

FIRST-TIME BUYER GUIDE



Step One

Saving for a deposit



INTRODUCTION

We know that stepping onto the property ladder can feel overwhelming. From navigating the housing market to saving for a deposit and securing the right mortgage, the path to homeownership can sometimes seem far off.

But owning your own home is an excellent way to build personal wealth, and it's still a key financial milestone for many.

We're here to support you through the first step of your journey: saving for your deposit.

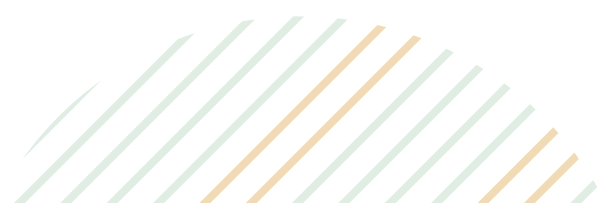


How much do I need to save as a deposit? —————

As a first-time buyer, you'll need to save at least 5% of the property's value for your deposit. However, some lenders may ask for 10-25%.

The larger your deposit, the better. A bigger deposit not only reduces how much you need to borrow but also gives you access to a wider range of mortgage deals, including those with more favourable interest rates.

There are also opportunities to have zero deposit and 100% mortgage, speak with us for more details.



What are the other upfront costs I need to budget for?

In addition to your deposit, it's important to plan for some additional upfront costs. By knowing what these are ahead of time, you can budget accordingly and avoid any surprises.

STAMP DUTY



This is a tax on property purchases in England and Northern Ireland. First-time buyers benefit from a discount and don't pay any stamp duty on properties valued up to £425,000. For higher-priced properties, the discount applies to the first £425,000. We've made it easy to find out more and calculate your exact costs in our stamp duty guide.

SOLICITOR FEES



Your solicitor will charge for their services, either as a fixed fee or a percentage of the property value. They'll also bill for disbursements, such as local authority searches and Land Registry fees. These can range from £800 to £1,500, so it's wise to get a quote upfront.

MOVING COSTS



Costs will vary depending on how far you're moving and the size of your move.

MORTGAGE FEES



Some lenders charge fees for arranging your mortgage. These fees vary depending on the mortgage product, ranging from zero to £2,000. Our team at Prestige Private Finance can help you understand these costs and compare options.

SURVEY FEES



You may choose to have a home survey to check the property's condition before buying. The cost depends on the level of detail needed and can range from £300 to £1,000. For more on this, see Step 7 - Consider a home survey.

FURNITURE AND DECORATING



The amount you spend will depend on how much work your new home needs and how much furniture you already own.



Government help for first-time buyers

Saving for a deposit can feel daunting, but there are several government schemes designed to help you get there faster:

LIFETIME ISA (LISA)

This government-backed savings product lets you save up to £4,000 per year, with a 25% bonus added to your savings. For every £4 you save, the government contributes £1. If you save the maximum amount, you'll receive a £1,000 bonus each year. You can use your LISA towards buying your first home, as long as the account has been open for at least one year.

SHARED OWNERSHIP

This scheme allows you to buy a share of a property and pay rent on the remaining share. Over time, you can buy more shares and increase your ownership. Our Shared Ownership guide explains this in more detail.

Other options for buying your first home sooner

BUYING WITH SOMEONE ELSE

Combining finances with a friend, family member, or partner can increase your borrowing capacity. This usually requires a joint mortgage, so it's important to seek advice from an experienced mortgage broker and solicitor.

GIFTED DEPOSIT

Many first-time buyers receive financial help from family members. If this is part of your plan, be sure to have proof of funds and provide a gifted deposit letter confirming that the gift-giver has no financial interest in the property.



Checklist

- You know how much you need to save for a deposit.
- You're aware of the additional costs involved in buying a home.
- You understand the government schemes available to help first-time buyers.
- Speak to a member of Prestige Private Finance to help guide you through the options that might be right for you