



New Build Buyers Guide

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We appreciate your decision to work with RG Law.

Upon your initial communication with our team, we will provide you with a comprehensive written quote outlining our legal charges and any fees that we need to cover on your behalf throughout the process.

After reviewing the quote, which offers an estimate of our costs and addresses any potential questions, we ask that you initiate your file by paying a non-refundable file opening fee.

However, if you decide against moving forward with the purchase, this fee can be transferred to an alternative property.

Please note: Transactions involving new builds have a 28-day exchange deadline. As a result, our goal is to send you a priority instruction package within 24 hours of receiving your instructions, assuming you have not already completed this online.

This package contains a client information form and our terms of business. We kindly ask you to fill out, sign, and return these documents to us as promptly as possible (preferably within three business days), as we cannot commence the legal work without them.

Case Monitoring:

Once your file has been initiated, we will promptly send an email containing your login credentials, granting you access to our online case monitoring platform. This platform allows you to conveniently check the status of your case.

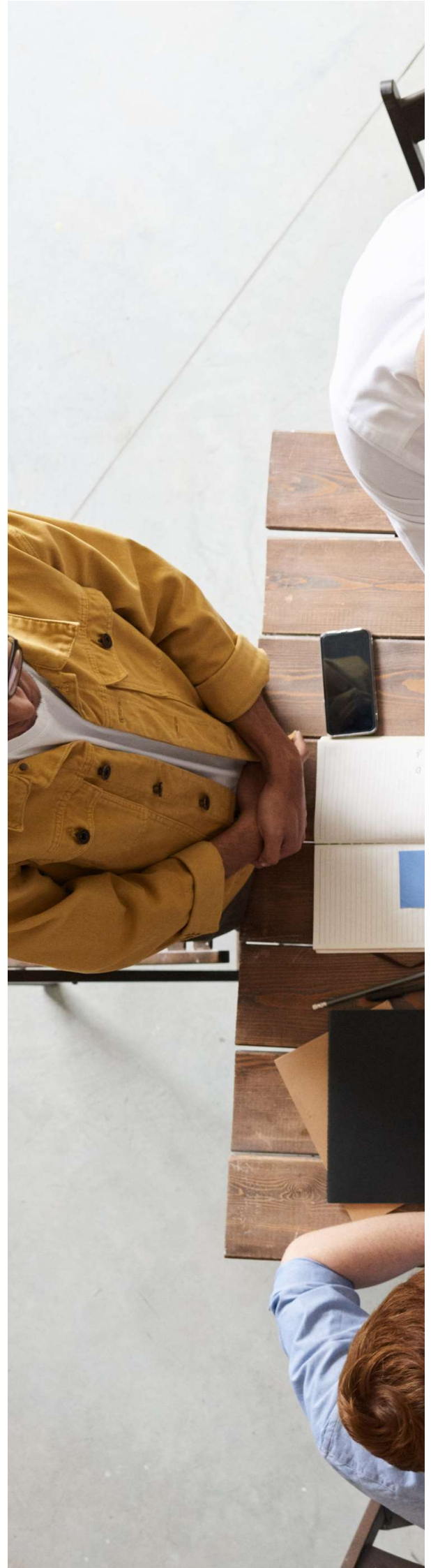
We are confident that staying informed about your transaction's progress through our system will minimize the need for phone calls to request updates. If you encounter any issues logging in, the email we send you will include a contact number for assistance.

Submitting Your Instruction Packet: You can return the instruction packet to us via email or postal mail. However, we recommend using email for a faster response. Please refrain from sending original passports or driving licenses through the mail.

Once we have confirmed that all necessary details are in place, we will forward your case to your conveyancer to commence the legal process.

Upon receiving your file, your conveyancer will initiate an introductory call to discuss the upcoming steps and address any inquiries you may have.

We will also supply you with their direct contact information, including their email address and phone number.



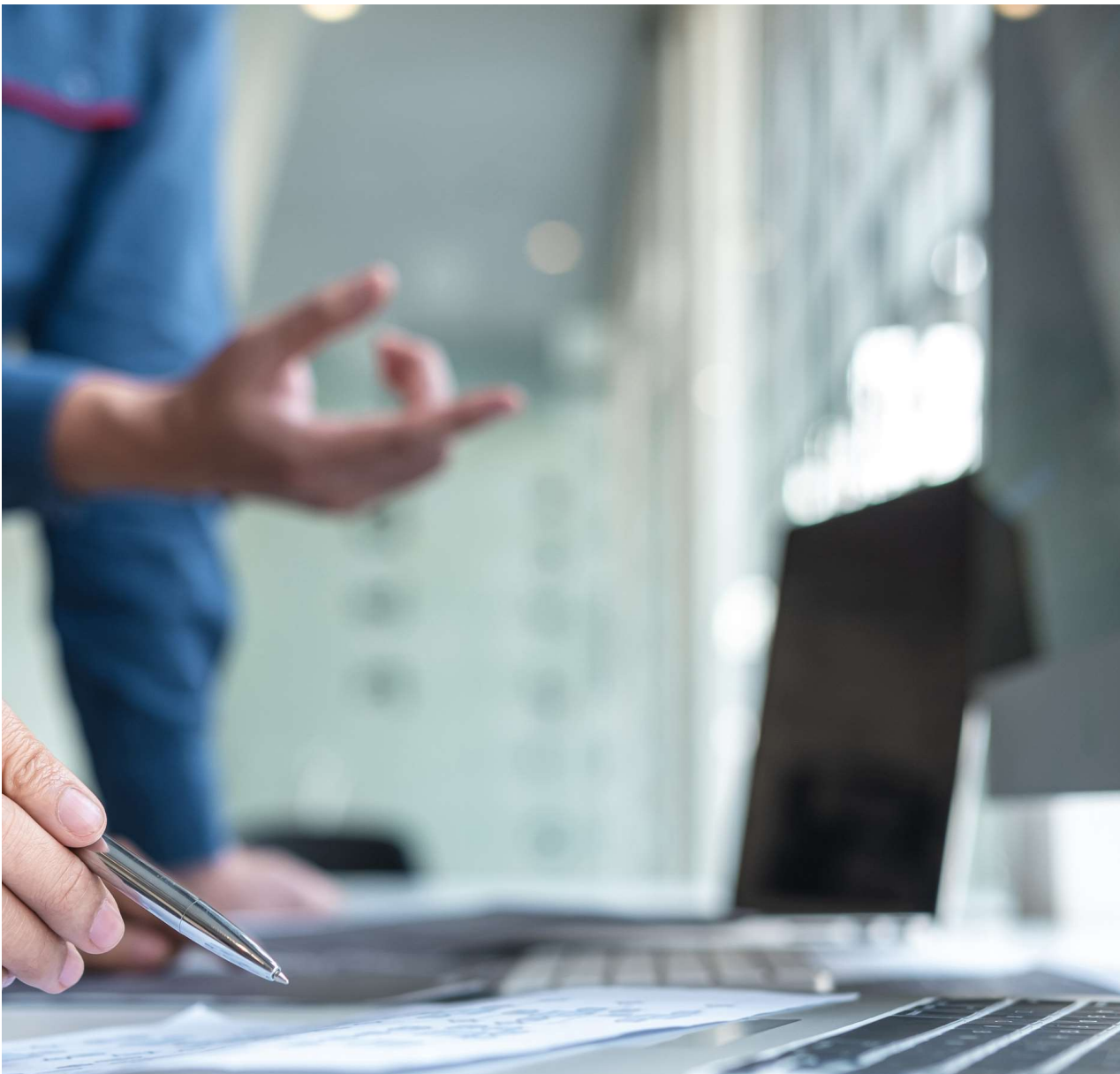
ID & Client Care:

We will conduct an online ID verification using the details you supplied in your instruction packet. If we encounter any issues, we will request further information from you. To prevent confusion or delays, please include all middle names as they appear on your passport and driving license.

It is a professional requirement to have signed terms of business and confirm our clients' identities before starting any legal work. The sooner you provide all the requested information in our instruction packet, the quicker we can initiate the legal process.

Delaying the return of your documentation could postpone your transaction. In some instances, there might be discrepancies between the names stored online with different agencies for identity verification.

If we discover any such issue, we will contact you promptly, and in most cases, the matter can be resolved swiftly.



Reservation Fee:

For most new build property purchases, the builder will require a non-refundable reservation fee before accepting your purchase offer. This fee is deducted from the total purchase price if you proceed to completion.

Please inform us of the reservation fee you have paid, so we can cross-check it against the data received from the builder's solicitors and any incentives you have been granted. If you are using Help to Buy, please specify the amount you are receiving.

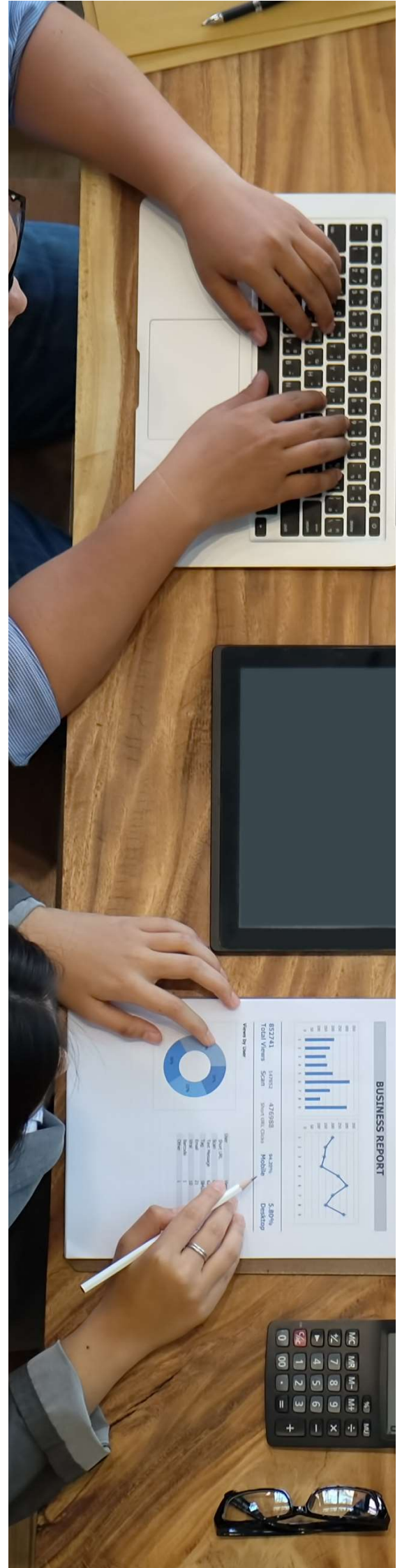
Be aware that the risk of paying a reservation fee is that you may not complete the transaction quickly enough for the builder, and you could lose the reservation fee due to circumstances beyond your control.

Builder's Documentation:

While we offer a quote for legal, land registry, and search fees, acquiring a newly constructed property typically involves additional expenses.

This is due to the need to examine numerous other documents. It is common for the builder to charge you for providing the necessary legal paperwork. The fee can vary, and we will inform you of the builder's charge once we obtain the pertinent information.

Please note that this fee is separate from ours, as it contributes to the builder's legal costs and is not associated with our firm.



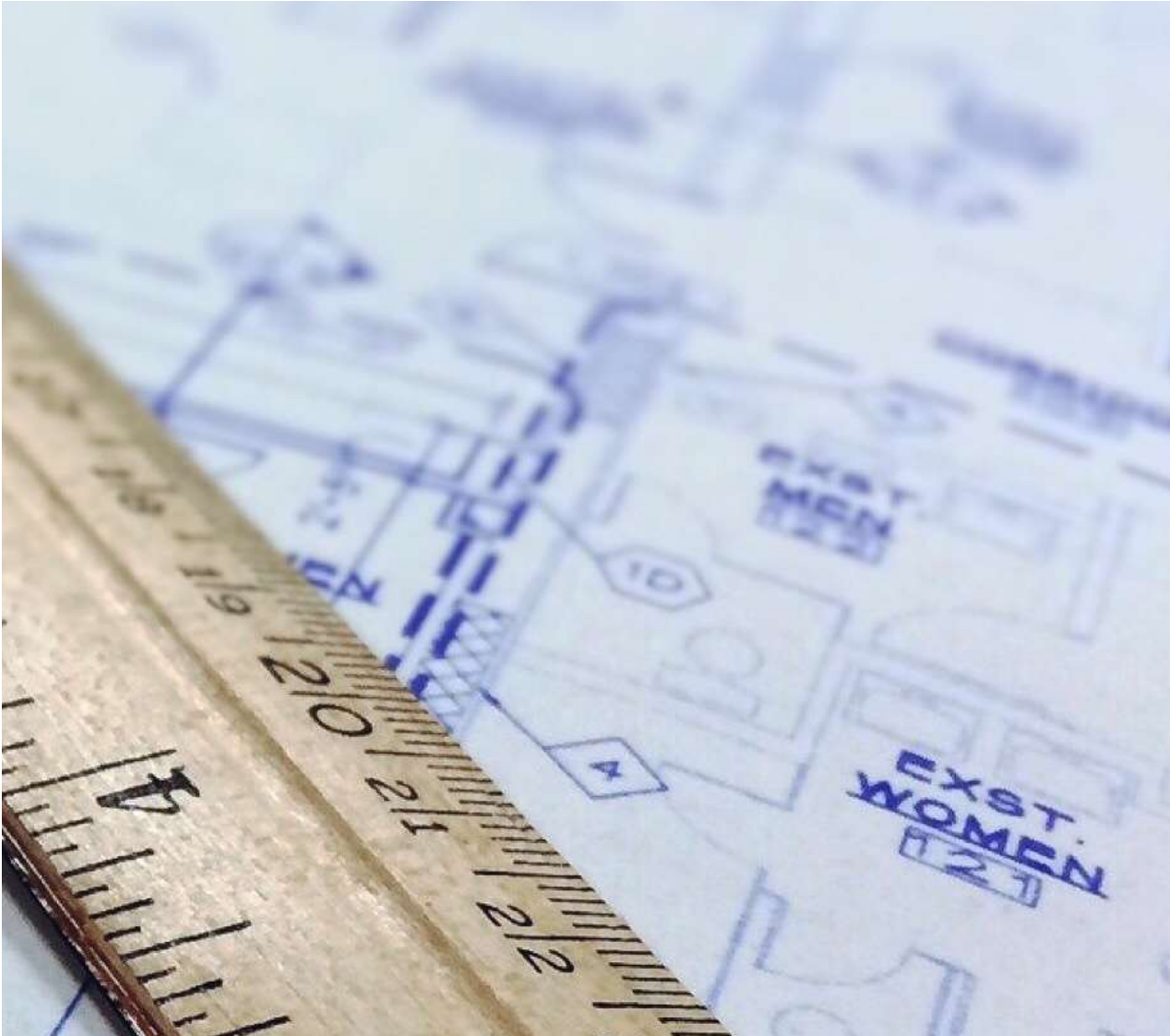
Off-Plan Purchases

When purchasing a newly built property, the builder usually accepts your offer before the project's completion. Although the builder may provide an estimated completion date, this is not binding, and unforeseen delays can occur.

Such delays can impact your circumstances, including the expiration of your mortgage offer or difficulties coordinating the transaction with any related sales. We recommend discussing potential delays with your mortgage advisor and communicating the situation to any buyers involved in a related sale.

Take note of your mortgage's expiration date and allow ample time for adjustments. Avoid unnecessary pressure; in extreme cases, an expired mortgage offer may lead to severe financial consequences.

Buyers in a related sale may be unwilling to wait for your property's completion, potentially forcing you into temporary accommodation. The uncertainty of the completion date may cause stress and inconvenience.



Pressure and Deadlines:

Once the builder accepts your offer, they may impose a deadline for contract exchange, and price incentives might be tied to this deadline.

Be aware, builders' deadlines can sometimes be unrealistic, considering the time needed to secure a mortgage and handle complex legal documentation.

Please inform us of any deadline or incentive related to a deadline, and we will do our best to meet it or advise you to renegotiate the deadline.

Remember that the pressure builders impose can exacerbate an already stressful situation.

Be cautious of unrealistic deadlines that may result in a forfeited financial incentive.

However, it is worth noting that such deadlines are often extended.



Funding Sources:

During the transaction process, we will require a deposit from you before the contract exchange, followed by the remaining purchase funds and associated costs upon completion. Unless you have informed us otherwise, these funds must originate from a UK bank account in your name.

If the funds come from a third party, such as a spouse, parent, or other family members, you must explain how the money was accumulated over time. This will incur an additional fee, as we will need to perform an ID check on the individual gifting the funds and investigate their source of funds. We generally must disclose third-party payments to your lender.

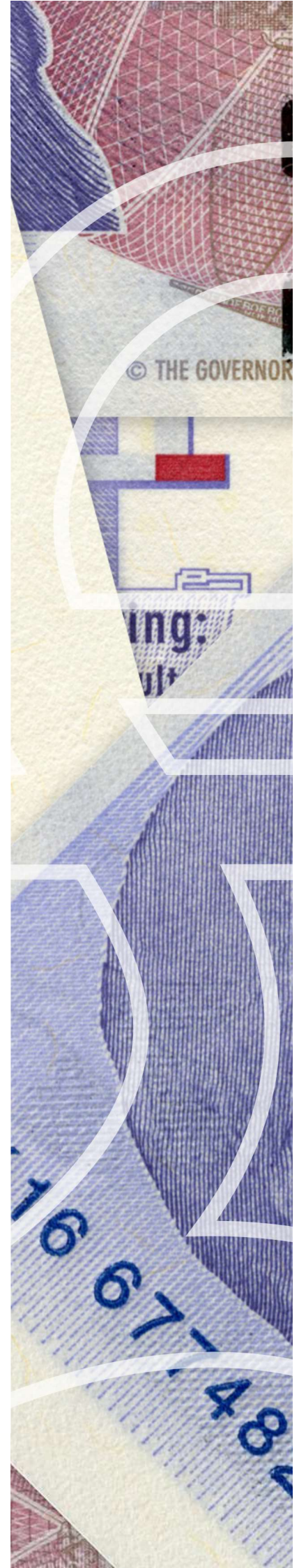
Obtaining a mortgage may impact the amount you can borrow if your lender hasn't approved third-party contributions. If you receive funds from a third party in your bank account, inform us promptly. Provide complete details of any donations made to your purchase by someone other than yourself, as failing to do so may result in significant delays or issues during the transaction.

Demonstrate how the funds have been amassed over time. Merely showing the amount in your bank account is insufficient; we need to see its origin.

If you secure a mortgage, your lender will typically expect the funds for the purchase to come from you. Lenders may accept a gifted deposit but need to know the full circumstances (as mentioned above) and provide written permission.

Furthermore, the third party contributing to the payment might request protection through a Declaration of Trust or other legal documents.

Please notify us as early as possible to arrange the additional work and prevent delays.



Conveyancer Verification:

Due to the recent increase in scams involving fake conveyancer offices, we will conduct appropriate checks to ensure that your builder's conveyancer is an adequately accredited organization.

Draft Contract:

We will obtain a contract package from the builder's conveyancer, which includes a contract and other legal documents.

We will carefully review this package to ensure all documents are in order and align with your instructions.

Please know that title documentation in new-build transactions can be more complex than in standard purchase transactions.

Builders often assemble a development site from multiple titles, producing more extensive and intricate legal title documentation.

For this reason, enlisting a conveyancer familiar with your development site is often advantageous, as their prior experience with similar paperwork can help minimize delays.

After receiving the contract documents, we may need to clarify certain unclear property aspects based on the documentation.

Please be available to discuss these queries as soon as possible.

Occasionally, while reviewing contract papers, we may uncover issues with the title or covenants related to the property that necessitates further investigation, potentially leading to either proceeding with the transaction or, in rare cases, aborting it.

We will provide comprehensive information if any such problems arise with your purchase.



The NHBC Guarantee:

This provides you with a ten-year protection against any defective construction when you purchase a newly built property.

This guarantee is a legal requirement provided by the National House Building Council (NHBC) or other providers such as Zurich and Premier.

It is essential to retain this document as it is necessary for any future sale of the property before the 10th anniversary of its construction.

We will ensure that it is acquired as part of the purchase documentation and in the correct format.

Upon receiving the initial contract papers from the builder's conveyancer, we will provide you with a preliminary report which includes the Land Registry documents and property plan.

If there are any discrepancies in the property plan, please notify us immediately so we can resolve any issues as soon as possible.

We may have to raise additional enquiries with the builders if there are any potential difficulties.



Local Authority Searches:

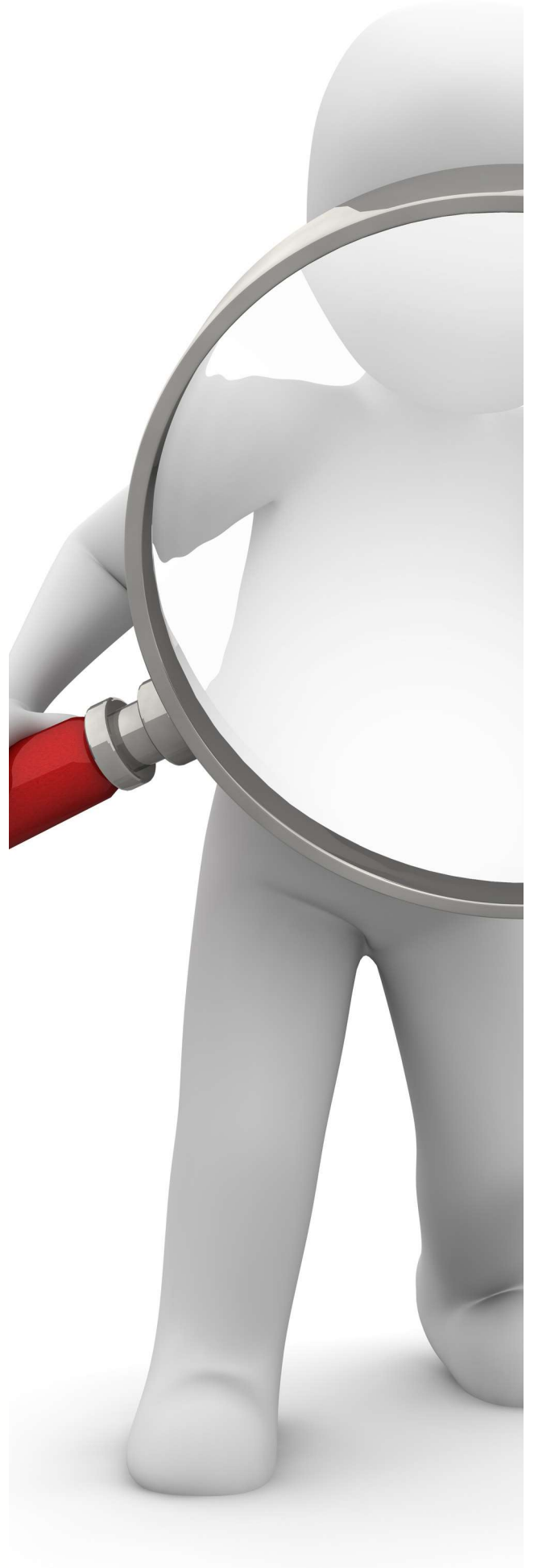
As part of our routine procedures, we will raise some inquiries about the property and information provided by the builder's conveyancer.

Sometimes, these inquiries may require several rounds of correspondence before they are resolved, but we are experienced in dealing with legal difficulties such as breaches of planning law or problems with property ownership or mortgages. We will keep you informed of the reasons for any such enquiries.

We will contact you for sufficient funds to submit a local authority search, which will determine whether any matters under the control of the local authority affect your property. Although this search is usually clear, it may occasionally raise further enquiries with the builder.

We will provide you with a clear written report on the search results, but it is important that you make yourself available to pay us as soon as possible to avoid any delays.

Please note that the local authority search only provides information related to the property itself and not any neighbouring properties. If you are concerned about planning applications regarding nearby properties, you may need to instruct us to conduct an added specialist planning search.





Planning Permission:

It is crucial to review the planning permission for new construction transactions carefully.

This document, granted by the local planning authority, allows the builder to construct the development. Planning approvals for primarily built developments can be intricate and may impose numerous conditions (sometimes over 30) on the builder.

Additionally, builders might enter into a Section 106 Agreement with the local authority.

This agreement obligates the builder to perform extra work nearby or supply a specific number of Affordable Housing Units within the development.

It is common for builders to begin selling properties before satisfying all conditions.

In such cases, we may require evidence of compliance before proceeding with the transaction.

Once the property is structurally complete, a Building Regulation Completion Certificate must be provided and issued by the local authority's planning inspector, the NHBC, or a similar organization.

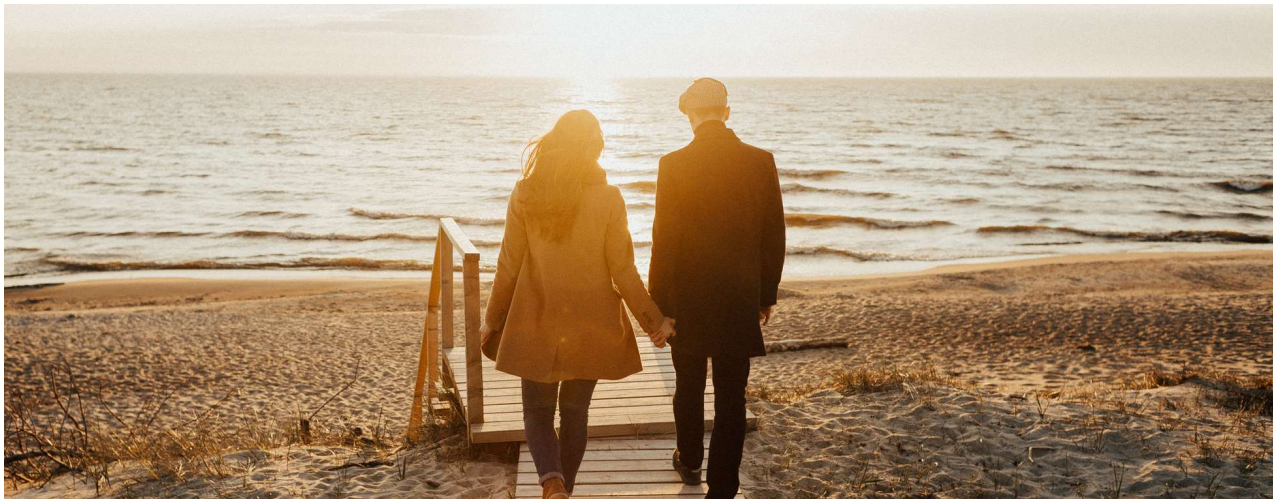
Delays can occur in obtaining this document, but it is necessary for the property to be saleable and for mortgage lenders to release funds.

Mortgage Offer:

When purchasing a property with a mortgage, we will receive a formal written mortgage offer from your lender, with a matching document sent to you.

We will thoroughly review the mortgage offer and provide a detailed report on its contents and any special conditions. Delays may arise in receiving mortgage offers, and while we may face pressure from the builder's conveyancer to proceed, we will wait for the official mortgage offer.

If delays occur, we may ask you to contact your mortgage advisor to address the issue. Any discrepancies or conditions in the mortgage offer, such as additional dampness investigations, must be resolved promptly.



Joint Ownership:

If you are purchasing the property with another individual, we will explain the distinct types of joint ownership.

There are numerous ways to own property jointly, and we will send you a report on joint ownership for your consideration.

After discussing the matter with all involved parties, please provide clear instructions to us.

If further advice is needed, contact us promptly, as we need your joint ownership instructions before moving forward with the exchange of contracts.

Discrepancies between joint ownership requests and mortgage offers may require lender approval.

Purchase Report:

Once the builder's conveyancer has addressed our inquiries, we will compile a comprehensive report upon receiving a local authority search.

It is crucial to thoroughly review our report(s), as it will provide vital information about the property you are purchasing and any ownership-related conditions.

Your report will comprise contract documentation, a mortgage report (if applicable), and new property ownership details. We will email you this (or another method upon request).

You must print and sign the contract and other relevant documents, have your signature witnessed, and send them back to us using recorded/registered postage.

If you have any questions, it is essential to address them at this stage, as it will be too late to do so following the contract exchange, when no additional negotiations or inquiries can be made.

Deposit:

Typically, a 10% deposit of the purchase price is required when purchasing a property without selling one.

This deposit must be paid to us as cleared funds (bank transfer), and we will transfer it to the builder's conveyancer once the contracts are exchanged (see below).

The deposit serves as contract security, and if you fail to fulfil the contract, you will forfeit the deposit.

Please note that the deposit must originate from your resources and not from a third party unless we have been provided with the necessary information (refer to "Source of Funds").

When we request the deposit, please promptly transfer it to our account, the details of which will be provided.

The deposit must come from the property buyer, not a third party (see "Source of Funds").



Agreeing on a Completion Date:

While agreeing on a completion date for a fully constructed new property is like other property purchases, complications may arise if you buy "off-plan."

In "off-plan" purchases, a definite completion date cannot be established when exchanging contracts. Instead, the contract will stipulate that completion will occur (usually) two weeks after the property is deemed structurally complete.

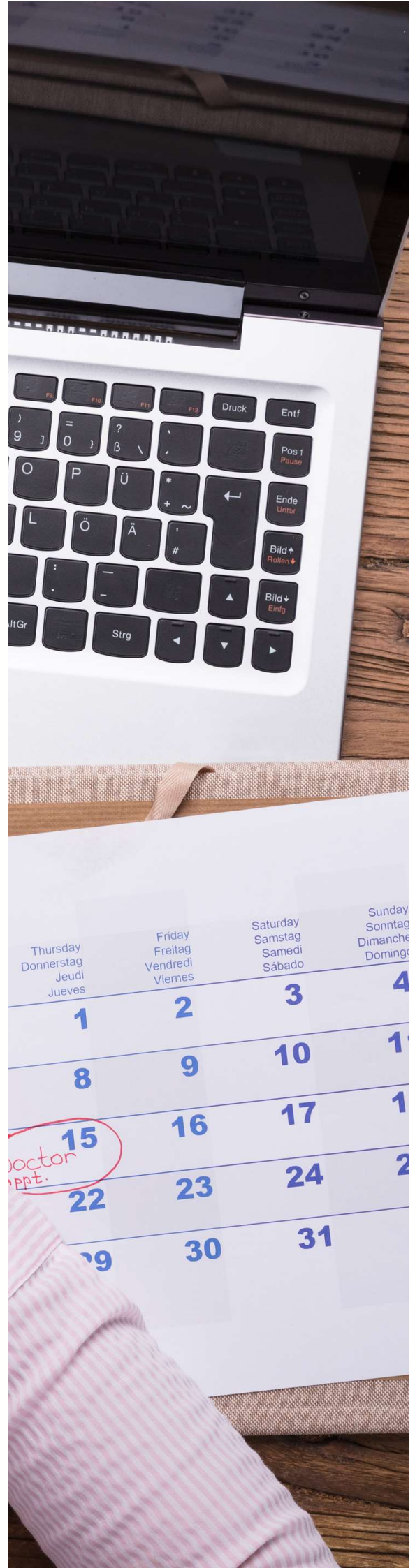
This arrangement may present challenges, as outlined earlier in this guide.

If you are part of a transaction chain, other parties may not accept a tentative completion date and may require a fixed date.

This situation could lead to losing your buyer or being forced to complete your sale before your new home is ready, necessitating temporary alternative accommodation.

Maintaining communication with your developer for current estimates of when the property will be structurally complete is crucial.

Discuss this with your developer or estate agent to facilitate a smoother completion date agreement.





Contract Exchange Process:

The contract exchange occurs when you sign and return the contract to us, along with any necessary deposit. If you are not in direct contact with your builder, we can facilitate the exchange of contracts on your behalf after you and your builder, or estate agents, have agreed upon a completion date.

We will then engage with your builder's conveyancer to initiate the process.

Exchanging contracts legally bind you to purchase the property, and failure to complete the transaction may result in losing your deposit and other financial repercussions. For new build transactions, the completion often occurs on notice, with a longstop date specified in the contract but without a fixed completion date.

As you approach the contract exchange, you must agree on a suitable completion date with your builder and inform us of the agreed-upon date. When contracts are exchanged, you will be responsible for the property. Therefore, preparing insurance and activating upon the contract exchange is crucial.

Before the exchange, consider scheduling a final appointment to review the property, plans, or site to ensure it meets your expectations. Delays and issues often arise due to disagreements over the completion date. Although we cannot assist with this problem, both parties must collaborate to find a mutually agreeable date.

It can be frustrating when you and your builder have agreed upon a completion date and are ready to exchange contracts, but other parties in the transaction chain are not prepared.

Generally, all transactions in a chain must exchange and complete on the same day, which can lead to delays beyond your or your builder's control.

Regrettably, we cannot help with such issues, as they are an inherent part of the current conveyancing system for buying and selling property.

Simultaneous Exchange and Completion:

Occasionally, due to various factors like expiring mortgage offers, it becomes necessary to perform the contract exchange and completion on the same day. In this case, a completion date must be agreed upon before the contract exchange, and all tasks generally handled after the exchange must be completed beforehand.

Simultaneous exchange and completion carry inherent risks, and we recommend avoiding them unless necessary.

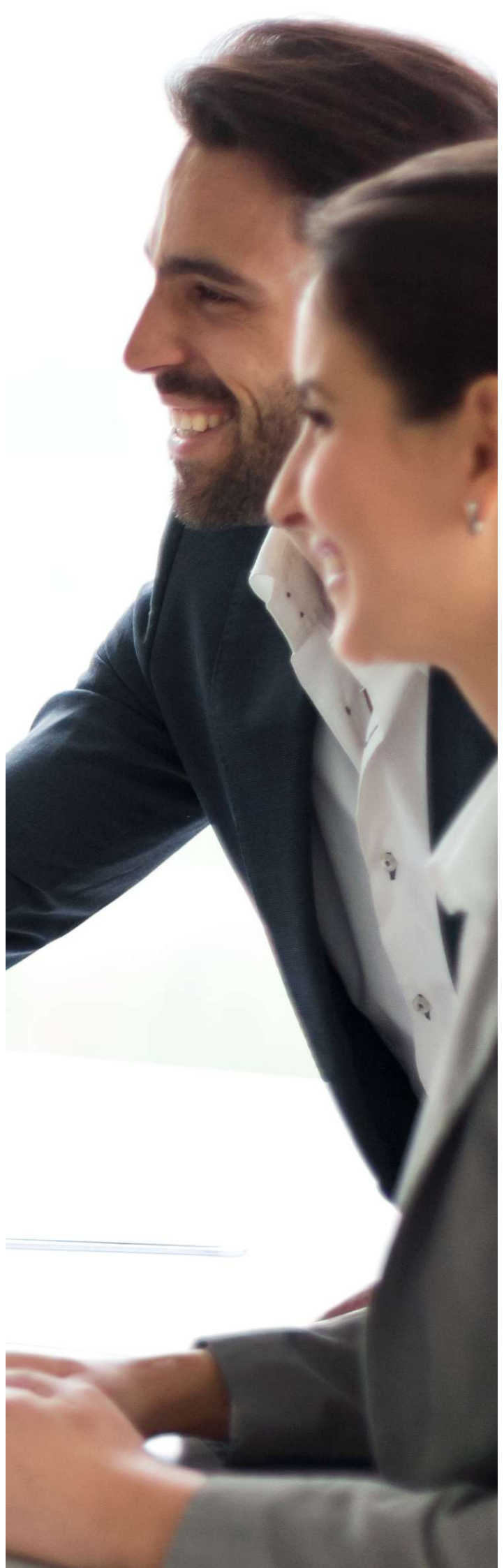
The primary issue is that you'll anticipate completing the transaction on a specific date without the legal protection of an enforceable contract.

If the other party or someone else in the chain changes their mind, the transaction might fall through, and you'll only learn about it on the proposed completion date.

This could result in significant inconvenience and financial loss, such as removal fees.

We strongly advise against entering this arrangement unless required.

Additionally, there will be extra fees for the increased workload.



Mortgage Deed Signing:

If you're using a mortgage to purchase the property, we'll send you the Mortgage Deed before completion.

This formal document from your lender must be signed and returned to us before completing the transaction. Please return this crucial document promptly.



Financial:

After the contract exchange, we will prepare a financial statement detailing the transaction. It will include the purchase price, legal fees, stamp duty,

Land Registry fees, and any credits for deposits or other payments and funds received from your lender. We'll send this statement to you with a request to transfer any remaining balance to our bank account.

If you have any questions about the financial statement, please contact us immediately upon receipt. Transferring the funds quickly is essential, as we cannot complete the transaction without them, potentially leading to significant financial losses.

Mortgage Completion:

If you're obtaining a mortgage for the purchase, we'll need to collect the funds from your lender. We must then provide the lender with a title report, a document confirming the legal paperwork is in order and safe for them to proceed.

The lender typically sends the mortgage funds to us the day before completion.

In rare instances, the lender may have last-minute inquiries before releasing the funds, requiring your urgent attention. If we request that you contact the lender, please treat it as a top priority, as delays in receiving mortgage funds could jeopardize the transaction and put your finances at serious risk.

Occasionally, there may be delays in receiving mortgage funds on the completion day, and we always request the funds one day in advance to avoid such delays.

While we will follow up with the mortgage company, we may also ask you to contact the lender if the funds are received late.





Finalizing the Purchase:

On the completion day, we transfer the outstanding balance to your builder for acquiring the property.

This payment is made directly to the builder's legal representative via same-day bank transfer. Upon receiving the funds, the builder's legal representative should contact the builder or the builder's real estate agent to ask for the release of the keys to you.

In rare instances, delays in the transaction chain might lead to postponed receipt of the funds meant for your builder. You must keep your phone line open for us to reach you in case of unforeseen circumstances on the completion day.

If there are delays in the transaction chain, we might have to coordinate access for you with the builder's legal representative upon completion. If you face any challenges accessing the property on the day of completion, please get in touch with us immediately.

Inspecting the property right before completion is also advisable to ensure there is no damage or vandalism.

Title Registration

Following the completion of the transaction, we will register your title to the property with the Land Registry.

Subsequently, we will provide you with a copy of the updated Land Registry document, indicating you as the property owner and your lender if you have secured a mortgage.

Ten FAQs to ask your developer:

We recognize that purchasing a new build can be a complex process. Here are ten frequently asked questions to discuss with your developer.

Is the plot cost included?

When considering new construction options, each plan has a base cost that covers the structure and basic interior and exterior features. Be sure to ask if the plot cost is included in the base price and if there are premium prices for specific plots.

How long will the build take?

Since the building process can experience delays, getting a general idea of the expected build time is essential. Ask if this timeline includes obtaining permits, which could add up to 45 days.

Are there warranties provided with the property?

Inquire about the warranties included with the new home, such as short-term whole-house guarantees and longer-term structural warranties. Ask for their respective expiration dates.

What are the standard finishes?

Discuss with the sales representative the standard finishes included and any customization options. Consider your preferences for finishes, such as carpets, countertops, and appliances.

Are you allowed to buy your appliances or materials?

Determine if the builder lets you purchase and provide your appliances or materials. Be aware that you may be required to make some appliance purchases.

Will you get credits if you bring in your materials or appliances?

Ask if the builder offers credits for upgrades or self-purchased materials or appliances. Remember that credits are not always standard and may need negotiation.

Is landscaping included?

Inquire about landscaping and any associated costs. Some builders may include essential garden work, while others might leave you with an unfinished yard you need to landscape yourself.

Does the contract include a cost escalation clause?

Avoid financial surprises by checking if the contract contains a cost escalation clause, which could allow the builder to charge you for unexpected labour or material costs.

Are there any homeowners' rules or regulations?

Find out if there are any builder-set guidelines for the property, even without a homeowner's association. This may affect your ability to customize your home as desired.

Are there any financial incentives for using the builder's preferred lender?

Ask if discounts on closing costs are available when using the builder's preferred lender. However, consult a financial advisor and shop for the best mortgage deal rather than basing your decision solely on a discount.

We hope this list of ten frequently asked questions for new build homebuyers has helped guide you through the process.

These questions cover plot costs, build time, warranties, finishes, purchasing materials, credits, landscaping, contract clauses, property guidelines, and financial incentives.

By asking your developer these questions, you can ensure you are well-informed and prepared when purchasing a new build property. Let us know if this information has been helpful to you.

See what our clients are saying on Trustpilot.

From here you will be able to read some of our reviews Trustpilot. See what nearly 1800 customers have said. (March 2023)

We have a 5 star Trustpilot rating, our customers satate our first priority

“Excellent experience dealing with the solicitors Bradley and Benjamin for a property purchase. Efficient and quick to complete the process steps, prompt responses, clear instructions, swift completion. I totally recommend them.”



by Ouannassa Rached

Rated 4.8 / 5 | 1,755 reviews



“Helpful and seamless transfer of equity. – Beatie, Akshaye and Rianna have again provided us with a seamless service. Backing phone calls to support the paperwork, so we always knew what was required and current progress.”



by Mrs Caroline Rees

Rated 4.8 / 5 | 1,755 reviews



“5 star experience – I have just bought my first property and dealt with Olivia Lyall who was absolutely fantastic. Anytime I had a question or needed anything, Olivia was there looking after my purchase. I couldn't be happier with the service.”



by Alice Scott

Rated 4.8 / 5 | 1,755 reviews



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A photograph of a small, white, model house with a brown, corrugated roof. The house is positioned on the right side of the page, partially overlapping the table of contents. The background is a soft, out-of-focus light color.