FIRST-TIME BUYER GUIDE • 2026

Buying your first home

An overview of the home-buying process.

- The costs of buying
- Stamp Duty Land Tax and the Lifetime ISA
- The stages of buying a home
- Your document checklist

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Your home may be repossessed if you do not keep up repayments on your mortgage.
Mew Mortgages Limited (FRN 974485) is an appointed representative of Instant Mortgage Solutions Limited, which is authorised and regulated by the Financial Conduct Authority (FRN 938412).

BEFORE YOU START

How much you can borrow

The amount a lender will offer depends on its assessment of your income, your committed monthly expenditure and your credit history. Committed expenditure includes credit cards, loans, car finance and childcare costs. Each lender applies its own criteria, so the maximum loan available will differ between lenders.

An Agreement in Principle (AIP) is a lender's indication of how much it may be willing to lend, based on the information provided. An AIP is not a mortgage offer, and the lender may decline a full application.

Your deposit

Residential mortgages for first-time buyers generally require a deposit of at least 5% of the purchase price. Interest rates and product availability are set by each lender and depend on the size of your deposit relative to the property value (loan to value).

The table below shows deposit amounts at different percentages. It is an illustration of the arithmetic only.

Deposit	On a £250,000 purchase	On a £350,000 purchase
5%	£12,500	£17,500
10%	£25,000	£35,000
15%	£37,500	£52,500

If any of your deposit is a gift, the lender will require evidence. This normally includes a signed gifted deposit letter confirming the money is a gift and not a loan, identification for the person giving it, and evidence of the source of the funds. Requirements vary by lender.

The Lifetime ISA

Under the current rules, you can pay up to £4,000 into a Lifetime ISA each tax year. The government adds a bonus of 25% of the amount paid in, up to £1,000 each tax year. To use the account towards your first home:

- you must have opened the account aged 18 or over and under 40;
- the purchase price must be £450,000 or less;
- at least 12 months must have passed since your first payment into the account;
- you must be a first-time buyer. If you buy with someone who also holds a Lifetime ISA, you can both use your accounts.

Withdrawals for any other purpose before age 60 are subject to a 25% withdrawal charge. This means you may get back less than you paid in.

> **Please note:** the government has consulted on replacing the Lifetime ISA with a First Time Buyer ISA. At the date of this guide, the rules above apply to existing accounts. Please check the current position at gov.uk before opening an account.

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COSTS

The costs of buying

In addition to your deposit, you should budget for the following costs. The amounts depend on the property, the providers you choose and your circumstances. You should obtain a written quote from each provider before you proceed.

Cost	What it is	When it is payable
Deposit	Your contribution towards the purchase price	On exchange of contracts
Stamp Duty Land Tax	Tax payable to HMRC. See the table below.	Within 14 days of completion
Legal fees	Conveyancing fees, searches and Land Registry fees	As agreed with your solicitor, mainly on completion
Survey	An optional inspection of the property's condition, separate from the lender's valuation	Before exchange of contracts
Lender fees	Product, booking or valuation fees. These vary by product and some can be added to the loan, which increases the amount you pay in interest.	As set out in your mortgage illustration
Moving costs	Removals and associated costs	On or around completion

Stamp Duty Land Tax: first-time buyer relief

For purchases in England and Northern Ireland, first-time buyer relief applies where the purchase price is £500,000 or less. The following rates apply under the relief:

Portion of the purchase price	Rate
Up to £300,000	0%
£300,001 to £500,000	5%
Purchase price over £500,000	Relief does not apply. Standard rates apply to the whole price.

Examples: a purchase price of £275,000 results in £0 payable. A purchase price of £350,000 results in £2,500 payable. A purchase price of £450,000 results in £7,500 payable.

> **Eligibility:** every buyer must be a first-time buyer, meaning they have never owned a residential property in the UK or anywhere else in the world, and must intend to live in the property as their only or main residence. Different taxes and rates apply in Scotland and Wales. Your solicitor will confirm the amount payable.

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THE PROCESS

The stages of buying a home

The time from offer to completion depends on the property, the lender, the solicitors and any chain of linked transactions.

01 **Initial advice and Agreement in Principle**
We review your income, outgoings and deposit, and obtain an Agreement in Principle from a suitable lender.

02 **Offer on a property**
You make an offer through the estate agent. The seller may accept or decline it.

03 **Instruct a solicitor**
Your solicitor or conveyancer carries out the legal work for the purchase.

04 **Full mortgage application**
We submit your application and supporting documents to the lender.

05 **Valuation and survey**
The lender arranges a valuation for its own purposes. You may also commission a survey of the property's condition.

06 **Mortgage offer**
If the application is approved, the lender issues a mortgage offer. The offer is valid for the period stated in it.

07 **Searches and enquiries**
Your solicitor carries out local searches, checks the title and raises enquiries with the seller's solicitor.

08 **Exchange of contracts**
You pay your deposit and the purchase becomes legally binding. Buildings insurance must be in place from this point.

09 **Completion**
The purchase funds are transferred, Stamp Duty Land Tax is paid and the property becomes yours.

> **Protection.** A mortgage is a long-term financial commitment. As part of our advice, we will discuss how your mortgage payments and other commitments would be met if you were unable to work due to illness or injury, or in the event of death.

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YOUR APPLICATION

Document checklist

Lenders will ask for the following documents. Individual lenders may ask for additional evidence.

Document	Requirement
Photo identification	Valid passport or driving licence
Proof of address	Recent utility bill or bank statement
Payslips	Most recent three months
P60	Most recent tax year
Bank statements	Most recent three months for all current accounts
Evidence of deposit	Savings or Lifetime ISA statements, and a gifted deposit letter where applicable
Self-employed applicants	SA302 tax calculations and tax year overviews, or certified accounts, for the most recent two years

Preparing for your application

- Register on the electoral roll at your current address.
- Check your credit report and ask the credit reference agency to correct any errors.
- Tell us about any credit you apply for before or during your application.
- Make sure you can show where your deposit has come from. Lenders will check the source of all deposit funds.
- Tell us about any change to your income, employment or circumstances during the process.

Contact Hal

To discuss your circumstances, please get in touch.

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This guide is for general information only and does not constitute advice. It is based on our understanding of legislation and HMRC practice as at October 2026, which may change. The tax treatment depends on your individual circumstances. All mortgages are subject to status and lender criteria.

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