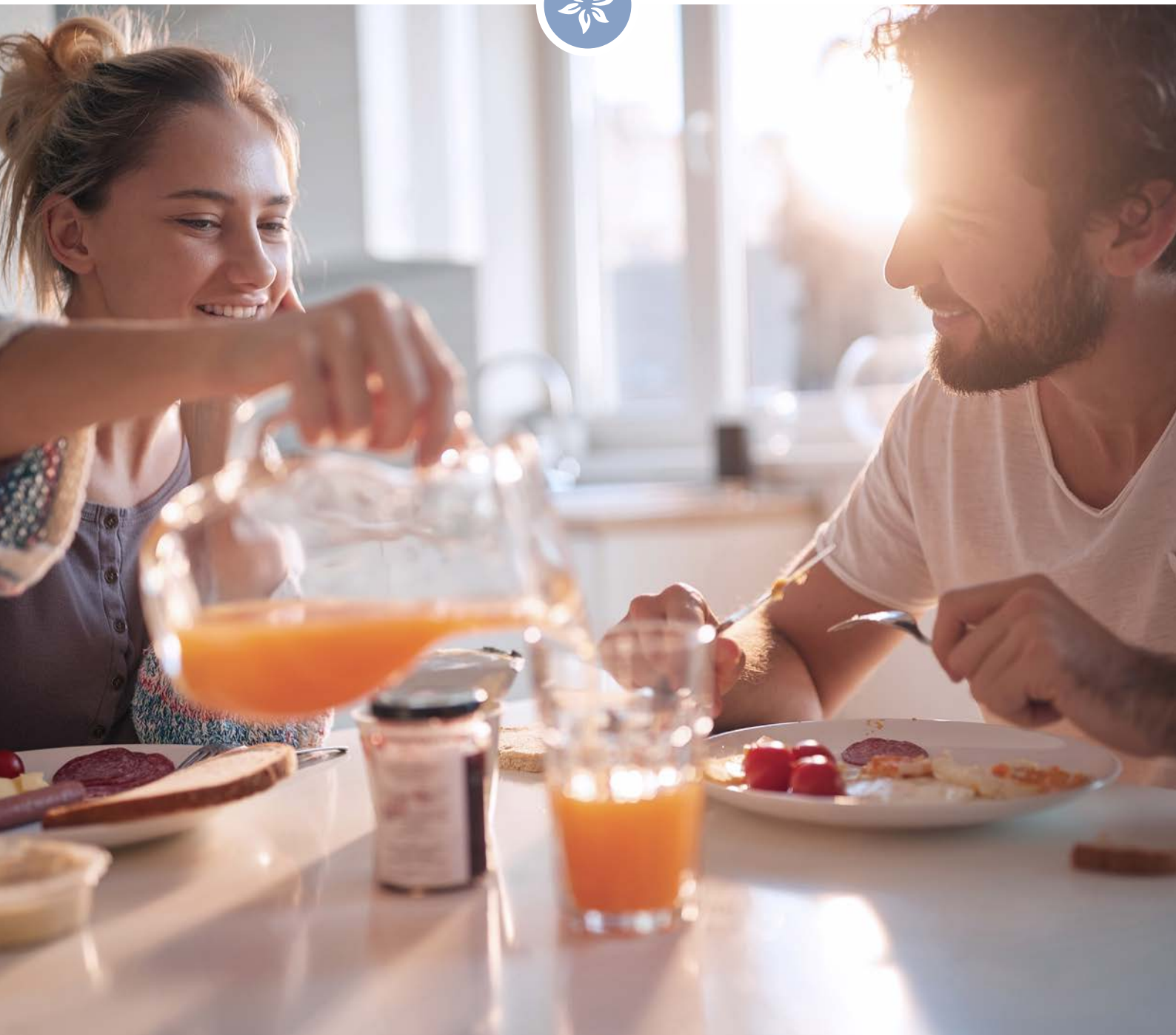


RIGHT FIRST TIME

A USEFUL GUIDE FOR FIRST TIME BUYERS
BUYING WITH MANDALE HOMES



BUYING YOUR FIRST HOME CAN FEEL LIKE AN OVERWHELMING EXPERIENCE. HERE AT MANDALE HOMES WE WANT TO HELP YOU EVERY STEP OF THE WAY.

We understand buying your first home is probably one of the biggest decisions you will make. It is also a time when you may be unsure of how the process works and what a lot of the terminology means. This guide has been designed to help make the buying process as straight forward and understandable as possible. We have helped thousands of first time buyers to get on the property ladder, so you can place your trust in our expertise.

IN THIS GUIDE WE WILL EXPLAIN:

THE PROCESS OF RESERVING AND PURCHASING A NEW BUILD PROPERTY.

THE VARIOUS SCHEMES THAT ARE AVAILABLE TO HELP BUYERS GET ONTO THE PROPERTY LADDER.

ANY COSTS ASSOCIATED WITH BUYING A PROPERTY, SOME OF WHICH YOU MAY NOT HAVE THOUGHT OF BEFORE.

THE BENEFITS OF BUYING A NEW BUILD PROPERTY OVER A SECOND HAND HOME.



SO WHY BUY?

Most people who buy a home will need to do so with a mortgage. A deposit is put down ranging upwards from 5% and the rest is borrowed from a Bank or Building Society. The money that is loaned is called the mortgage. Payments are made every month over a period of years and once this is fully paid back the property belongs to you.

There are a huge number of Banks and Building Societies with various different mortgage types so once you have saved your deposit we strongly recommend you speak to a Financial Advisor who will advise you on the mortgage type and term that works best for you.

THE COSTS OF BUYING A HOME...

Your deposit isn't the only thing you need to consider when buying your first home so it's worth being well prepared.

One of the benefits of buying a new home is that we can sometimes offer special deals for first time buyers to help save on the cost of moving – it's worth speaking to a Sales Advisor at one of our developments to find out if there are incentives available.

If you were to rent a property, the payments you make each month are paid to a Landlord who owns that particular property which means the property that you are paying a lot of money for will never be yours.

Buying a property means it belongs to you - you can live there for as long as you want, decorate it however you want and feel comfortable in your own home knowing it is yours and you have a great investment for the future.

SOME OF THE COSTS WILL INCLUDE...



LEGAL FEES

All purchasers will need to use a Solicitor to deal with the administration of buying a home and to ensure that what you are buying is legally sound and right for you. Mandale Homes are able to recommend Solicitors that are specialists in new build homes and will often contribute to your legal fees should you decide to use one of them.



STAMP DUTY

The good news is that first time buyers currently don't have to pay any Stamp Duty if they buy a house under £300,000. This covers the vast majority of people buying their first home.

First time buyers paying between £300,000 and £500,000 for their home will pay Stamp Duty at 5% on the amount of the purchase price in excess of £300,000. Purchasers paying more than £500,000 for their first home will pay Stamp Duty at the standard national rates.

Stamp Duty rates can change quite often so please speak to your Sales Advisor about all the latest rules.



MORTGAGE/VALUATION FEES

If you choose to use one of our Financial Advisors for your mortgage application, they will not charge you a fee to deal with your mortgage for you. The Bank or Building Society you choose to use for your mortgage will always charge a fee. However this can almost always be built into the overall mortgage loan so is not something you need to consider as an upfront cost. Part of the mortgage process is that the Bank or Building Society you choose to use will require a survey to be done of the property you are buying. This is so they know that the property they are lending you the money for is worth what you are paying for it. Some lenders will charge a fee for the survey but a lot of mortgage products now include a free survey so it is worth asking your Financial Advisor about this.



PROPERTY EXTRAS

Each property has its own specification, a copy of this will be provided by the Sales Advisor. There are things which are and are not included in the property as standard and these vary from site to site. One of the things we do not include for example is flooring in the bedrooms. If you would like us to provide extras like this for you, so the property is ready to be moved into when you complete, the Sales Advisor can provide you with costs. Any extras purchased must be paid for when the Customer Options are signed off.



REMOVALS

If you have rented or owned your own property before you may need to hire a van or pay a removal company to move your furniture and belongings. Many first time buyers try to do it themselves or get the help of friends and family.



THE BENEFITS OF BUYING NEW

If you are considering both new build homes and second hand properties for your first move then this is well worth a read.



NEWER IS GREENER & CHEAPER

New homes are built using modern heating systems, double-glazed windows and excellent levels of wall and loft insulation. All of this means lower heating bills compared to an older, second hand property.



NO CHAINS, LESS HASSLE

You are able to move into your new home as soon as it is built and ready. There is no need to wait for existing residents to vacate and there's no chain to hold things up.



MODERN DESIGNS

The way we live these days has changed. We want open, flexible living spaces, easy access to your garden, storage and places to entertain friends. Modern new homes are designed with all of these in mind.



ENJOY YOUR HOME FROM DAY ONE

For people buying an old home, the hard work often starts after they move in. A lot of homes will need costly repairs, cleaning and decorating to bring them up to a good standard. By purchasing a brand new home, DIY could be a thing of the past.



NEW AND UNTOUCHED

Everything about a new home is exactly that – new! Not only are all the fixtures and fittings brand new, they're also of a really high standard due to the high levels of specification included.



PEACE OF MIND

All of our new homes come with an initial Mandale Homes warranty and a 10 year new home warranty. Not that our buyers have many issues after they have moved in, but it's always nice to know that they will be put right if there ever is.



DESIGN YOUR HOME TO SUIT YOU

Why put up with someone else's specification or decor in an old second hand home? Buying new means you can choose everything to suit your tastes right from day one.



GOVERNMENT SCHEMES

Buying a new home means you can take advantage of Help to Buy, where you can move with just 5% deposit.



INCENTIVES

Mandale Homes may also be able to offer you additional incentives to make your first home more affordable, so ask on site for more details.

HELP TO BUY

Help to Buy was introduced by the Government to assist first time buyers in affording to buy a new home. Whilst many homebuyers have heard about Help to Buy a number of them don't really understand how it could work for them, so here is an overview to help you get to grips with it.

When you buy a new home with Help to Buy you can put down as little as 5% deposit and the Government will lend you up to 20% of the property's value as an extra deposit (or up to 40% in London). This is lent to you as an interest free equity loan and it remains interest free for up to five years.

Because they lend you this 20% loan, it means that you'll only need a mortgage for 75% of the property value on top of your 5% deposit. The good thing about only needing a mortgage for 75% of the property value is that you will have access to some better mortgage deals and your monthly payments may be lower than if you were borrowing the whole 95%. Some of our customers have even found that repayment figures are less than renting a home.

In the sixth year an interest rate of 1.75% will be charged on the 20% Government loan and it will be index linked (+1%) thereafter. This is based on the national rate of inflation at the time. It can be repaid at any time, but must be repaid when you sell your home.

You can speak to one of the Mandale Homes Sales Advisors to find out more. If you want to use Help to Buy we will put you in touch with an Independent Mortgage Advisor as they will be able to qualify you as a purchaser and advise on which mortgage is right for you.

- + Help to Buy is only available for new build homes. The maximum purchase price it can be used on varies across the country.
- + It has recently changed so can now only be used by first time buyers.
- + You only need a 5% deposit of the property purchase price.
- + The Government will lend you up to 20% of the value of the new property.
- + You will own 100% of your home.
- + The equity loan is interest free for the first 5 years.
- + There is a £1 a month monthly management fee to be paid by direct debit.

HERE'S HOW HELP TO BUY WORKS ON A £200,000 HOME...



10k
BUYERS 5% DEPOSIT

40k
20% HELP TO BUY LOAN

150k
75% MORTGAGE REQUIRED

*Legislation around Stamp Duty often changes, please speak to your Sales Advisor for more information.



BEAT THE JARGON!

WHEN YOU'RE BUYING A HOME LOTS OF WORDS AND TERMS ARE USED THAT CAN BE UNFAMILIAR. USE OUR JARGON BUSTER TO HELP YOU.



SOLD SUBJECT TO CONTRACT (SSTC)

This term applies to a property that has been reserved but formal contracts have not been exchanged.



FREEHOLD

All of our residential houses are sold freehold, this means that the owner of the property also owns the lands that the property is situated on.



EQUITY

The amount of your property that you own outright – essentially it's the difference between the value of your home and the amount of mortgage you still owe.



DEEDS PLAN

This is a plan which shows the property and the land that it sits on. The total area of land that is to be transferred to the purchaser is edged in red. The red lines denote the boundaries of the plot



CONVEYANCING

This is the name given to the type of legal work where the ownership of a property transfers from one person to another.



CHAIN

The chain refers to the sequence of buyers and sellers who will all be exchanging contracts at the same time. A first time buyer is usually the start of the chain.

DECISION IN PRINCIPLE

This is not a mortgage agreed but an initial agreement from a mortgage lender to say they are prepared to lend you the mortgage money required.

STAMP DUTY

This is a tax that home buyers must pay when they purchase a property. There are varying rates depending on the value of the property and further differences if you're a first time buyer. In England, first time buyers will not pay any Stamp Duty on properties valued up to £300,000. For more expensive homes, first time buyers have to pay a 5% tax on any proportion of the property value between £300,01 and £500,000.

RESERVATION FEE

This is the fee paid when reserving a property - upon payment the plot is secured and removed from the market. This money is deducted from the deposit that is paid on exchange of legal contracts.

EXCHANGE OF CONTRACTS

This is when the contracts for sale are formally agreed between your Solicitor and a Mandale Homes Solicitor. At this stage a deposit of 5% or 10% is paid (less the reservation fee) and contracts are also signed. This is legally binding and commits you to the purchase of the property and us to build you the home.

CUSTOMER OPTIONS

At Mandale Homes we allow our buyers to select their own colour and style of kitchen units, worktops, bathroom tiles and flooring where included as standard.

FINANCIAL QUALIFICATION

We ask this of all our buyers before reserving. It involves a brief chat with one of our Independent Financial Advisors to assess your affordability and that your circumstances and income qualify you for a mortgage.



COMPLETION

Completion is the final stage of the house buying process, when your mortgage is approved and funds are released to your solicitor. More importantly the day you get the keys to your brand new home.



SEARCHES

These are a search of local records to look for any factors that may affect the value of your house. Searches are requested by your Solicitor from the Local Authority. Any purchase with a mortgage requires searches to be carried out.



SURVEY

As part of your mortgage application process, the lender will commission a survey of the property you're buying to confirm its value and that they're happy to lend you the mortgage money against it.



EXCHANGE DEADLINE

This is a strict date by which exchange of contracts needs to have taken place, usually no more than 6 weeks from when your solicitor has received your contact documents. The Sales Advisor will confirm this date with you.

“ With this being our first home we didn't know what to expect but we found the process really easy and less stressful than we thought.

The sales representative couldn't have been more helpful, there for us 100%. Any questions we had or if we were uncertain of anything she was there to help and put our minds at rest. She made sure we understood everything and became a friend over time.

When we saw our new home we were so pleased and couldn't fault it!

The quality of the after sales care was great - any small issues were resolved quickly and they fit it around our work shifts ”

EMMA, BEDFORD SIDINGS



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Mandale Homes 
TOGETHER WE BUILD A HOME

*Eligible applicants will be offered an equity loan of up to a maximum of 20% of the purchase price (based on the open market value). Applicants are required to fund at least 80% of the purchase price by means of a conventional mortgage, savings and any deposit where required. For the first five years there is no fee charged on the equity loan component. At the start of year six a fee of 1.75% is payable on the equity loan, which rises annually by RPI inflation plus 1%. The equity loan is provided by the HCA and held as a second charge. Terms and conditions apply and full details will be provided on request. This offer is subject and only available on selected developments and properties in England only. It is not offered with any other promotion. YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.