For first-time buyers · Guide 01

Before you start searching.

This guide helps you work out what you can afford, get mortgage-ready and decide what you need from a home.

England and Wales

October 2026

Contents

This is the first of five separate guides to buying your home.

The buying journey

01 Before you start searching: plan your money and priorities. You're reading this

02 While you're searching: find, view and compare homes.

03 Making an offer: prepare and present your offer.

04 After your offer is accepted: arrange checks and legal work.

05 Moving and settling in: prepare for moving day and your new home.

Some stages overlap, so use the guides in the order that suits you.

Inside this guide

Start with the home you need . . . 3
Three figures to plan around . . . 4
The costs beyond your deposit . . . 5
Stamp Duty in England . . . 6
Land Transaction Tax in Wales . . . 7
Work out your monthly budget . . . 8
Have a useful mortgage conversation . . . 9
Get your documents ready . . . 10
Before you apply . . . 11
Lifetime ISAs and other savings . . . 12
Buying with someone, or self-employed . . . 13
Using a scheme, or buying without a mortgage . . . 14
Ready to start searching . . . 15
Your buying plan . . . 16
Words you'll hear . . . 17
Our free tools . . . 18
Sources . . . 19

Look up unfamiliar words in Words you'll hear.

Follow @sifthomes on Instagram, where we share our guides.

England and Wales. Information checked 27 October to 4 November 2026; sources at the end. Your adviser and conveyancer can confirm what applies to your purchase.

YOUR STARTING POINT

Start with the home you need

Think about what you want now. It may change as you view homes.

Add a * next to anything you consider a must-have. Leave the rest flexible.

Areas

Price range
If you're not sure, see pages 4 to 8

Home type
House, flat, maisonette, bungalow, new build

Work you're open to
None, a refresh or a project

Bedrooms / how you'll use them
Sleep, work or guests

Bathrooms
Your minimum

Outside space
Garden, balcony, terrace or not needed

Other essentials
Access, parking, storage...

Ideal move date
Month or date

If you can, keep your move date flexible: your search or purchase might take more or less time than expected. If you have a deadline, tell agents early and ask whether the seller's timing could work.

YOUR NEXT STEP

Your answers also appear in your buying plan on page 16. You'll use them when you start contacting agents.

YOUR BUYING BUDGET

Three figures to plan around

Plan your deposit, total cash needed and comfortable monthly home cost.

Figure	What it needs to cover
Deposit	Savings you put towards the price, after costs and any reserve. A mortgage may cover the rest, if a lender agrees.
Total cash needed	Your deposit, buying and moving costs, plus any money you want to keep in reserve (page 8).
Comfortable monthly home cost	What you could comfortably spend on your mortgage and home each month, with room for your usual spending, savings and unexpected bills.

Remember the other costs

For example, £30,000 saved for a £300,000 home looks like a 10% deposit. But if £5,000 goes on buying and moving costs, £25,000 remains for your deposit, or less if you keep a reserve.

Check your savings and timing

- Compare the total cash needed with your available savings.
- Your deposit is paid at exchange. The purchase is then binding.
- The rest is paid at completion, typically 1 to 4 weeks later.
- Stamp Duty is due within 14 days of completion.
- In Wales, Land Transaction Tax is due within 30 days of completion.

Speak to a mortgage adviser if you need a mortgage

They can tell you what you could borrow. Many compare mortgages from several lenders, giving you more choice than one bank.

YOUR NEXT STEP

Add your deposit here. It also appears in your buying plan.

Deposit

UPFRONT COSTS

The costs beyond your deposit

These are estimates, not quotes. Costs vary by area and change over time, so get your own quotes.

Legal work

About £2,000

Including VAT. The local searches your conveyancer orders add about £250 to £300.

Property survey

£400 to £1,500

Depends on the type of survey and the home. The lender's valuation isn't a survey: it checks the home is worth the loan, not its condition.

Removals

About £400 to over £1,000

A removal firm

Less if you hire a van and move yourself.

Also allow for

Stamp Duty or Land Transaction Tax (pages 6 and 7), mortgage and adviser fees, insurance, moving setup and property-specific costs.

Before you choose a conveyancer, surveyor or removal firm

- Check what's included, including VAT, searches and extras.
- Ask when you'll pay and what you could lose if the purchase falls through.
- Compare the service as well as the price.

YOUR NEXT STEP

Add up every cost with our buying costs calculator, then add your estimate here. It also appears in your buying plan.

Buying and moving costs

ENGLAND

Stamp Duty in England

Stamp Duty is a tax you may need to pay when buying a home in England. Include it in your budget so you know how much cash you'll need.

Choose the table that applies to you. Rates apply only to the part of the price in each band.

First-time buyer relief

Up to £500,000, if all buyers qualify and intend to live there as their main home.

Portion of price	Rate
Up to £300,000	**0%**
£300,000–£500,000	**5%**

Standard: a single home

If relief doesn't apply, including when the price is over £500,000.

Portion of price	Rate
Up to £125,000	**0%**
£125,000–£250,000	**2%**
£250,000–£925,000	**5%**
£925,000–£1.5m	**10%**
Over £1.5m	**12%**

Check your circumstances

Past ownership, including inherited or overseas property, can affect eligibility. Higher rates or a non-UK resident surcharge may apply.

Example: a £300,000 home

With first-time buyer relief: £0, if all buyers qualify and no surcharge applies.
At standard rates: 0% on £125,000, 2% on £125,000, then 5% on £50,000 = £5,000.

Source: HMRC. Rates checked 29 October 2026, after the Budget; check again before buying.

YOUR NEXT STEP

Work out the Stamp Duty at the top of your budget with our Stamp Duty calculator, then add it here. It also appears in your buying plan.

Stamp Duty

WALES

Land Transaction Tax in Wales

Land Transaction Tax is a tax you may need to pay when buying a home in Wales. Include it in your budget so you know how much cash you'll need.

Choose the table that applies to you. Rates apply only to the part of the price in each band.

Main residential rates

There is no separate first-time buyer relief in Wales.

Portion of price	Rate
Up to £225,000	**0%**
£225,000–£400,000	**6%**
£400,000–£750,000	**7.5%**
£750,000–£1.5m	**10%**
Over £1.5m	**12%**

Higher residential rates

Can apply at £40,000 or more if a buyer already owns a home.

Portion of price	Rate
Up to £180,000	**5%**
£180,000–£250,000	**8.5%**
£250,000–£400,000	**10%**
£400,000–£750,000	**12.5%**
£750,000–£1.5m	**15%**
Over £1.5m	**17%**

Check your circumstances

Higher rates can apply if a parent owns another home and buys jointly with you.

Example: a £300,000 home

Under the main rates: 0% on £225,000, then 6% on £75,000 = £4,500.

Source: Welsh Revenue Authority. Rates checked 29 October 2026, after the Budget; check again before buying.

YOUR NEXT STEP

Work out the tax at the top of your budget with our Land Transaction Tax calculator, then add it here. It also appears in your buying plan.

Land Transaction Tax

MONTHLY COSTS

Work out your monthly budget

A lender decides what it might lend. You decide what you're comfortable paying each month.

1. **Start with your take-home pay**, or both of yours if buying together.
2. **Take off everything except housing:** food, transport, childcare, debts, subscriptions and savings. Recent bank statements show what you really spend. Leave out rent and bills: your new home replaces them.
3. **What's left is your comfortable monthly home cost.** It needs to cover the mortgage and the running costs of the home.

Example: take-home pay of £2,600, minus £1,250 for spending and savings, leaves £1,350 for your home. After £450 of running costs, £900 is left for the mortgage.

Check the costs of the home

- Council Tax, water, energy, broadband and other household bills.
- Insurance: check who arranges buildings cover and when it starts.
- Service charges, ground rent, estate charges or shared-ownership rent.
- Repairs, maintenance and replacing things that wear out. Ask about planned major works and charges that could increase.

Leave room for change

- A £2,400 yearly bill is £200 a month in your budget. Note when it's due.
- Check what's left if costs rise, a repair comes up or your income falls.
- Aim for a reserve of three months' costs, including your mortgage.

YOUR NEXT STEP

Add your figures here, then turn them into a top price with our borrowing calculator. They also appear in your buying plan.

Comfortable monthly home cost

Reserve after moving

BORROWING

Have a useful mortgage conversation

Speak to a mortgage adviser as you budget, and go in with your own figure. If you're buying without a mortgage, you can skip this page.

Choose who to speak to

- Find a mortgage adviser through Unbiased or the Personal Finance Society, then check they're FCA-authorised with our adviser check. If an estate agent recommends a mortgage adviser, you can still choose your own.
- Ask how many lenders they search, whether you or the lender pays them, and what you'd owe if the purchase falls through.

Tell them about you

- The mortgage payment you're comfortable with (£900 on page 8).
- Debts, self-employment, variable income, job changes or gifted money.

How your payments work, and what to ask

- Example: you borrow over 30 years (the **term**), with a rate fixed for the first 5 (the **deal**). Like a phone contract, the payment is set for the deal.
- **Ask what happens when the deal ends.** You move to the lender's standard variable rate, often higher, unless you get a new deal.
- **Ask what it costs to leave early.** Leaving during the deal, for example to move or switch, can cost a fee.
- **Ask the total cost over the full term.** Fees count too: if they're added to the loan, you pay interest on them.
- Try any loan, rate and term in our mortgage repayment calculator.

YOUR NEXT STEP

Speak to a mortgage adviser and note what they suggest.

Mortgage range and payment

DOCUMENTS AND AIP

Get your documents ready

Your adviser or lender will ask for documents to check your income, spending and deposit. If you're buying together, you'll each need them.

Start gathering these now

- [ ] Proof of ID and address
- [ ] Payslips or other proof of income
- [ ] Bank statements for the last 3 to 6 months
- [ ] Proof of your deposit
- [ ] Details of any debts

Self-employed: add SA302s and tax year overviews for 2 or 3 years.
Yearly bonus or commission: you may need P60s as well.
Tell your adviser if your job, debts or deposit change.

If family or friends are helping

- Tell your adviser early, including when the money will arrive. Say whether it's a gift, a loan or money for a share of the home. Your conveyancer will ask about it later too.
- They may ask the person helping for a signed letter, ID and proof of where the money came from. A template gift letter may not be enough.

Get an agreement in principle (AIP)

- It shows roughly how much a lender might lend. It isn't a mortgage offer: the full application still checks your finances and the property.
- Ask if getting one affects your credit record, and how long it lasts.
- Estate agents may ask to see it, or other proof of funds, before viewings or offers. Ask what they need.

YOUR NEXT STEP

Get your own list, and what to sort out first, with our Get mortgage ready checklist. Ask your adviser for theirs too.

BEFORE YOU APPLY

Before you apply

Lenders look at what you spend as well as what you earn. Small changes in the months before you apply can help.

What lenders look at

- They usually ask for 3 to 6 months of bank statements, to see your income, spending and regular payments.
- They check your pay and spending match what you've told them.
- Buy now, pay later is borrowing, so lenders count regular repayments like other debts. They see the rest of your spending on your statements too, including gambling.

In the months before you apply

- Check your credit report with Experian, Equifax, TransUnion and Crediva for mistakes, and ask for them to be corrected. It's free and won't affect your score.
- Register to vote at your address, if you can. Lenders use the electoral register when they check credit applications, and being on it can help your score.
- Pay every bill on time. Missed payments stay on your credit report for up to 6 years.
- Avoid new credit until you've got the keys, including car finance and phone contracts. Even after a mortgage offer, a lender can withdraw it if your finances change.
- Let your adviser choose where you apply. Each application shows on your credit report.
- Try to stay out of your overdraft in the months before you apply.

YOUR NEXT STEP

Look through your recent bank statements as a lender would, and talk to your adviser about anything you're unsure of.

SAVINGS AND LIFETIME ISAS

Lifetime ISAs and other savings

A Lifetime ISA is a savings account that helps you buy your first home. If you don’t have one and won’t open one, skip to “Check your other savings”.

What it is

- You save up to £4,000 a year, and the government adds 25% on top. Save £4,000 and it adds £1,000.
- Most people aged 18 to 39 who live in the UK can open one.
- From 6 April 2029, a new First Time Buyer ISA is due to replace it for new savers. Open one before then and you can keep paying in.

Rules for using it to buy a home

- It’s for first-time buyers buying a home to live in, with a mortgage.
- For a home over £450,000, you lose the bonus and a fifth of any interest.
- You can use it 12 months after you first pay in.
- It’s paid straight to your conveyancer, and can take up to 30 days.
- If you’re buying with someone who’s also a first-time buyer, you can each use one. If they’ve owned a home, you can still use yours.

If you don’t use it for your home

- You can leave it until you’re 60, then take it out without a charge.
- For anything else, a 25% charge usually leaves you with less than you put in: £4,000 + £1,000 bonus = £5,000, minus 25% = £3,750.

Check your other savings

- Some accounts make you give notice, or lock your money away for a set time. Check when you can get yours.
- Investments can go down in value, so don’t count on a set amount.

YOUR NEXT STEP

Note when you can get to each pot of savings. Work out your bonus, and the date you can use it, with our Lifetime ISA calculator.

IF THIS APPLIES

Buying with someone, or self-employed

If you're buying with someone

- This could be a partner, a friend or family. Agree who pays for what: the deposit, monthly payments and repairs.
- Agree what happens if one of you wants to sell or can't pay.
- With a joint mortgage, if one of you can't pay, the other has to pay it all.
- Decide how you'll own it. You can own it all together, so it passes to the other person if one of you dies. Or you can each own a share, equal or not, which you can leave in a will.
- Your conveyancer will call these "joint tenants" and "tenants in common". "Tenants" is just the legal word: you're still the owners.
- If one of you puts more into the deposit, ask your conveyancer about a declaration of trust. It sets out how much of the home each of you owns.

If you're self-employed or your income changes

- Lenders usually want at least 2 years of accounts, or SA302 tax calculations from HMRC with their tax year overviews. Some ask for 3.
- They look at your income across those years, so one good month or year won't decide what you can borrow.
- If you've been self-employed for less than 2 years, speak to an adviser before you apply: lenders' rules differ.
- Tell your adviser about any changes to your work.

YOUR NEXT STEP

Agree the money questions with anyone you're buying with, and note anything to ask your adviser or conveyancer in your buying plan.

IF THIS APPLIES

Using a scheme, or buying without a mortgage

If you're using a scheme

- Schemes can lower the price or the deposit you need. Each has its own rules and costs, so check them before you rely on one.
- Shared ownership: you buy part of a home and pay rent on the rest, plus service charges.
- Your First Home (England, from 2027): for new-build homes. You put down at least 2.5%, the government lends 20%, and a mortgage covers the rest. For household incomes up to £110,000 (£140,000 in London), with a price cap in each area. Registration is due to open by the end of December 2026, and the first homes in April 2027.
- Help to Buy Wales: a government loan of up to 20% of the price of a new-build home up to £300,000. You need a 5% deposit. Apply by 31 March 2027.
- These loans are interest-free for 5 years, then charge interest.
- You pay back the same share of the home's value, so more if prices rise.

If you're buying without a mortgage

- You won't need a lender's valuation. A survey checks the home's condition (see page 5).
- A conveyancer still does the legal work, and fees and tax still apply.
- Have proof of your money ready. Agents will usually ask to see it before they put your offer forward.
- Your conveyancer will want statements showing how you saved it.

YOUR NEXT STEP

See which schemes might suit you with our first-time buyer schemes checker. If you're buying without a mortgage, get your proof of funds ready.

READY TO SEARCH

Ready to start searching

You don’t need every answer before you start looking.

A quick final check

- [ ] You know what you need from a home, and what you could do without.
- [ ] You know your deposit, buying and moving costs, and comfortable monthly home cost, or have noted what you don’t know yet.
- [ ] You’ve spoken to a mortgage adviser, or you’re buying without one.
- [ ] You have an agreement in principle, or proof of funds.
- [ ] You’ve lined up a conveyancer, ready for when an offer is accepted.
- [ ] You’ve raised any questions about gifts, schemes or buying together.
- [ ] You know what to do next, and who to ask.

Who can help

Who	How they help
Estate agent	Works for the seller. Arranges viewings, passes on offers and often helps the sale move along.
Mortgage adviser and lender	The adviser helps you find a mortgage. The lender decides whether to lend you the money.
Conveyancer or solicitor	Does the legal work. Checks for problems and handles the paperwork to make you the legal owner. You can choose your own, even if the agent suggests one.
Surveyor	Checks the home’s condition. How much they check depends on the survey you choose.
Sift (that’s us!)	Keeps your property alerts, agent emails and viewings in one place. Visit sifthomes.com.

YOUR NEXT STEP

Update your buying plan before agents call to register you.

KEEP TO HAND · WORKING NOTES

Your buying plan

What you type on pages 3 to 9 appears here in many PDF apps. If not, copy it over. Leave anything unknown blank.

Your search

Share this with agents so they can help you find homes. Use our agent email tool.

Areas

Price range

Home type

Work you're open to

Bedrooms / how you'll use them

Bathrooms

Outside space

Other essentials

Ideal move date

How you're buying

Your money

Deposit

Buying and moving costs

Stamp Duty (England only)

Land Transaction Tax (Wales only)

Reserve after moving

Total cash needed

Comfortable monthly home cost

Mortgage range and payment

Questions still open

Total cash needed is your deposit, buying and moving costs, tax and reserve, added up. These are starting figures, not a mortgage offer.

KEEP TO HAND · PLAIN MEANINGS

Words you'll hear

Plain meanings of words you may hear while buying.

Word	What it means
Agreement in principle (AIP)	An early sign of how much a lender might lend you. Also called a decision in principle (DIP) or mortgage in principle (MIP). It isn't an offer.
Conveyancer	Does the legal work when you buy. Checks for problems and does the paperwork to make the home yours. Often a solicitor.
Early repayment charge (ERC)	A fee for leaving a deal, or paying off the mortgage, early.
Fixed rate	Your rate and payment stay the same for the deal, usually 2 to 10 years.
Freehold	You own the home and the land it stands on.
Ground rent	A payment to the landlord in some leases. Leases first granted from 30 June 2022 usually have none.
Interest-only mortgage	You pay only the interest, then repay the whole loan at the end. Few are offered now.
Leasehold	You own the home for a set number of years, but not the land. Most flats are leasehold.
Loan to value (LTV)	Your mortgage as a share of the price. A 10% deposit means 90% LTV.
Mortgage adviser	Helps you find and apply for a mortgage. Also called a broker.
Mortgage offer	The lender's formal offer to lend, after a full application and checks on you and the property.
Repayment mortgage	Each payment covers the interest and pays off some of the loan. Most mortgages offered now work this way.
Searches	Checks your conveyancer makes, for example with the local council, to find out about things that could affect the home.
Service charge	A regular payment, usually for flats, towards running the building. It often includes buildings insurance.
Standard variable rate (SVR)	The lender's own rate, which you usually move to when a deal ends. It can change and is often higher.

GO FURTHER

Our free tools

Each one helps with a step in this guide, for your own situation.

- **How much can I borrow for a mortgage?**
  Your top price, from what a lender might lend and what you can comfortably pay.
- **How much do you need to buy a house?**
  Your deposit, Stamp Duty and every other cost, added up.
- **Stamp Duty calculator**
  Stamp Duty in England, with first-time buyer relief, or Land Transaction Tax in Wales.
- **Mortgage repayment calculator**
  Your monthly payment and what a higher rate would cost.
- **Lifetime ISA calculator**
  Your bonus by the time you buy, and the £450,000 price limit.
- **First-time buyer schemes**
  Which government schemes might suit you, with your own figures.
- **Get mortgage ready**
  What lenders check, what to sort out first, and the documents to gather.
- **Estate agent email**
  Register with every estate agent in one email.

YOUR NEXT STEP

See all our tools, and new ones as we add them, at sifthomes.com/tools.

FOR REFERENCE

Sources

Where the figures and rules in this guide come from, and when we checked them. Rules and prices change, so check again before you rely on them.

Legal work, survey and moving costs

MoneyHelper: Mortgage fees and costs; MoneyHelper: Contract exchange and completion; GOV.UK: How to buy a home. Checked 4 November 2026.

Stamp Duty

HMRC: Stamp Duty Land Tax: residential property rates; GOV.UK: Stamp Duty Land Tax: when to pay; HMRC: SDLT Manual, SDLTM29845. Checked 29 October to 4 November 2026.

Land Transaction Tax

Welsh Revenue Authority: Land Transaction Tax rates and bands; Welsh Revenue Authority: Pay Land Transaction Tax; Welsh Revenue Authority: Higher rates overview. Checked 29 October to 4 November 2026.

Monthly budget and reserve

MoneyHelper: What mortgage can I afford? Checked 27 October 2026.

Mortgage advice

MoneyHelper: Shop around or get advice; Financial Conduct Authority: Check a firm is authorised. Checked 27 October 2026.

Documents and agreements in principle

MoneyHelper: How to apply for a mortgage; MoneyHelper: Mortgages in principle; HMRC: SA302 tax calculation; GOV.UK: Your P45, P60 and P11D form. Checked 4 November 2026.

Before you apply

Financial Conduct Authority: Mortgage affordability rules (MCOB 11.6); MoneyHelper: What is Buy Now Pay Later?; MoneyHelper: Mortgages with bad credit; GOV.UK: The electoral register; MoneyHelper: How to check your credit report. Checked 4 November 2026.

Lifetime ISAs

GOV.UK: Lifetime ISA; HMRC: Lifetime ISA withdrawals for a first home; GOV.UK: First Time Buyer ISA: government response. Checked 27 October to 1 November 2026.

Buying with someone, or self-employed

GOV.UK: Joint property ownership; MoneyHelper: Taking out a joint loan; MoneyHelper: If your mortgage application is declined. Checked 4 November 2026.

Schemes

GOV.UK: Your First Home; GOV.UK: Shared ownership; Welsh Government: Help to Buy Wales; Welsh Government: Shared ownership in Wales; Welsh Government: Help to Buy Wales buyer's guide; SRA: Anti-money laundering checks. Checked 27 October to 1 November 2026.

Words you'll hear

GOV.UK: Leasehold property; MoneyHelper: First-time home buyer guide. Checked 4 November 2026.

Keep agent emails, viewings and alerts organised with Sift.

sifthomes.com

Follow @sifthomes on Instagram, where we share our guides.

England and Wales. Information checked 27 October to 4 November 2026.
Your adviser and conveyancer can confirm what applies to your purchase.