

FIRST-TIME BUYERS SLEEPWALKING INTO PROPERTY PROBLEMS *Naive first-time buyers ignore practicalities of owning a home*

Inexperienced first-time buyers are ignoring the practicalities of owning a home reveals new research from HSBC.

The major considerations for first-time buyers when looking for a property are location (35%), size of the outside space (27%) and local amenities (21%). However, few consider more practical aspects important to their search such as plans for development in the area (1%), the condition of nearby properties (4%) signs of subsidence (5%) and the cost to update the property (6%).

HSBC asked 155 first-time buyers what questions they felt were most important to ask the vendor when buying a property and 100 estate agents what questions they would advise first-time buyers to ask.

The results highlight differing views; first time-buyers are more immediate in their outlook while estate agents identified more practical questions pertinent to the longer term considerations of living in and owning a property.

Table 1: Considerations when buying a home – estate agent vs. first-time buyer

Issue	Estate Agent	First-Time Buyer
Is property well maintained?	49%	16%
Is there documentation for property alternations?	33%	11%
Location	33%	35%
Is local community friendly?	22%	11%
Boiler condition	21%	10%
Cost to update property	19%	6%
Central heating condition	18%	12%
Presence of damp	18%	8%
Local amenities	18%	21%
Local schools	17%	3%
Condition of nearby properties	15%	4%
Signs of subsidence	14%	5%
Garden size	13%	27%
Public transport	12%	14%
Plans for local development	11%	1%

Peter Dockar, Head of [Mortgages](#) at HSBC commented "It is important that first-time buyers consider more than just their immediate desires when looking for their first home, as otherwise they could well be in for a financial headache further down the line.

“While in the excitement of searching for their first property they may not like to think about the required maintenance or, the condition of items such as the boiler, these will be a concern if it is something that they have to pay to fix at a later date.

"Buying a home is a serious financial commitment so it is important that first-time buyers do their homework and are aware of all of the potential costs involved to ensure they can maintain the value of what is, after all, likely to be the biggest asset for most."

HSBC is committed to helping first-time buyers onto the ladder and has launched a number of initiatives including:

- a commitment to make available at least £3 billion to first-time buyers in 2012
- offering mortgages at 90% LTV with no product fee, no standard valuation fee and no money transmission fee

ENDS

Note to Editors

Research carried out by Dynamic Markets in November 2011. Telephone interviews conducted with 100 estate agents and 155 first-time buyers.

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For further information please contact:

Suman Hughes
020 7992 2748

suman.hughes@hsbc.com

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