What is the process of purchasing a New Build home?

Purchasing a new home provides different challenges to the purchase of an established property. Many new homes can be purchased off plan meaning that the buyer will not get to see the finished product prior to exchanging contracts.

STEP 1

THE RESERVATION PROCESS

What happens when I have found the new build property I want to buy?

You will be asked to complete a reservation form and pay a reservation fee. You will be given the anticipated legal completion date. Once you have signed the reservation form, the period between reservation and exchange is exclusive to you.

When do I need to instruct a Solicitor?

At the point of reservation.

What happens if I am selling my own property when buying a new build home at the point of reservation?

Most developers will take details of any related sale you are involved in, in terms of how long your sale has been running, length of chain, etc.

Be timely!

If you fail to exchange contracts within the time given the developers may put the property back on the market and you may lose your reservation fee and incurred costs, such as legal fees.

STEP 2
THE CONVEYANCING PROCESS

When do I need to pay the search fees?

Search fees will be requested by your Solicitor and these should be paid immediately in order not to delay.

I am having a Help to Buy Loan to assist my purchase. Will this affect the time scale?

Your Solicitor will need to ensure that all the correct paper work is received from the Help to Buy Agents and ensure that all the documents are issued by them prior to the exchange of contract deadline date.

When do I receive the legal paperwork on the new property?

As soon as the legal paperwork is received from the developers you will be advised of the exchange of contracts deadline date. Your mortgage offer must be received by your Solicitor and Searches submitted - then you will receive the legal paperwork before the deadline date together with contract for signing.

When do I need to pay the deposit monies?

Once all inquiries have been responded to by the developer's legal representative, together with satisfactory Search results, a mortgage offer from your lender you will transfer the deposit funds.

What happens if I have a related sale linked to the new property?

It is very important that the exchange of contracts deadline date is given to your buyers and selling agents so they can check that all parties can work towards the date. Your Solicitor will need to confirm the deadline date to the buyers Solicitors and advise them of the anticipated legal completion date of the new property.

What happens if my related sale is not ready to exchange contracts by the developer's deadline date?

Your Solicitor will need to find out full details as the reason for the delay and report this to the developers.

STEP 3
EXCHANGE OF CONTRACTS

On exchange of contracts will I get a fixed completion date?

With new build developments, it is very common that a fixed completion will not be available and completion will be on notice as to when the new property will be ready. You would have been advised of this when the report on the draft papers is sent to you.

STEP 4
COMPLETION

When will I receive notification of the completion date?

Your Solicitor will be served formal notice under the terms of the Contract as to when the new property is ready for you to complete. The exact period of time between this notice and completion would be set out in the Contract and you would be made aware of this.

When the completion date has been set what happens next?

Your Solicitor will set up the file to complete and request mortgage funds from the lender and deal with the necessary paperwork if you have a Help to Buy Loan. The developer will send the final completion statement to your Solicitors and you will be provided with a full breakdown of the figures and be asked to pay any balance before the completion date.

What happens on the day of Completion?

Your Solicitor will arrange to transfer the funds to the developer's legal representative and once received they will notify the sales office who will hand over the keys to you.