

Title:

First Time Buyers Beware

Word Count:

406

Summary:

Although it's a big undertaking, buying your own home is one of the wisest moves you can make. Rather than pouring money away on rent, you will effectively be investing in your property with every mortgage payment.

Keywords:

mortgages, first, time, buyers, home, house, loan, interest, cost, fee, charge, deal, secured

Article Body:

Although it's a big undertaking, buying your own home is one of the wisest moves you can make. Rather than pouring money away on rent, you will effectively be investing in your property with every mortgage payment.

You will also become a 'homeowner', which should please your bank manager no end. You may find offers of loans and credit suddenly become a lot more frequent, and when you've just moved into a new home it can seem tempting to borrow money to kit the place out. But be careful! Most repossessions happen in the first year of the mortgage, when people find they have overstretched their finances and can't meet the repayments. These are a few factors you'll need to consider before you move:

Fees and Stamp Duty

You'll find there are quite a few extra costs involved here - solicitors fees for conveyancing are normally a percentage of the cost of your mortgage, plus there are other charges involved. Check with your solicitor what his or her bill will be. Stamp duty is a tax that applies on property that costs over £100,000. If you've used a mortgage advisor, there will be another fee to pay, probably of a few hundred pounds.

Surveys

These can prove costly - each survey will set you back around £150 to £200 pounds. Sometimes the surveyor will ask for a report from a specialist - for

example, a timber professional - that could cost the same again. If there are problems with the property that need to be remedied, you may find a portion of your mortgage withheld until the work is carried out. This is called a retention, and means you'll have to find the extra cash yourself.

Moving Costs

You could move your entire household in the back of your car, but it's not the ideal option! Hiring a van or removal men can be quite expensive - but it might make moving less stressful.

Insurance

Remember you will need to pay buildings insurance as a condition of your mortgage. You may also choose to take out payment protection in case there's a sudden change in your circumstances. This means your payments will be covered for a set period of time, to give you a chance to get back on your feet.

Furniture and Renovations

While not necessarily essential, re-furnishing your new home should be enjoyable! Make sure, however, that you are not overstretching your budget.