ernestgrant
mortgages

A guide to buying **your** first home

Contents

Introduction

Buying your first home is a big step — exciting, life-changing, and sometimes a little overwhelming! With new terms to learn, decisions to make and a process that can feel unfamiliar, it's completely normal to feel unsure about where to begin. That's exactly why this guide exists.

At Ernest Grant Mortgages, we're here to be your helping hand. Our role is to break things down clearly, answer the questions most first-time buyers have, and help you understand how the home buying journey works from start to finish. We believe that when you understand your options, you're able to move forward with confidence.

This guide will walk you through the essentials

- the key costs involved
- how lenders assess your application
- schemes and support available to first-time buyers
- what a mortgage is and how it works
- how to start preparing financially
- the step-by-step buying process

Each section is designed to be easy to follow. No jargon, no unnecessary complexity, just clear explanations to help you feel informed and prepared.

What is a mortgage?

Before you start viewings, it's important to understand exactly what a mortgage is and how it works. This section breaks it down in a simple, clear way so you can move forward with confidence.

- **A mortgage is a loan used to buy a home when you don't have the full purchase price saved.**
- **The main components of a mortgage are deposit, loan-to-value (LTV), interest rate, and mortgage term.**
- **The lender will work out what you can borrow by reviewing your age, dependents, income, outgoings, and credit history. This is known as your 'affordability'.**
- **Mortgages are provided by lenders (banks, building societies) and repayment terms usually range from 25–40 years for first-time buyers.**
- **Most first-time buyers use repayment mortgages, which pay off the loan and interest over time. Interest-only mortgages are less common.**
- **Your mortgage is secured against the property, meaning the lender can take legal action if repayments aren't made and re-possess your property.**

Expert Insights

The average age of a first-time buyer in the UK

34

Sources:
Gov.uk [23.12.25]
Halifax [23.12.25]

Your Deposit

Your deposit can come in many forms. Here's a quick breakdown of the typical sources of deposit that are acceptable to lenders. Each lender has their own list so be sure to let your adviser know where your deposit will be coming from so that they can ensure your lender will accept this.

Personal Savings

Using your own hard-earned cash is the most popular of all deposit types, but it can be the most difficult to plan and execute. It takes planning and discipline. Trading the extra takeaway on a rainy day may seem tiny at first, but **it all adds up!**

Gifted Deposit

Gifts from family or close friends are becoming increasingly common for first-time buyers. You'll usually need a signed letter and proof of the funds. Lenders have different rules about who can gift, so it's **important** to let your adviser know.

Inheritance

If you've received an inheritance, most lenders will accept it for your deposit. You'll need to provide documentation (usually a copy of the will or a letter from the executor) so your solicitor can **verify** the source of funds.

Builder Incentives

If you're open to buying a new build property, many new-build developers offer incentives to help with your deposit, often around **5% of the property price.** This can make getting on the property ladder a little easier, especially if you're short on savings.

Personal Loans

Using a personal loan for your deposit isn't common, as it **increases your overall borrowing and costs**. A small number of lenders may allow it, depending on your circumstances, but it's usually not the preferred route.

Saving for a house

Saving your deposit is key to becoming mortgage-ready. A clear plan helps you reach your target and shows lenders you're financially responsible. In this section, we'll break down how to build a deposit, and other sources of acceptable deposit. **We'll start with 3 easy steps to get your savings on track...**

Create a budget

List income, outgoings, and debts to see what you can save each month. Treat savings like a regular expense and review your budget periodically.

Set your goal

Include your desired deposit, fees, and a small buffer for unexpected costs. Ensure this leaves enough to keep a rainy day fund.

Savings schemes

Consider setting up a Lifetime ISA (LISA) account. Direct savings into your LISA to maximise your government bonus and boost your deposit.

Need more info on Lifetime ISAs?
Take a look below

Feature	Lifetime ISA (LISA)	Take Note!
Eligibility	Age 18–39 to open	Most banks offer LISA accounts but the eligibility is set by the government. Contributions can be made until age 50.
Annual savings limit	£4,000	If you can save more than the annual limit, consider a mixture of the LISA and a normal saver to ensure you keep saving!
Government bonus	25% (up to £1,000/year)	Bonuses are paid out at the end of each month based on your total contributions in the previous month.
Bonus uses	First home purchase or retirement	The maximum purchase price is £450,000. Or you can use it for any reason after age 60.

Getting ready to buy

There's a lot of noise about the "right" way to get a mortgage — who can qualify, how much you might borrow, and what lenders are looking for. It can feel confusing, especially for first-time buyers.

In this section, we'll break down exactly how to approach getting mortgage ready. Step by step, you'll learn what matters to lenders, what you can do to improve your chances, and how to be fully prepared before you make an application.

1. **Speak to a broker and review your finances.** A mortgage broker can guide you on what lenders look for, suitable products, and steps to improve your chances. Review your income, outgoings, and debts, and check your credit file to avoid delays when you apply.

2. **Save for a deposit.** Most first-time buyers put down 5–20% of the property price; a larger deposit can improve mortgage options. There are now options for as low as **0% deposit** (subject to suitability & qualification). Ask your adviser for information!

3. **Get your documents in order!** Your adviser will need evidence of your circumstances to obtain an accurate borrowing figure and Decision in Principle (DIP). Things like income, tax returns (if self-employed), bank statements and potentially a copy of your credit file.

4. **Understand affordability.** Lenders assess if you can manage monthly repayments based on income, outgoings, and other commitments.

5. **Obtain a Decision in Principle (DIP).** This shows how much a lender could lend. It's not a guarantee; final checks still apply. You'll need it, along with proof of deposit and ID, to lodge a successful offer with an estate agent.

6. **Keep in touch with your adviser** as you start to view and make offers on properties. As well as your personal circumstances, the lender must accept the property you buy so it's worth sending the property link to your adviser to make sure it's acceptable to your matched lender(s).

Your property budget

Expert Insights

The average cost of a property in the UK

£299,892

Sources:
Halifax [23.12.2025]

How much you can borrow depends on your income, outgoings, credit profile & circumstances. Different lenders use different income multiples based on this. This is typically 4–4.5× income, but some first-time buyer products can go higher.

Take a look below at the key areas that will **boost** or **reduce** your borrowing ability.

Affordability Boosters

- Additional Income you may not have considered (Bonus payments, overtime or commission).
- Benefits you may have for children can increase affordability (e.g. child benefit).
- Keeping your credit in good health can help you qualify for affordability boosting mortgages.

Affordability Reducers

- High amounts of debt can impact your affordability (e.g. loans, credit cards, car finance).
- Blips on your credit file may mean you do not qualify for FTB affordability boosting mortgages.
- Dependents, Student loans & other committed expenditure can impact your affordability.

Speaking to an **Independent Mortgage Adviser** ensures your borrowing target fits your true affordability, taking into account your personal circumstances, deposit, monthly repayments, and other living costs.

Use our tools & calculators to get a head start on your budget.

The buying process

Buying your first home can feel complex, but breaking it down step by step makes it much more manageable. Here's an overview of the steps you will take to purchase your first home. Now that you're **ready to buy**, we're picking straight back up where we left off.

1	Ready to buy	Deposit saved, Agreement In Principle ready, broker standing by and money set aside for fees, you're ready to buy!
2	Time to view	Hit the portals, explore areas, property types, and prices within your budget. Attend viewings and take notes — it helps to compare properties effectively.
3	Make an offer	So you've found 'the one'! Have your AIP and proof of deposit ready. Remember, most agents will ask for a first and then a 'best and final' offer.
4	Offer accepted	Steady the nerves! Time to call your broker, set up your application meeting and appoint a solicitor to start the ball rolling.
5	Application	Submit a full mortgage application. The lender will carry out final affordability checks and arrange a property valuation to confirm the price.
6	Get protected	Your adviser's job isn't done yet. Finalising your protection plans helps ensure your new home stays secure, whatever life throws at you.
7	Exchange	Legal, mortgage and protection work complete, time for exchange of contracts. At this point, you'll usually pay a deposit (part of your overall funds).
8	Moving day!	Time to set up utilities, council tax, insurance, and enjoy your new home! Keep a small contingency fund for any immediate maintenance or moving costs.

It's Yours!

Expert Insights

Average time to purchase a property (UK)

15-20 Weeks

Sources:
Zoopla [23.12.2025]

The costs of buying

The 'not so fun' part of home ownership... the costs! Before you start viewing properties, or even getting qualified, understanding how much you need saved to cover your fees is vital. Some of the below fees will vary dependent on property type. Your adviser can provide a tailored fee overview.

Expert Insights

Average costs for a First-Time Buyer

£2,200

Sources: Leeds BS [23.12.2025]

Solicitor/ Conveyancing
Fees vary considerably based on property price and on the type of conveyancer you use. An average cost for First-Time Buyers is £1,000-2,500. You'll usually need to budget around £350 upfront of total costs.

Stamp Duty Land Tax (SDLT)
First time buyers pay 0% on properties up to £300,000 and 5% on the portion from £300,001–£500,000. No relief applies above £500,000. Use our Stamp Duty Calculator to check your property.

Broker fee
Typically paid when you fully apply for your mortgage. This covers your application, rate reviews and any changes to our advice along with our expert support team.

Lender valuation fee
Most lenders don't charge, but if they do, it can start from £100 upwards.

Survey
Paid once your mortgage application is submitted. Tip: Wait for the lender's valuation first — if there's an obvious issue, it could save you money on a private survey. Typical costs £300-£1000.

Mortgage product fee
Can be paid upfront (typically £999), added to your mortgage balance (interest applies), or your adviser may recommend a zero-fee deal.

Top tip

Always include a small contingency for unexpected costs — this ensures you're fully prepared!

Buying schemes

Buying schemes can help give you the extra boost to start your home ownership journey. If you don't yet have a large deposit or the full budget for a traditional purchase, there are several schemes and special mortgage routes that can make home ownership more achievable. Below are the main options. **Each scheme has its own eligibility criteria, your adviser can tell you if you qualify.**

Available schemes to first time buyers

Shared Ownership

Part own, part rent. Shared ownership allows you to buy part of your home (typically from 25%) and work towards purchasing more over time (known as staircasing) whilst paying rent on the portion you don't own. Buying via this scheme usually means much lower deposit.

Right to acquire

Similar to the Right to Buy scheme, but for those renting via a housing association. Your association and you must qualify for the scheme. Enquire via your housing association to find out if you qualify.

Low Deposit Mortgages (From 0%)

From 0% deposit mortgages to special options for First Time Buyers, many lenders now have schemes designed to help those with small to no deposit. If you're able to find the cash to cover costs, and meet the lenders' credit scoring and eligibility, low deposit options may be available to you.

Right to Buy

If you are a tenant in a local authority (council) property, you may be eligible to purchase the property you are renting at a considerable discount. Rules apply and have recently changed so be sure to enquire with your council to see if you and your property qualify.

First Homes Scheme

This scheme is designed to help those with connections to the local area (set eligibility list) acquire a property below the market value. Typically, homes on this scheme are sold at 30% less, sometimes this can be upwards of 50%.

Own New Mortgages

This scheme is designed to make use of your **New Build developer incentive** in a different way. Instead of taking the incentive towards deposit, you can utilise this to access much lower interest rates. This can help with the initial period after moving in. Scheme only available via select brokers (like us!)

OWN NEW APPROVED BROKER

Get in touch

Start Your Buying Journey Now.

Book a chat with an expert

Or call us on 03301742853

Hi,

I hope this guide has helped you feel more confident about the process of buying **your** first home.

As a first-time buyer, having a **trusted adviser** to guide you through every step is invaluable. I speak with lots of first-time buyers, and their first questions are often not about the mortgage at all — and that's completely normal!

Our role starts with making sure you're **financially ready** to buy, but your broker should also be your **trusted guide** throughout the journey. We're here from the very first step and remain by your side long after completion day, helping you navigate every stage with **confidence.**

Aidan Brown, Director

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Your home may be repossessed if you do not keep up repayments on your mortgage.

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