

Buying your first home December 17th Thisismoney.co.uk

First-time buyers need all the help they can get, so read our guide to getting a foot on the property ladder and buying your first home

Buying a home is most people's biggest financial commitment.

It can be time-consuming, expensive and frustrating. To make matters worse, horror stories abound of rogue estate agents .

But don't despair, owning your first home is also a very rewarding experience for most people and you can make the process smoother by ensuring you know all the right information.

How much can I spend?

How much you can spend depends on how much you borrow and that should always depend on how much you can afford.

You could traditionally borrow up to three and-a-half times the main earner's income before tax, plus one times any second earner's income, or alternatively two-and-a-half times their joint incomes if this is larger.

Many lenders also take into account additional costs, such as other debts or whether you have dependents. Childless couples will be offered more by some lenders and so may professionals who they consider to have higher earning power in future years.

Lenders have now trimmed back on affordability, as prices fell and also substantially tightened up borrowing criteria, such as size of deposit and credit history.

It's important not to get carried away. Remember that interest rates can and will go up, so it's best not to go right up to these limits. The base rate has been cut to a historic low of 0.5%, mortgage rates for those with big deposits are at rock bottom and will rise in the future.