



What happens when you buy a New Build?

Buying a house and buying a new build property can be different. Here we've pinpointed some key differences.

The Government Schemes

The Help to Buy: Equity Loan is a government scheme, exclusive to new build properties. To receive a mortgage for most properties, you'll need a 10-15% deposit. However, this scheme allows you to save just a 5% deposit for the house instead and then the government will loan you 20%. You will have to pay back the loan, so this is only really recommended if you want to get onto the property ladder with a smaller deposit.

The Mortgage and the Offer

Getting a mortgage for a new build property may be different to obtaining a mortgage for an older property. Some lenders have different requirements for properties regarding the loan to value. In some cases, you may only be able to get a mortgage that covers 85% of the house or 75% if it's a flat.

Regarding the mortgage offer, most offers are valid for six months. However, on some new builds that take a little more time, lenders may need to extend their offers.

The Conveyancer

Choosing a conveyancer who has experience of dealing with change to new build transactions is important. Many developers require an exchange deadline of 30 days. New builds require additional paperwork due to first registrations, and even more paperwork if the

Help to Buy: Equity loan is included, so make sure you choose wisely. Your mortgage broker or estate agent can help you with this.

The Timings

Most developers aim for the exchange of contracts within 30 days. It's good to be aware that if the building work takes longer than expected, it will hold up the moving process.

The House Hunting Process and the Property Chain

Your dream property may not have been built yet, meaning you may have to rely on a brochure to see what the property will look like once finished. There are usually show homes set up to give examples of how homes could look, to help you with the vision. On the plus side, as your house is brand new, you won't have to wait for anyone to move out, making the property chain shorter than usual.

The New Build

You may not have neighbours straight away when you move in, and building work could still be taking place around you. But, having a completely new property means you'll be the first person to put your stamp on the property with decorations, fixtures and fittings.

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The 10-year Warranty

The main benefit to a new build property is the 10-year warranty which covers structural defects. New builds are also built to the latest specifications, meaning that major repairs shouldn't be necessary for the house/flat at the start. They're also more energy-efficient, so utility bills should be cheaper.

Extras

It's wise to check with your developer exactly what is included and what you'll need to negotiate on. Some offer flooring, turf and free stamp duty/cash-back incentives. It varies between developers.