing of the documents (missives) and agree an entry date. Your solicitor will arrange for your deposit monies and mortgage monies to be transferred to the vendor's solicitors on the agreed entry date. When the missives have been concluded, you will need to organise buildings insurance.

When it happens:

once your initial conveyancing process is complete.

At this point your solicitor could start work. The lender will review the Home Report the seller provides to make sure it provides sufficient security for the loan. Once they're satisfied it does, and providing they're happy with everything else on your application, they'll issue your mortgage offer. The home report provides you with general information about the condition of the property. It's split into three parts – a single survey and valuation, a property questionnaire and an energy report. It's a detailed assessment for you and the lender.

When it happens:

after you've found a solicitor and applied for a mortgage.

Make a written conditional offer

You need to instruct your solicitor to make a formal written offer. They might want to see your DIP as proof you could get the finance in place. Your offer will usually be subject to you receiving a satisfactory mortgage offer.

When to do it:

after you've found a mortgage and carried out any additional surveys required.

Choose a solicitor

A conveyancing solicitor is a property lawyer who takes care of the legal aspects of buying your property. They will also be able to help you review the seller's Home Report. They usually act for the buyer and the lender, so the conveyancing firm needs to be on the lender's conveyancing panel.

When to find one:

before you make your purchase offer.



Get survey savvy

There are lots of different types of survey. Here are some of the more common ones.

Mortgage valuation

This is a valuation rather than a survey and is carried out on behalf of the mortgage lender to assess the property's value. A valuation is carried out if the Home Report is out of date or there is no transcript. It's geared towards satisfying the mortgage provider that the property provides sufficient security for the loan. It doesn't guarantee the property is free from defects and you might not receive a copy of the report.

Home Report

This gives you general information about the condition of the property and is obtained by the seller. It usually involves a surface examination of the parts of the property that are visible and readily accessible. Often lenders will accept a transcript of the seller's Home Report for their valuation purposes. Services are not tested as part of this report. If you'd like the services tested then you'd need a building survey (see below) or request separate tests.

Building survey (full structural survey)

This will give you a view of the property's structure and pinpoint any defects. You'd need to instruct the building survey yourself.

You can ask your mortgage adviser or search for UK surveyors on the Royal Institution of Chartered Surveyors website.

The more in-depth the survey, the more it will cost.

If a survey reveals problems, you might want to get a builder or other expert to assess what repairs could cost. It could potentially be used to negotiate a lower price for the property or you could even ask for the problems to be put right before you buy the property.



Getting organised

Here's a list of the things you'll usually need when you apply for a mortgage:

- proof of income e.g. payslip(s) and/or P60, or self-employed evidence
- bank statement(s) showing salary credit
- other items required by the lender will be based on your circumstances, but will be confirmed as part of your application.

Speak to your broker if you'd like to find out more or visit skipton.co.uk for further information about Skipton Building Society.

Lifetime ISA (LISA)

The Lifetime ISA is a savings account designed to help people aged 18 to 39 save towards their first home or retirement. You can save up to £4,000 in a Lifetime ISA each tax year until the age of 50 and you don't pay tax on the interest you earn. Tax rules may change in future.

The government will also pay a 25% bonus on your contributions, up to a maximum of £1,000 a year. Any withdrawals within the first 12 months of your first payment into a Lifetime ISA will incur a 25% government charge, which would mean you would get back less than you paid in.

After 12 months from your first payment in, you can withdraw money to buy your first home (maximum purchase price £450,000 and you must be using a mortgage to buy your home), but if you withdraw for any other reason before you reach 60, the government withdrawal charge will apply.