

A background image showing architectural blueprints on a table. A pencil is resting on the blueprints. The blueprints contain various technical drawings, including floor plans and sections, with labels like 'EGRESS', 'C/Water', and 'E/Water'. Dimensions such as '5'-0"', '9'-0"', and '8'-0"' are visible. The overall image has a dark, muted color palette.

BUYING A NEW BUILD PROPERTY

CLIENT GUIDANCE NOTE

If you are buying a brand new property, what specific factors do you need to consider? This guidance note will walk you through some of the specific features of buying new build property and what to look out for.

GLOSSARY OF NEW BUILD TERMS AND ACRONYMS

EPC	Energy Performance Certificate. This will be available around the time that the property is structurally completed. The certificate will be available from www.epcregister.com
Engrossment fee	Fee payable to the developer's lawyer for producing the final version of the Transfer or Lease of the property. Sometimes referred to as "Document fee"
Help to Buy	Range of government schemes designed to assist home buyers, including Equity Loan and Help to Buy ISA
Legal completion	Date you can take ownership of the property and can move in
Long stop date	Date in your purchase contract after which either or both parties can cancel (see 'Anticipated Completion Date')
New build warranty	Guarantee on your new home
On notice	Term describing a situation where exchange of contracts has taken place but the property is in the course of construction. Legal completion will take place only after written notice is given by the developer's solicitor in accordance with the contract terms
Snagging	The process whereby you can highlight any minor and cosmetic defects to the developer to rectify

DEADLINE TO EXCHANGE

When you reserve a new build property you will normally be given a deadline to exchange contracts, usually at least 21 days. In the majority of cases, provided the developer is kept up to date and good progress is being made you have nothing to fear from such deadlines, which are standard when buying a new build home. We are used to working with developers to achieve deadlines wherever possible.

ANTICIPATED COMPLETION DATES

Most new build homes are not entirely finished and ready to be occupied on exchange of contracts and therefore you will not be given a fixed date for legal completion to take place. Legal completion will take place 'on notice' which means we will receive a written notice from the developer's lawyer to complete when the property is physically finished and signed off by the Warranty Provider (see later) and Building Control. When we receive this notice, we usually have 7-10 days within which to complete your purchase.

The developer will give an anticipated completion date, which does not represent any guarantee or fixed timescale. This is the builder's best estimate of when completion might take place. If construction of your home is substantially delayed, you may be able to cancel the contract and have your deposit refunded. All developers offer slightly different contract provisions in this respect, and full details will be provided to you.

INCENTIVES AND EXTRAS

Incentives are financial and non-financial inducements to purchase, such as a contribution towards legal costs or upgrades to internal fittings. It is important that all incentives are disclosed to your mortgage lender and that information on all of the legal and mortgage paperwork records this. It is important you tell your mortgage broker and case handler about any agreed incentives.

Your developer may also offer extras which can be purchased in addition to the property itself, such as carpets or tiling. You will be asked to pay a deposit up front when you order your extras, with the balance typically payable on completion. You should not normally be asked to pay in full for any extras prior to exchange of contracts. Please let your case handler know if you have ordered any extras.

CHAINS AND RELATED SALES

It can be challenging to co-ordinate the purchase of your new home with a sale of your existing property. Buyers of your home may expect to be given a fixed completion date and in these circumstances, communication is key. Make sure your buyer is informed and that everyone is aware of timescales. You may be asked if you can be flexible and move out of your existing property before your new property is ready. If there are factors which might make this difficult, please tell your case handler as early as possible in the process.

WARRANTY PROVIDERS

Most new build homes come with a warranty. The biggest warranty provider is NHBC however Premier and LABC offer similar cover. There are also smaller warranty providers who offer cover for smaller and regional developers and this cover can be variable. We will need to check that

your mortgage lender accepts the warranty being offered. Details will be provided to you and after completion you will receive your warranty documents. Please ensure you understand the level of cover you will receive and any exclusions.

SPECIFICATION, SUBSTITUTION OF MATERIALS AND VARIATION OF BOUNDARIES

New build contracts typically allow an element of flexibility for the developer to make variations to the property specification and materials. Exact wording varies from contract to contract, but generally the developer would not be allowed to make substantial deviations which would impact on the value of the property.

The contract will also allow for variation to the boundaries on the plot plan in order to ensure that the plans exactly match the boundaries on the ground after construction. Minor variations to plans during construction and after legal completion are relatively common.

In terms of the overall layout and design of the site, planting, roads, services and lighting, you can usually ask to see plans at the site office. However please note that such plans are subject to change during the build process and developers are not bound by them.

ROADS, SEWERS AND DRAINAGE

All roads and sewers built as part of the new estate will initially be private, until built to a required standard by the developer. Some of these roads and sewers will eventually become public, and then maintenance and repairs will be carried out by the Local Authority or Water Company via a process known as "adoption". The transfer of roads and sewers to the authorities can take several years. Any drain or sewer which only serves your property and is not shared will remain private, and be your sole responsibility. Routes of any services should be clear from the plans available at the site office should you wish to view them.

In some instances, roads or drainage systems will remain private and residents will usually have to pay a shared cost for the maintenance and upkeep, which can be part of regular service charge payments. If this applies to you it will be detailed in our report to you.

PLANNING PERMISSIONS AND BUILDING REGULATIONS

The developer is obliged to construct the property in accordance with the warranty provider's standards and in compliance with building regulations and planning rules. Planning conditions must be complied with by the developer at the appropriate stage of the development, which may be after exchange of contracts has taken place. Some developments have planning conditions that continue to be binding on the property after construction, such as restrictions on converting a garage into living space or stipulations that certain windows must be maintained as opaque glass. There may also be a restriction on the usual 'permitted development' rights, restricting future extensions and alterations. You will be provided with a copy of the planning documents affecting the development, however these can be lengthy and sometimes written in technical language. If you are unsure about a planning aspect, particularly any ongoing obligations, then please speak to your case handler. Generally, you will be best advised to liaise with the local planning department before making future changes to your property.

PLANNING OBLIGATIONS & AFFORDABLE HOUSING

On larger developments, the builder will be obliged through planning procedures to mitigate the impact of development on the locality. Planning obligations may include developers making financial contributions towards local education or other community resources, creating parks or public open spaces and provision of public transport or community infrastructure. Regularly, these include obligations on the developer to include an element of social housing. Information regarding this can be found in the development contract pack however please ask if there is something specific you want to know. You should be able to view plans of the development as a whole at the site office, including any provision for social housing.

SNAGGING

Completion will take place once the property has been inspected by the warranty provider and building control but there are likely to be minor outstanding items (known as snags) which remain unfinished, such as finishing the parking space or turfing the garden. Under normal circumstances, these should be minor and/or cosmetic only. If your new home is a flat, works may be ongoing to the exterior of the building or communal areas for some time after you have moved in.

You should let the developer know if there are any defects with your new property and liaise with them to arrange for the works to be completed. We recommend that you make every effort to take a look around your new home before legal completion takes place. You will not be able to delay completion for any outstanding snags but viewing the property before completion gives you the opportunity to highlight any matters you are unhappy with.

CONSUMER CODE

The Consumer Code for Home Builders applies to all developers who offer NHBC, Premier Guarantee and LABC warranties and sets out guidance and standards that they must adhere to regarding marketing, selling and after sales care for their homes. Further information regarding the Consumer Code and downloadable copies of the scheme requirements can be found at www.consumercode.co.uk/home-buyers/ or you can make an enquiry of the site office.

BUILDINGS INSURANCE

New build properties are typically insured by the developer up until the point of legal completion at which point you will need to arrange your own policy. Please ensure that the level of cover on the buildings policy is for at least the reinstatement figure recommended in the valuation report or survey. Arranging comprehensive buildings cover is a requirement of mortgage lenders and we also recommend that contents cover is arranged. If you would like us to have sight of your buildings insurance policy, then please send a copy to your case handler in advance of completion.

Most flats are usually insured on a block policy which will be the responsibility of the Freeholder to maintain. Costs of this will then be collected from the flat owners or may be included in the service charge.