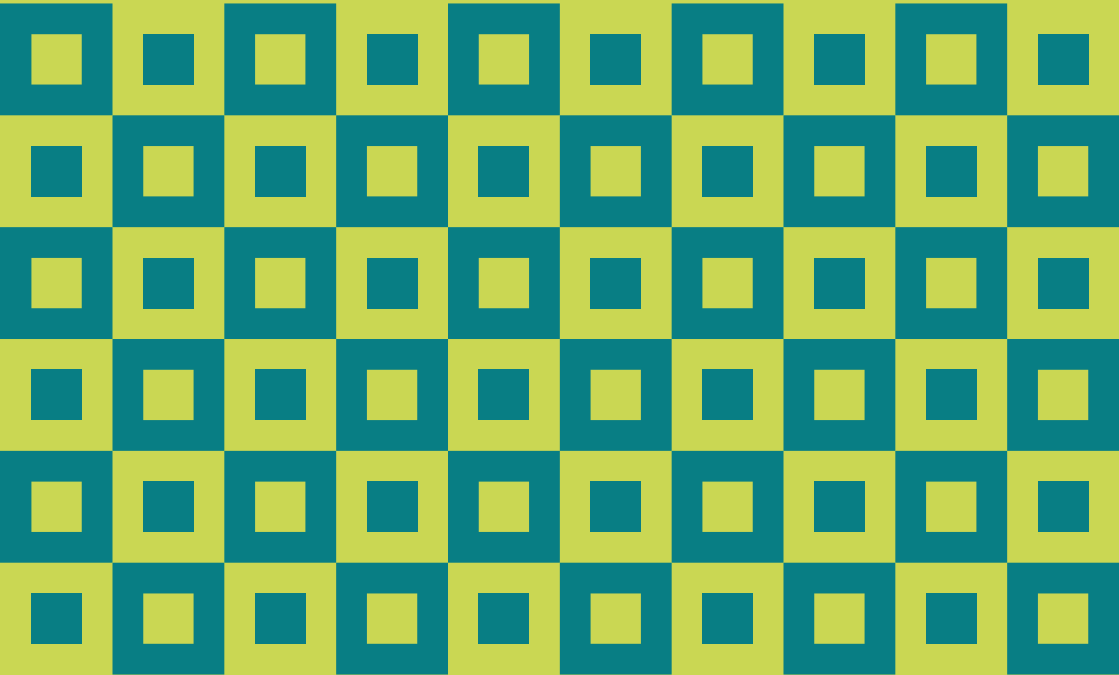


Our Guide to

# New Build Purchase Conveyancing



WIDDOWS MASON



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Why Choose Us?

# Introduction

Buying a new build home is a significant event and often filled with excitement and anticipation. One of the critical processes involved is conveyancing, which refers to the legal transfer of property ownership from the developer to the buyer. Although it might seem daunting at first, understanding each step can help make the process smoother and less stressful.

## What is Conveyancing?

Conveyancing is the legal process that ensures the buyer gets the title (ownership) of the property along with all the rights associated with it. It starts when an offer on a house is accepted and ends when the keys are handed over to the new owner.

## Why New Build?

Purchasing a new build property offers a unique and exciting opportunity to own a home that's completely fresh and can often be customised.

**Incentives:** Developers may offer to cover legal fees, Stamp Duty, or Land Transaction Tax and offer upgrades.

**Warranties:** New builds come with structural warranties (e.g. NHBC), protecting against unexpected repair costs or property defects.

**Chain-Free:** No onward chain means a quicker, less stressful buying process with fewer risks of delays.

**Energy Efficient:** Modern insulation, double glazing, and efficient heating reduce utility bills.

**Cost-Effective:** Lower maintenance and repair costs as everything is new and built to current standards.

**Blank Canvas:** A fresh home ready for personalisation, without needing to redecorate.

**Buying Off-Plan:** Early buyers can choose layouts, finishes to suit specific requirements.

**Modern Living:** Designed for contemporary lifestyles with open-plan layouts, smart tech, and enhanced security.



### Why HCB?

Buying a new build can be more complex than a standard property purchase but HCB Solicitors' specialised new build property team brings extensive experience in working with developers and navigating the unique challenges and deadlines associated with a new build purchase. In most cases we have already seen the legal documents for the site and had the opportunity to iron out any issues that might have cropped up which puts us at a significant advantage of other solicitors.

**By using HCB you will be best placed to meet the developers exchange deadline within the reservation period.**

# A breakdown of the new build conveyancing process

## 1 Reservation and Initial Steps

### Instructing a Lawyer

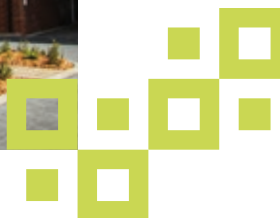
After you've chosen your new build property or plot, the developer will usually require a reservation fee. This secures the plot and the purchase price for you provided exchange of contracts takes place within the reservation period.

With new builds, timing is crucial. There is typically a 4–6 week window from reserving the property to exchange of contracts, which is much quicker than a standard purchase so you'll need to instruct a lawyer who is experienced and capable of dealing with such timescales to act on your behalf as soon as you've made the reservation. We'd also always recommend choosing the same lawyer to deal with both sale (if applicable) and purchase to avoid delays with the transaction and on completion.

## 2 Reviewing the Contract and the Developer's Pack

Once reserved, the developer will send your lawyer a detailed "pack" including the property's specifications, site and layout plans, planning permissions, and warranties. Our role is to ensure all the details are correct and to verify that your investment is protected.

New builds come with warranties or guaranties (such as NHBC), and a detailed review of the specifications and planning permissions is essential. We'll ensure that the property will meet your expectations and that you're protected if there are issues post-completion.



### 3 Searches and Enquiries

#### 3.1 Conducting Searches

Searches are applied for by the buyer’s lawyer to help ensure there are no hidden issues or risks associated with the property. As these can typically take 3–4 weeks, solicitors who have a relationship with the developer can often rely on instant searches to avoid these delays.

**Local Authority Searches:** Checks for planning issues, highways information, and other local matters.

**Environmental Searches:** Ensures there are no risks like flooding or contamination.

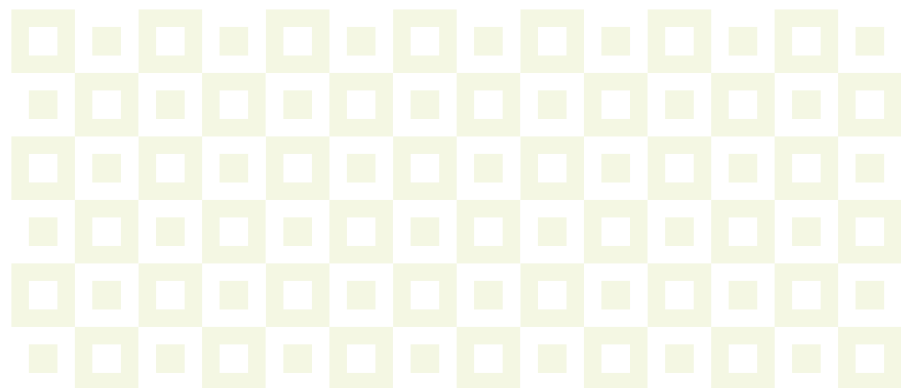
**Water and Drainage Searches:** Confirms the property is connected to the main water supply and sewer system.

**Additional Searches:** Depending on the property’s location, additional searches like mining or Chancel Repair may be needed.

#### 3.2 Raising Enquiries

**Buyer’s Enquiries:** The buyer’s lawyer reviews the all documents and searches received, raising any additional questions or concerns with the developer’s lawyer.

**Developer’s Responses:** The developer’s lawyer responds to these enquiries until the buyer and their lawyer are satisfied. If HCB are on panel we will have already reviewed the title and be familiar with it reducing the timescale for this stage.



### 4 Mortgage and Funding Arrangements

#### 4.1 Mortgage Offer

**Applying for a Mortgage:** If a purchase is being financed by a mortgage, to reduce the risk of any delays, the buyer should apply for the mortgage as soon as an offer as a property has been reserved.

**Mortgage Offer:** Once approved, the lender will issue a formal mortgage offer detailing the terms of the loan to the buyer and their lawyer.

You or your financial advisor must ensure your loan offer aligns with the specific requirements of a new build as some lenders have unique stipulations.

Mortgage offers on new builds may expire after a set period, so you need to stay on top of expiration dates and work closely with your financial advisor to avoid complications if construction takes longer than anticipated.

#### 4.2 Help To Buy

When purchasing new builds in the UK, government schemes like Help to Buy Equity Loans and Help to Buy ISAs have supported many buyers. While applications for some of these schemes have closed, they remain relevant for ongoing completions or transactions involving properties purchased under them.

##### Help to Buy Equity Loans (Wales only)

Subject to criteria, the scheme provides up to 20% of a new build’s value as an interest-free loan for the first five years and initially requires a 5% deposit and a standard mortgage for the remaining balance.

##### Considerations:

**Tight Deadlines:** Ensure Help to Buy documentation (e.g. Authority to Proceed and Authority to Exchange) is processed promptly & accurately.

**T’s & C’s:** It’s worth ensuring that requirements between Help to Buy and mortgage lender are aligned and it’s essential to be fully aware of the process of repaying the loan.





### Help to Buy ISAs

Help to Buy ISAs offered a 25% government bonus on savings, up to a maximum of £3,000, for first-time buyers.

Bonuses are available until November 2030 for properties under £250,000 (£450,000 in London).

### Considerations:

**Bonus Timing:** The bonus is paid on completion, not at exchange, so it cannot be used for the initial deposit.

**Eligibility Checks:** Confirm the buyer and property meet the scheme's criteria.

**Time Management:** Solicitors must apply for the bonus well before completion.

Check that the bonus criteria is met and remember that the bonus is paid on completion and cannot be used for the initial deposit. The bonus is applied for by the lawyer so ensure they are aware of the ISA and that they apply for the bonus in time for completion.

## 5 Exchange of Contracts

### 5.1 Preparing for Exchange

For new builds, the exchange of contracts usually happens much sooner than in a standard transaction. At this stage, you'll typically pay a deposit (usually 10% of the property's purchase price) to secure your commitment.

**Final Checks:** The buyer and their lawyer will ensure all searches and enquiries are satisfactorily completed and answered and completion dates are discussed. Due to the construction progress and timelines, completion will often be "on notice," meaning the actual completion date depends on the progress of the build.

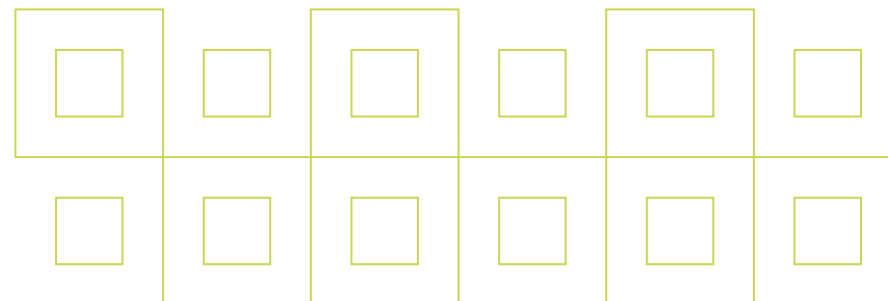
**Signing Contracts:** Both buyer and seller sign their copies of the contract and return them to their respective lawyer.

### 5.2 Exchanging Contracts

**Exchange Process:** The signed contracts are exchanged with completion set for the date agreed. At this point, the buyer pays a deposit (usually 10% of the purchase price) which is held with their lawyer.

**Legally Binding:** After exchange, both parties are legally committed to the transaction. If either party withdraws, financial penalties may be incurred.

**Timescales:** Depending on the progress of the build, you'll either exchange with a fixed completion date if the property is finished, or "on-notice" if the building is incomplete. This means that completion will take place once the developer serves notice that the property is ready and ready for you to move in.



## 6 Pre-Completion and Final Checks

As the property nears build completion, we'll perform final checks to ensure everything is in order for legal completion. This includes confirming that warranties are in place, ensuring compliance with planning regulations, and verifying that the property has been built according to approved plans.

At this stage a final inspection and home demo is often organised between the developer and purchaser to ensure the property is finished to the specifications outlined in the contract.

As the property has just been constructed a traditional survey won't be necessary but it is recommended to thoroughly check the property prior to completion for "snags" – issues with the finish of the property. Some buyers instruct a specialist snagging surveyor to visit the property on their behalf.

A "completion notice" will also be obtained from the developer, which will outline the timeframe for final payments and moving in. Mortgage funds will be requested by the purchaser's lawyer who will also perform final searches to ensure everything is satisfactory legally.

## 7 Completion

Once the property has been physically completed, you'll be able to complete. Since completion is usually "on notice," flexibility with your move-in date may be necessary. However, we'll keep you informed at each step so you can plan accordingly.

### 6.1 Final Arrangements

**Transfer of Funds:** The buyer's lawyer transfers the purchase funds to the seller's lawyer.

**Key Handover:** Once funds are received, the seller's lawyer confirms completion, and the buyer can collect the keys to the property, usually from the developments site office.

### 6.2 Post-Completion Tasks

**Registering the Property:** The buyer's lawyer registers the property with the Land Registry, transferring the legal title (ownership) to the new owner. The time it takes the land registry to finalise registration, can sometimes take up to 2 years.

**Paying Stamp Duty/Land Transaction Tax:** The Lawyer will also handle the payment of Stamp Duty Land Tax /Land Transaction tax on behalf of the buyer.



## Costs Involved in Conveyancing

### Conveyancing Fees

**Lawyer's Fees:** These vary but generally range from £750 – £1,500 (+vat) depending on the property's value and complexity.

**Disbursements:** These are third-party costs your lawyer pays on your behalf, including searches, Land Registry fees, and bank transfer fees.

### Stamp Duty Land Tax / Welsh Land Transaction Tax

This tax is payable by the buyer on properties above a certain threshold. Rates vary depending on the property price, buyer's status (first time buyer, additional property, etc.) and location of the property being purchased.

**Please contact us at: [PropertyQuoteWM@hcbgroup.com](mailto:PropertyQuoteWM@hcbgroup.com) or call the office for a personal quotation.**

# Top Tips to Meet your Reservation Deadline

## 1 Choose a Specialist Lawyer as Soon as Possible

Seek recommendations and check reviews to find a lawyer with a good track record and experience with new builds. It is recommended to choose the same lawyer to deal with both sale and purchase to avoid delays with the transaction and with completion.

## 2 Act Promptly

Respond quickly to requests from your lawyer & return your ID and source of funds information with the first 5 days.

## 3 Stay Informed

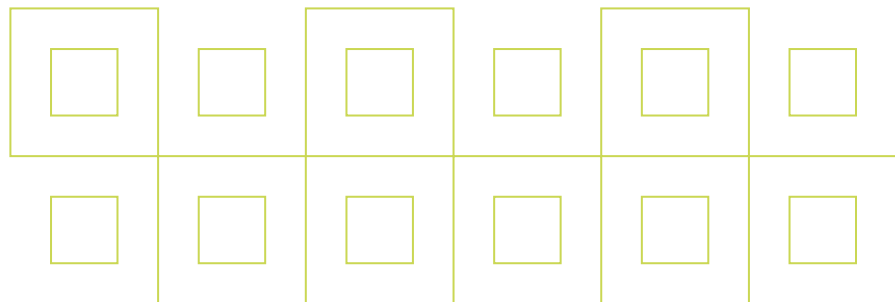
Keep in regular contact with your lawyer and stay informed about the progress.

## 4 Finance

Be aware of all potential costs and budget accordingly and ensure your deposit funds are readily available to transfer to your lawyer. It's also recommended to use a financial advisor who specialises in products suitable for new build properties.

## 5 Be Prepared

Gather all necessary documents and information early in the process.



# How to Resolve Common Issues

**Delays in Searches:** These can be frustrating and are often out of the buyers and lawyers hands. Staying in touch with the lawyer and paying for searches promptly can help expedite the process as well as working with an experienced new build lawyer who can rely on instant searches.

**Snagging:** Once the property has been finished, it is recommended to visit to ensure the finish is as described and as expected. There are often minor imperfections so flag these with the developer as soon as possible to allow them to rectify.

**Mortgage Delays:** Ensure all documents are in order and respond promptly to the lender's requests. Applying for the mortgage swiftly will help reduce any delays.

**Source of Funds:** Ensure you make your lawyer aware of how you are funding your transaction and any third party gifts or loans as early as possible so the further necessary checks can be undertaken to avoid any delays.



# Different Types of Property

## Leasehold Properties

**Additional Considerations:** Leasehold properties involve extra complexities, including checking the lease's length and any service charges and ground rent.

**Enquiries:** The buyer's lawyer will need to raise specific enquiries regarding the lease terms and management company.

## Shared Ownership

**Additional Legal Work:** Shared ownership involves purchasing a share of the property and paying rent on the remaining share. This requires additional legal work and understanding the terms of the shared ownership scheme.



## Why Choose Us?

New build conveyancing requires an understanding of construction timelines, developer contracts, and specific lender requirements. With our specialised expertise in new build transactions, we ensure the process is smooth, efficient and thoroughly safeguarded, allowing you to move into your new home with confidence.

Conveyancing is an essential part of buying or selling a property in the UK. By understanding each step and knowing what to expect, you can navigate the process with greater confidence and ease. Choose a good lawyer, stay informed, and be proactive to ensure a smooth transaction and enjoy the exciting milestone of moving into your new home.

This guide aims to provide a clear, concise overview of the new build conveyancing process, helping demystify what can often seem like a complex legal journey. Whether you're a first-time buyer, seasoned investor, or selling your home, understanding conveyancing will help you make informed decisions and proceed with confidence.

**If you would like to discuss how HCB Solicitors can help with your sale or purchase, get in touch with our dedicated and experienced team today either by calling your local office or by emailing [PropertyQuoteWM@hcbgroup.com](mailto:PropertyQuoteWM@hcbgroup.com)**



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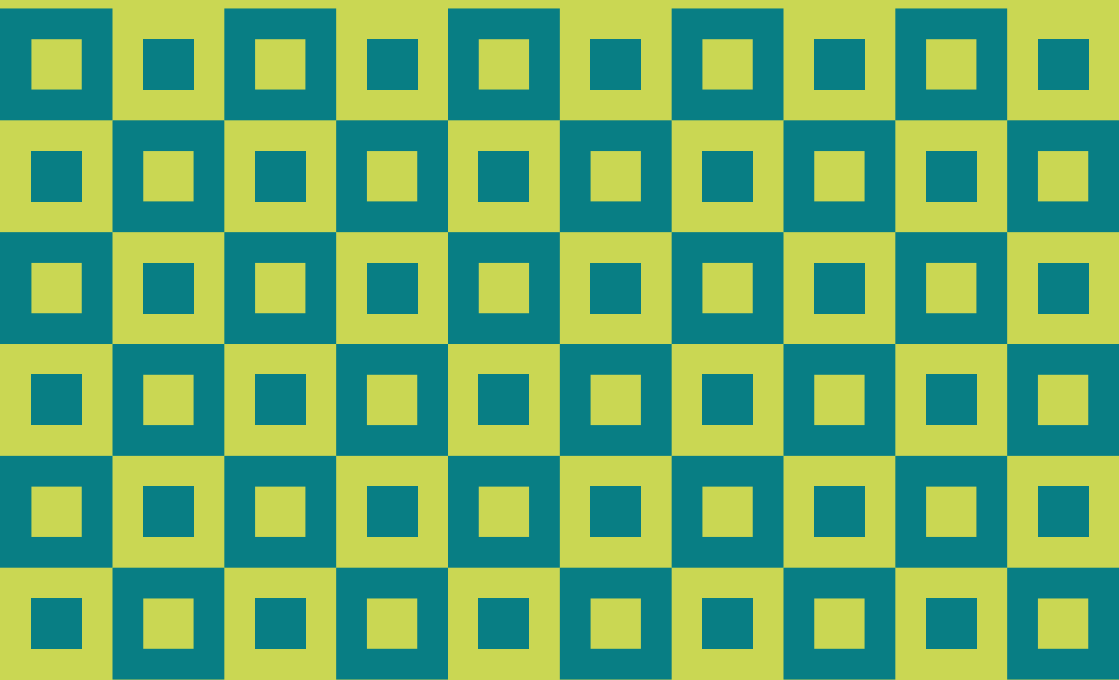
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