

Viewpoint



Buying for the first time?

Getting onto the property ladder may seem like a daunting process, but there is help available.

Simple ways to cut your spending

Most of us would like to save more each month but what's the best way to cut unnecessary spending?

Time for an upgrade

Products like critical illness insurance have changed, so it's important to make sure your cover hasn't become outdated.

Buying for the first time?

For first time buyers, getting onto the property ladder may seem like a daunting process, but there is help available.



If you want to discuss how we can help you to get on to the property ladder, please get in touch.

With demand outstripping supply in many areas, the average UK house price has been pushed beyond the reach of many of the UK's estimated 335,750 first time buyers. A report from The Land Registry (based on data from November 2016) shows an annual price increase of 6.7%, taking the value of the average UK property to £217,928.

When you consider that first-time buyers would typically put down around 20% against their first home, it's no wonder that finding a sufficient deposit is becoming increasingly difficult – especially for those currently renting. In fact, one of the major lenders reported the average first-time deposit has more than doubled since 2007 to more than £32,000.

If you're struggling to save a large deposit you may be able to find a mortgage rate of 90% or 95% – provided you can meet the lender's affordability criteria.

The bank of mum and dad

Meanwhile research by the Social Mobility Commission has found an increasing proportion are turning to their parents for help buying their first home. In fact, over a third of first-time buyers in England (34%) are relying on the bank of mum and dad, compared to one in five in 2010.

The 'bank of mum and dad' has been a useful financial foot-up for many, but what about parents who want to help their kids but don't have savings?

Government help

Although the Help to Buy: mortgage guarantee scheme ended in December 2016 the Help to Buy: Equity Loan is still available. The Government lends you up to 20% of the cost of your newly-built home, so you'll only need a 5% cash deposit and a 75% mortgage to make up the rest. Equity loans are available to first time buyers as well as homeowners looking to move. The home you want to buy must be newly built with a maximum price tag of £600,000.

Other initiatives to help first-time buyers include The Help to Buy: ISA which helps you boost your savings by 25%. For every £200 you save you receive a government bonus of £50. The maximum government bonus you can receive is £3,000.

Sound mortgage advice can take the complexities out of the home-buying process and maximise your chances of getting an affordable mortgage.

Your home may be repossessed if you do not keep up repayments on your mortgage.



At a glance:



335,750
first time buyers
in the UK



£217,928
average value
of a UK property



x2
first-time buyer deposits
doubled since 2007



34%
of first time buyers
rely on parents

Simple ways to cut your spending

Most of us would like to reduce our outgoings and put a bit more money away each month, so here are our tips to help cut out unnecessary spending.



Write a budget

Creating a monthly budget plan can seem like a hassle at first, but it is the most effective tool to track your spending. Once you know exactly what you've got coming in and what's going out you'll be able to start to control your finances. There are plenty of templates you can use to document your income and expenditure – let us know if you'd like us to send you one.

Reduce unnecessary spending

Once you've got a handle on your budget you can start to identify where you could reduce your spending. For instance, making up a packed lunch each day to take to work, rather than nipping to the local shop to buy sandwiches, will add up to quite a saving over a month.

You might also be able to save money on transport costs – and improve your health at the same time. It is reported that, on average, we spend £3,500 a year to run a car, whereas cycling would cost considerably less and walking would cost nothing.

Holidays can also vary wildly in price depending on the time of year you book. For example, in 2017, if you were to go to Miami in October rather than peak summer season, you could save on average £804.

Save more each month

Cutting out unnecessary expenses will free up some additional cash that you could use to boost your savings. If you don't trust yourself to put money aside each month, make sure you set up (or increase) automatic deposits from your salary to go directly into savings.

When it comes to longer-term investments you'll need to think about your attitude to risk. Investments with higher risk have the potential for a better return, but if you're a cautious investor you may prefer to accept a potentially lower return for less risk to your capital. Then there's the issue of tax-efficient financial planning. If you're able to contribute more into your pension, either through your employer's scheme or via a private pension, this will help boost the pot available to you at retirement and you'll benefit from the tax relief.

The value of your investment and any income from it may fall as well as rise. You may not get back the amount you originally invested.

HM Revenue and Customs practice and the law relating to taxation are complex and subject to individual circumstances and changes which cannot be foreseen.

Top tips to help you better manage your finances

Time for an upgrade?

Have you upgraded your mobile phone in the past two years?

If the answer's yes, your choice may have been driven by a change in your needs or wants. Perhaps you opted for a better deal, a different contract, or a handset with new features that weren't available with your previous model?



We can review your needs and make sure you have the right cover in place. To arrange your review, please get in touch.

When it comes to updating your phone TV or even your car we all want to feel like we're getting a good deal.

The question is: why don't more of us do this with items like the financial products we pay for every month?

Are your current arrangements still right for you?

Take critical illness insurance as an example. If you have a critical illness policy:

- When did you last update it?
- Does it still provide the cover you need?
- Does it continue to provide the benefits and features you need?

When your needs change, it makes sense to update things

Life may have changed since you last bought or reviewed your critical illness insurance cover. You may have had children, moved house, or your income may have changed.

This means that even though you have a critical illness plan in place, it might not offer you the level of cover you'd need if the unexpected happened.

However, it might also provide cover for certain conditions which may not be available on a new plan.

Insurance innovation

It's not just mobile phone companies that compete to offer the most innovative products – insurance companies are constantly updating their products to reflect customers' changing needs too.

Given that more of us are living longer and surviving serious illnesses like cancer it is perhaps unsurprising that products like critical illness insurance have changed in recent years. For instance, many insurers have introduced greater flexibility and extended their cover to cater for a wider range of illnesses. Some have even introduced completely new products offering partial pay-outs, or for an additional cost, allow you to claim for non-critical illnesses and injuries.

Protect your loved ones

Critical illness insurance can help you cover mortgage or rent payments, treatment, or any home alterations you may need to make as a result of an unexpected critical illness – so it's important your cover remains up-to-date.

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