

First Time Buyers

HOW MUCH DEPOSIT DO YOU REALLY NEED?

By Mark Mackin, Mortgage Adviser

I often get asked the question, "Is now a good time to buy?", and I always give the same answer. The best time to buy a house is when you find a house you want to buy, and you are in a position to proceed. It's as simple as that in my opinion.

There are legitimate reasons why people may hold off buying, that is why I say 'in a position to proceed', but often the reasons are the type you need a crystal ball for: "I'm waiting for interest rates to improve." All well and good, but what if they don't improve? Or if they do, what is the knock-on effect to house prices? If loads of people are waiting until rates reduce to make mortgages cheaper, then does that not lead to an increased number of buyers at some future date all competing for the housing stock? How does that affect property prices? Or what if you wait and then you can't find a house you like anymore?

Over the years, I have seen many people hold off and end up spending thousands of pounds more on the same type of property they could have bought cheaper earlier. Lockdown was a perfect example, where prices



rose extremely quickly over a relatively short time and led to some people spending more for less 12 months later.

One of the reasons people hold off, and this one on the face of it is a legitimate concern, is that they don't have enough deposit. Fair enough, I hear you say. Well, is it? That depends on how much deposit is needed. Were they aware that you can buy a property between £100,000 and £500,000 with a £5,000 deposit? (first time buyers only for that one). That is 99% loan to value from just one lender who has innovative products to help people who don't have a traditional 5% or 10% deposit.

That is why getting some advice when you first start thinking about buying can be so valuable. Don't wait until you think you are ready, get the advice early and then you know what you need to work towards.



32 Belton Lane, Great Gonerby,
NG31 8NB

01636 858551 / 07984 108067

www.monumentfs.co.uk

mark@monumentfs.co.uk