



A guide to buying a new-build home

Come Live By The Sea

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Welcome,

At Cooke and Co, we genuinely love helping people move home successfully.

During the many years we've been in business, we've experienced pretty much everything that can, and sometimes does, happen during the moving process.

This guide shares everything we've learned about buying a new-build and the different options available if you need to sell a home first.

It's a myth that moving home is always a stressful experience.

With proper planning, an outstanding estate agent and excellent professional services, such as a good solicitor, you dramatically increase your chances of a smooth purchase.

Over the following pages, we've aimed to answer your questions in plain English (we don't like jargon, either).

We look at buying off-plan, the different funding options available, and some of the pros and cons of buying a new-build.

We are always available to answer any other questions and keep you informed at every step of the process.

Here's to a happy move,

Damien Cooke

Damien Cooke MNAEA MARLA
Founder and Managing Director
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*Disclaimer: The information in this guide does not constitute legal or financial advice.



Are new-builds worth it?

When you visit a show home, it's easy to imagine yourself sitting at the beautifully laid table, sinking back into the comfy sofa or settling in for a night's sleep in a luxury bedroom. Every room has been set up to tempt you. But is a new-build home *really* the right choice for you and your budget?

Shiny and new

The main advantage of a new-build is exactly that: its newness. Breathe in that fresh paint and the 'new' smell, and don't forget to enjoy those soft fluffy carpets. Everything is pristine, with no 1970s wallpaper to contend with and very little (if any) maintenance to do for a few years.

Make your mark

Depending on what stage of the build you buy at, most developers offer the choice of fixtures and fittings as part of the purchase price. So, you can choose your kitchen or bathroom tiles without the hassle of spending every foreseeable weekend walking around showrooms.

Warranty

New homes are covered by a ten-year warranty (as per NHBC regulations), so you're also buying peace of mind. The warranty should protect you against any structural issues, but always read the small print so you know exactly what's covered. All appliances will be newly installed and will have their own guarantees, too.

Incentives

Developers often include various incentives when buying a new home, such as offering to pay your stamp duty or legal costs.

Built to meet all current safety standards

Developers must incorporate safety measures such as smoke alarms, fire-resistant materials and circuit breakers, making life easier when you move in.

Chain-free

These are the two words every buyer loves to hear! With no other parties to contend with, the buying process should be easier to navigate. Also, once you've reserved your new-build, it will be taken off the market.

Energy-efficient

Modern building techniques have been developed to keep new properties warmer for longer with cavity and loft insulation and renewable energy in the form of discreet solar panels – making them cheaper to heat and reducing your future bills. They should also be damp resistant, double glazed and draughtproof, keeping you cosy in those winter months.



Buying off-plan

When the property market is competitive, buying off-plan may mean you buy the home of your dreams and avoid missing out.



1. What is buying off-plan?

In short, buying off-plan means purchasing the home before it is built.

2. Will I get to help design my new home?

Some builders will allow you to choose certain aspects of the home, such as carpets, tiles and kitchen appliances.

3. Do I have to pay a reservation fee?

Most new-home builders will request circa £1,000 reservation fee to secure the plot for you. This can vary depending on the developer and you should ensure your legal representative is aware if you have paid a fee.

4. How quickly can I move in if I buy off-plan?

You will be expected to progress the finance and legal matters as quickly as possible and usually be required to exchange contracts within 28 days of paying your reservation fee. Once you have exchanged contracts, you will need to wait for the property to be built. The time between the exchange of contracts and completion will vary depending on what stage the build is at.

5. How do I secure a mortgage before the build is complete?

Once you have paid a reservation fee, you can proceed with a mortgage application. Be aware that mortgage lenders may only offer you a mortgage for six months; therefore, if you are buying off-plan and your mortgage offer expires, you may need to request an extension or reapply for your mortgage.

6. What happens if there is a problem with the build once it is complete?

Ensure your contract includes a snagging clause, and in the weeks leading up to the build being complete, arrange to visit your new home. Do this regularly so any issues can be rectified quickly.



New-build jargon explained

Understanding the terminology used when buying a home can be daunting. Here, we explain some of the jargon used when buying a new-build home.

Snagging

Creating a snagging list is when you check the new-build for minor issues that need to be rectified by the builder. Ensure your solicitor includes a snagging clause within the contract to avoid problems after completion.

Short-stop completion, Long-stop completion

A short-stop completion date refers to the date that the builder expects the build to be ready and you can have the keys providing all the legal paperwork is complete.

A long-stop completion date is the date the builder has to legally complete by.

NHBC

The National House Building Council (NHBC) is a scheme that offers a ten-year warranty on a new-build home. Most major new-build companies subscribe to the NHBC; however, other schemes such as Local Authority Building Control (LABC) can also be used.

Estate or management charge

New-build estates will sometimes include an estate or management charge payable monthly, quarterly or annually. The charge covers maintenance of the area such as green spaces, pavements, lighting, etc.

PEA

The predicted energy assessment (PEA) is required when the plans are prepared for a new-build home. This target energy assessment is based on how energy-efficient the home is. Once the build is complete, the energy rating will need to meet the target figure to receive the final sign-off by the building inspectors.

CGI

Developers often use computer-generated images (CGI) to showcase how the home will look once it has been completed.





Part exchange and assisted moves

New-home builders often have offers that help you purchase one of their properties. The main incentives they put forward to move into a brand-new home are usually extra furnishings and fittings included in the price. However, sometimes developers will allow you to do a part exchange or an assisted sale of your existing home to help you on your house move journey. Some developers have their own names for these options, but they are often very similar.







Part exchange

Part exchange is an excellent option for some people. The new-home builder will basically purchase your home from you at an agreed figure. Most developers will want your new home to be at least 30% more expensive than your existing home. You can then move into your new home without the hassle of arranging viewings and getting held up on your sale with a chain to complete.

Assisted moves

An assisted sale is where the new-home builder will arrange for a valuation of your home through a local estate agent. They will then agree to a market value for you to sell your existing home within four to six weeks. If you get an offer which matches the developer's value that they have put on your home, you will have to accept it.

Advantages vs Disadvantages

-  The new-builder usually pays any estate agent's fees
-  Your move is generally much quicker
-  You avoid the risk of a chain collapsing
-  The builder may offer you less than market value for your home
-  There is no guarantee a new-builder will accept the offer of part exchange
-  A survey will still need to be carried out on your existing home by the new-builder and may highlight issues which mean the builder may not proceed with the purchase of your home



Your moving checklist

Below is a ten-point checklist to help you prepare for your move. This advice applies to new-builds AND other types of homes.

- Once you are sure you want to move, call your local estate agents and register your wants and needs. If you are interested in new homes, ask them what they have available or what is coming to the market soon.
- Speak to an independent financial adviser about your mortgage and insurance options.
- Instruct a recommended conveyancing solicitor to handle the legalities of your sale.
- Get ahead with packing. Even though you may not have a move date yet, it's always worthwhile boxing up those items you don't use much.
- Use this opportunity to only move items that you really want or need. It will save you money in moving costs, and you could make a bob or two selling certain items. Charity shops, home clearance and auction houses can be useful. There are also online options, like Facebook Marketplace or Freecycle.
- Get three quotes from different removal companies when you've had an offer accepted and agreed on a completion date. Look for ones that come recommended and which are fully insured.
- Remember to speak to your bank, utility companies and any other important companies to arrange set-up and change of address.
- Start getting quotes for insurance on your new property starting from when you are set to complete the move.
- The day before the move, create an essentials box with any items you might need quickly when you move in. For example, kettles, cups, tea and coffee always come in handy.
- On the day of the move, take any essential items or documents with you, such as medicines, passports, wallet/purse, keys and glasses.

If you have any questions about this checklist or guide, we're here to help, Get in touch with your local branch.