

New-build properties

When you purchase a new-build property directly from a developer, there are a number of differences to the experience that you will have if you buy an existing/second hand property.

The main one being that the developer will usually put an exchange deadline on the transaction, usually 28 or 35 days, beyond which they reserve the right to withdraw from the transaction and put the property back on the market. If you are buying an existing property it is rare for such pressures to be applied to you by the chain.

There are a number of tips we can offer that can assist a buyer of a new build property with comparisons for transactions of existing properties:

- Stay in regular communication with the site office of the developer in order that you remain updated on the construction of your property and the proposed completion dates being offered by the developer. Once you have this information, it is important to pass it on to the other parties in the chain including any other estate agents, in order to prepare them for the tight timescales demanded by the developer.
- If you have a property to sell, it is always worth asking the developer if they would be happy to buy your property in part-exchange for the new property. If they agree to it, however, they are likely to offer you a lower price than one you would get on the open market. The advantage of a part-exchange, in that there is no chain, and thus you and the developer are dependent on each other. This does not happen in standard second-hand property transactions as you are usually buying and selling from individuals and people, rather than from a company.
- Although there is a lot of paperwork being provided, it is important at the outset to read everything that the sales advisers are giving you including any extras or incentives that are offered to you by the developer. Extras and incentives are not typically part of a second hand property transaction.
- It is advisable to have made progress with regard to any mortgage that you are looking to take out for the purchase as early as possible. As the time scales are tight with these kind of transactions it is always a good thing to have commenced the procedures regarding a mortgage, even more especially if you are intending to use the government Help to Buy scheme. There is extra paperwork and time involved in this, so the earlier it can be put under way the better. This is also true of current property purposes, as it is often the mortgage offer that can be the thing that delays things. It is also the main thing that you, as a purchaser, is in control over, as your solicitors will not have any input into this aspect until the mortgage offer is actually issued.
- It is important to read all the property information sent to you by your conveyancing solicitor and discuss with them anything that you do not understand or need further explanation on. Any issues that you have with the documentation need to be ironed out prior to exchange of contracts. Prompt attention to the documentation and the return of signed papers is key.
- The developer will offer you their recommended conveyancers for the transaction, and possible incentivise you to use them. The thinking behind this is that the recommended firm will have in depth knowledge of the site you are buying on and be able to work to the speed and pace that the developer needs. However, you do not have to instruct them. It is absolutely your right to choose the conveyancer that you want to. The advice is to ensure that you select solicitors who will be able to meet the deadlines from the developers in order to ensure that you are able to purchase your property. It is important in all

transactions to choose a representative who you are comfortable with and that will be able to meet your requirements.

- When you are in a position to exchange contracts, it is possible that your new build property is not built and ready for you to move into. In such cases, exchange will take place with completion set to be 'On Notice.' This means that there is no specific moving date at this time and no completion date is set until there is building control confirmation that the property is finished. Thereafter you would move ten working days after this date. It is important to keep a check on these dates to ensure that your mortgage offer is valid at the completion date. On existing property transactions you will have a confirmed completion date set and agreed prior to completion.
- After completion of a new build purchase, you will be registered as the owners of the property with the Land Registry. You will have a new title created for your property and when the formalities have been completed with the Registry you will be provided with a raft of documents for the property, including the new Transfer (or Lease if it is a flat), the planning permissions for the property and the Warranty documentation for the building protection, which usually lasts for ten years. As existing properties are (on the whole) already fully registered and logged with the Land Registry it is likely that there will not be so much original paperwork for you on completion.

Finally it is important that your legal representatives are aware of all the current legislation and guidance in relation to the new properties, and this would include the possible issues on Leasehold properties/flats with the clauses in the lease regarding the Ground Rent Increasing throughout the term of the Lease, and also the proposed new regulations concerning the safety of high-rise residential buildings.

On all transactions, it is important again to read all the property information sent to you by your conveyancing solicitor and discuss with them anything that you do not understand or need further explanation on. Any issues that you have with the documentation and things that you have noted when visiting the property need to be ironed out prior to exchange of contracts.