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Key Considerations for New-Build Property Buyers

The Reservation Deadline
Check the deadline by which the developer expects contracts to be exchanged. New-build reservation periods can be short, so you should instruct your solicitor and submit your mortgage application as soon as possible.

The Property's Build Stage
Confirm whether the property is complete, nearing completion or being purchased off-plan. Where construction is ongoing, the anticipated completion date may change and you may receive only limited notice that the property is ready.

Your Mortgage Offer
Tell your lender and mortgage adviser that you are purchasing a new-build property. Construction delays can mean that a mortgage offer expires before completion, so you should understand how long the offer remains valid and whether an extension may be available.

The Plot and Property Plans
Review the plans carefully to confirm the position and extent of the house or apartment, garden, garage and parking spaces. You should also check the location of shared accessways, bin stores, substations and other development infrastructure.

Developer Incentives
Tell your solicitor and mortgage lender about any incentives offered by the developer. These might include a deposit contribution, payment of legal fees, upgraded fittings, cashback or the inclusion of furniture and appliances.

New-Build Warranty Protection
Confirm which structural warranty or insurance scheme will apply to the property and when the cover begins. A new-build warranty is not the same as a survey and may contain exclusions, reporting requirements and time limits.

Roads, Sewers and Shared Areas

Find out who will be responsible for maintaining the development's roads, drainage systems, landscaped areas, play areas and other shared facilities. Some developments remain privately managed, with homeowners contributing through an estate charge.

Service Charges and Estate Charges

Ask the developer for an estimate of any service charge, rentcharge or estate management fee. You should understand what the charge covers, how it can increase and what rights the management company may have if payments are not made.

Leasehold Arrangements

New-build apartments are usually sold on long leases. Check the lease length, service charge arrangements, restrictions and the landlord's or management company's requirements before committing to the purchase.

Restrictions on the Property

New-build properties commonly have restrictions intended to maintain the appearance and management of the development. These may affect extensions, alterations, parking, commercial vehicles, pets or the use of the property as a rental home.

Your Source of Funds

Prepare evidence showing how you will fund the purchase and deposit. Your solicitor will need to verify savings, sale proceeds, gifts and other contributions before exchange and completion.

An Independent Survey or Snagging Inspection

A newly built property can still have defects or incomplete items. Consider arranging an independent survey or professional snagging inspection rather than relying only on the developer's own checks or the mortgage valuation.

Completion Arrangements

Ask whether the contract provides for completion on a fixed date or following notice from the developer. Where completion is triggered by notice, you may have only a short period in which to arrange your mortgage funds, removals and other practical matters.

Your Future Plans

Consider whether you may want to extend, alter, let or sell the property in the future. Restrictions in the transfer or lease, together with planning conditions and estate regulations, may affect what you can do.

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