# Navigating the Hurdles of First-Time Home Buying in Dundee



**The Challenges of First-Time Home Buying in Dundee**

Buying a first home in Dundee, Scotland, comes with numerous challenges but remains a feasible goal for many. As the biggest financial decision in most people's lives, first-time buyers face several daunting questions. These include concerns about affordability, negotiating offers, the intricacies of mortgage approvals, and the legal and survey processes.

**Initial Steps**

Prospective buyers must determine their budget, relying on a combination of their savings for a deposit and the mortgage they can afford based on their income, age, debts, and monthly outgoings. Lenders typically ask for a deposit of at least 5% of the property's value, but having a larger deposit can open doors to better mortgage rates and minimize the risk of negative equity.

**Mortgage Rates and Loan-to-Value Ratios**

Mortgage rates are influenced by the loan-to-value ratio, the percentage of the property's value that is mortgaged. Fewer than 10% of the property value as a deposit often results in higher mortgage rates. Consulting a mortgage broker can help buyers understand their borrowing capacity and tailor mortgage deals to their financial situations.

**Additional Costs**

Beyond the deposit and mortgage, first-time buyers must consider additional costs such as stamp duty, conveyancing fees, survey costs, maintenance, and furnishing expenses. For instance, first-time buyers in Scotland benefit from a higher Land and Buildings Transaction Tax (LBTT) threshold, which can reduce initial costs.

**Competition and the Property Market**

The property market in Dundee is currently competitive, with a scarcity of available houses driving prices above their home report values. Mortgage advisor Kessar Salimi notes that despite the challenges, Dundee remains one of the most affordable cities in Scotland for buying property. Buyers are encouraged to make use of financial incentives such as Lifetime ISAs, shared equity schemes, and possibly zero percent deposit schemes, like Skipton Building Society's 'track record mortgage.'

**Real-Life Example**

Kirsty and Sandie Dawson, a young Dundee couple, were only able to purchase their home due to inheritance money. Like many, they found saving for a deposit while renting and facing the cost-of-living crisis challenging. Their experience underscores the difficulties many first-time buyers face without financial aid from family.

**Mortgage Application and Legal Process**

Once a property is identified and an offer accepted, the full mortgage application process begins, involving document submission and property valuation. Buyers must also engage conveyancers for legal work, which can take 12-16 weeks on average from offer acceptance to moving in.

**Advice for Prospective Buyers**

Salimi advises first-time buyers to consult with mortgage brokers to understand their financial standing, how much they can borrow, and the size of the deposit needed. Monitoring credit reports and addressing any issues before applying can improve the chances of securing a mortgage.

**Conclusion**

Despite obstacles, buying a first home in Dundee is achievable with careful financial planning, leveraging available incentives, and seeking professional advice.