



Tips for First Time Buyers

What should I do before approaching a bank for a mortgage?

When approaching the bank or lending institution with a view to looking for a mortgage, preparation is the key – it is extremely important to get advice before speaking with your bank.

Many people will seek the advice of a mortgage broker, who can guide you through the application process. Nowadays the banks need to see a solid saving record.

Get “Approval In Principle” before you start looking for your home.

Approval In Principle (AIP) is an indication of the amount of money that a bank or lending institution is likely to lend you to purchase a home. Once you have AIP you can establish your budget for the amount you can spend on the purchase of a home. It is advisable to visit different auctioneers – decide what properties you like and compare and contrast.

Shop around

Once an Approval In Principle is secured you can shop around with banks / building societies as you might get more money, a better rate / terms / conditions.

Once you start looking at prospective homes visit a number of auctioneers to obtain details of properties on the market. Take away copy brochures and compare and contrast the properties on the market in your own time.

Make a list of essential features that you require of your new home but remember nothing is perfect and you may have to compromise! Negotiate! Always look for value for your money when purchasing your first home!

Are there any recent changes that First Time Buyers should be aware of?

In the 2011 Budget first time buyer's relief was abolished. All buyers, be they first time buyers or investors are on a level playing pitch when it comes to stamp duty. A rate of 1% applies on residential properties valued up to €1,000,000 with a 2 % rate applying on properties over €1,000,000.

