**Property October send plan**

**Subject line: First-time buyers: how much deposit do I need?**

**Preview line: Helping you understand deposits as a first-time home buyer**

Saving for a deposit is the first hurdle any new buyer will face. As a general rule of thumb, most lenders expect you to have enough to cover 10% of a property’s value.

However, with the property market becoming more valuable in recent years, you might need a higher deposit to meet the affordability criteria for a mortgage; after all, you can only borrow around 4.5 times your annual income.

**Mortgage interest rates**

First-time buyers should factor in higher interest rates when applying for a mortgage. As a rough guide, while you can get a mortgage with a 10% – and sometimes 5% – deposit, you’ll pay the highest rates, but a 25% deposit will give you access to lower-interest deals.

**The benefits of a large deposit**

Even though it may seem challenging to save for a house deposit, by presenting a larger sum at the beginning, banks are more likely to offer you lower interest rates and better deals. Approaching a lender with a large deposit will help you access the best deals, lowering your monthly repayments over time.

**Government schemes**

One great way to build up a deposit is with a Lifetime ISA, which the government will top up by 25% each tax year (to a maximum of £1000). The government also offers a waiver of the stamp duty price when you’re a first-time buyer, allowing you to buy a property up to £425,000 without paying stamp duty.

**Once you’re ready to join the market, [AGENT NAME] can match you with your first home.**

**Contact us for more information.**