



Chestnut Financial Services

Independent Financial Advisers

Solving Problems For Our Clients



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Helpful advice if you're planning on buying a home: tips to save money and avoid unnecessary costs

IT'S ONE of the most stressful things that anyone can do, and with the rising cost of living, also one of the hardest

But buying a house and making it a home is also one of the most rewarding things we can do.

Know what you can afford

You know what you have saved for a deposit, but bear in mind there will be additional fees (see below). The more deposit you have the lower the cost of borrowing, because you can get better deals when the lender takes less of a risk. First time buyers should aim to have 5% - 10% of the property price (if more, great). Remortgagers and movers should be thinking around 85% or less to get the best deals.

Find out what the repayments on a mortgage deal might be and take advice, because a mortgage broker can check what each lender's criteria are and check your ability to afford a deal, all to save you time and money.

Search the whole market – not the headline rates

As an independent mortgage broker, our role is initially to search the whole market and find the best rates. The "best" rates to us will suit your situation (and nobody is ever the same as their neighbour). We look at types of loans, deals with fixed and variable rates, the term of loans and deals, loan-to-value, deposits, monthly affordability, your commitments, the lenders' criteria, the lender's fees and other costs, and all that just to help you understand what you should be looking for.

Don't just look at headline rates – there may be lender fees and restrictions that you don't see listed as easily.

It can be surprising that many people use the same lender as their childhood savings bank or building society – there is no such thing as brand loyalty these days. We all need to squeeze as much money as we can.

Do you have a good credit report?

It's vital to check your report early, well before starting the home search. Experian and Equifax are the biggest credit reporting agencies and will provide a report free of charge. The report lets you see your entire credit history (and you might be surprised to see just what information is there), not just your credit score. If anything is wrong on the report you can talk to the agency and try to put it right.

A high credit score gives buyers a much better chance of being offered a good mortgage, but lenders will be looking into your credit report to see your credit history – not just your score. Mortgage brokers can sift through lenders to see who will offer mortgages based on your circumstances, rather than you contacting each lender at a time.

If your score is low, there are a number of simple things to do to improve it. For example, being on the electoral roll can improve the score, taking out a credit card and making small purchases with it, such as a food shop, that are promptly paid off by the end of the month.

Take into account additional fees

On top of the purchase price of a house, there are often additional homebuying costs. These include lender's mortgage arrangement fees, conveyancing fees, valuation fees and removal costs. Mortgage brokers can find deals where these fees don't apply. If you are a first time buyer then you won't have stamp duty to worry about, otherwise that needs to be considered as well.

Planning ahead and accounting for all of this early can save money.

Mortgage admin

There are heaps of admin involved with buying a home. From looking around to find the cheapest mortgage deal, to applying for a decision in principle from a lender (necessary these days to persuade sellers that you have the means to put in a sensible offer), to negotiating with sellers, to making a full mortgage application, then dealing with all the legal side. Mortgage brokers can offer great help for you, using their experience and finding the right deal for you.

Choose a good solicitor/conveyancer (they are the same thing)

A good solicitor or conveyancer will work hard to ensure that the buying process moves quickly and with maximum efficiency. This can slash the buying timeline by weeks or even months which reduces additional expenses such as having to rent a temporary home while the purchase is completed. Your estate agent and mortgage broker may be able to recommend a particular solicitor.

Don't forget the moving costs

If buyers can handle the moving process themselves, they can save as much as £1,500, but this isn't always a realistic option. By planning ahead of time, it's easier to get quotes from multiple removal firms, thus securing the most reasonable deal.

Picking the moving day carefully can also save money. If, for example, movers have young children, moving on a weekday can avoid having to pay for additional child care that might be required at the weekend.

Our mortgage advice

With time and money such precious resources, it's important to cut out any unnecessary, wasted expenditure. Using a mortgage broker's experience and expertise can take a lot of the burden of finding the right mortgage to match what you want to do, means you have somebody on your side, helping you avoid wasting time and money on things you don't need or things you didn't plan for early enough.

Want Advice From Us?

You can call us and we will not charge you for our time on a call (we do make a charge for meeting times as we are a business). We are independent mortgage brokers, searching for the best deals across the whole mortgage market place, and all of our discussions are entirely confidential.

Our contact details are up on top!