YOUR GUIDE TO
BUYING
A NEW HOME
RESERVATION TO EXCHANGE OF CONTRACTS
OVERVIEW OF THE BUYING PROCESS

Now you have found the property you would like to purchase, the buying process is straightforward. Typically this will happen over a 28 day period, please use our checklist below to ensure you have completed all the steps for purchasing your new home, within the required time frames.

The Savills sales team are on hand to help and will be in contact throughout this period.

INITIAL STAGES OF RESERVATION

☐ Reservation form completed and returned to Savills sales team
Savills will prepare the reservation form which you should usually expect to receive within 24 hours of your offer being agreed. This sets out the basis upon which the transaction will proceed. The memorandum of sale will then be sent to all parties.

☐ Reservation fee paid to the solicitor/developer
Within 24 hours of reserving you are required to pay your reservation fee.

Individual identity documents
In order to comply with Anti Money Laundering requirements the following identity documents need to be provided with your reservation form for each purchaser to be named within the sales contract.

☐ Certified valid Photographic Identification for each named purchaser
☐ Certified proof of address for each named purchaser

☐ Instruct finance provider (where applicable)
Homes can be purchased many years off-plan or may be ready to move into immediately so, if you are financing your purchase with a mortgage you will need to consult a mortgage broker or your bank.

SPF Private Clients are listed within this document and its mortgage brokers are on hand to discuss the mortgage options available to you.

☐ Instruct your solicitor
Formally instruct your solicitor to act on your behalf and complete the relevant paperwork.

☐ Pay money to your solicitor (to be placed on account)
Your solicitor will request funds to be placed on account for disbursements and searches.

☐ Legal Pack sent to your solicitor
The developer’s solicitor will send your solicitor a draft contract together with a copy of the title and lease (where applicable), and other relevant information.

Your solicitor will now carry out all of the necessary due diligence required for the sale, including local authority searches.

This document is intended as a guide only and does not constitute legal or professional advice. It should not be relied on or treated as a substitute for specific advice relevant to specific cases. All purchasers should consult their own solicitor and mortgage broker (if applicable) prior to purchasing a property. Please note some images are computer generated and are for indicative purposes only.
FURTHER STEPS

LEGAL

☐ Solicitor will raise enquiries with the developers solicitor
☐ Draft contract finalised
☐ Purchaser review of contracts and title documents

FINANCIAL

Please note that the further financial steps may only be applicable for homes where mortgage offers are available prior to exchange of contracts and/or valid on completion.

☐ Full mortgage application submitted to lender
☐ Valuation / survey booked
☐ Valuation / report received
☐ Mortgage offer received

EXCHANGE OF CONTRACTS

☐ Contract signed and returned to solicitor
☐ Initial deposit transferred to solicitor, typically 10% less the reservation deposit already paid
☐ Exchange of contracts

On exchange of contracts, a binding contract is in place.
When a home is being purchased off plan then a buyer will usually exchange contracts with completion on notice.
If a home is ready to move into then it may be possible to set a completion date on exchange of contacts.
SPF Private Clients has a new homes department, specialising in arranging mortgages for clients buying new-build homes. Its mortgage brokers have access to a wide range of mortgage options as well as preferential rates and bespoke arrangements. Its clients range from first-time buyers through to successful investors managing large portfolios.

Having long established relationships with high street lenders and private banks, SPF can access not only key decision makers but also specific new-build underwriters.

Its brokers will know which lenders to approach in order to find the most suitable and cost-effective mortgage for you and the type of property you are purchasing.

SPF manages the mortgage on your behalf, liaising with all parties involved, including the developer, lender and your solicitor. This ensures a smooth transaction from start to completion, fitting in with the developer’s timescales. Its brokers are available seven days a week to assist with your requirements.

Get in touch

**SPF PRIVATE CLIENTS**

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SPF Private Clients may charge a fee. The exact amount will be confirmed to you before any work is undertaken.
THE MINI PROPERTY GLOSSARY

Our Mini Property Glossary is by no means exhaustive and we have laid out the most frequently asked terms. Please refer to your solicitor for a detailed explanation of any term.

BUILDING WARRANTY
All developments have to comply with stringent building standards and are offered with the benefit of structural defects insurance (sometimes referred to as a warranty).

Most major developers subscribe to the National House Building Council (NHBC) scheme which offers a 10 year “Buildmark” warranty. Other developers may subscribe to similar schemes such as the Premier Guarantee Scheme or LABC warranty.

The warranty is designed to cover defects in the property which may arise during the warranty period as a result of the developers’ failure to observe the scheme requirements.

CONTRACT
The legal agreement that sets out the main terms that have been agreed – for example: price, address, names etc. Two copies are drawn up, and each party signs one in readiness for the exchange of contracts.

CONVEYANCING
A general term that is used to describe the purchase and sale of property.

DEFECT LIABILITY PERIOD
Following practical completion the builder/contractor will remain liable for any defects for a set period of time.

DEPOSIT
The part of the purchase price which the buyer pays on exchange of contracts. You will typically need 10% of the purchase price. (See: stage payments, exchange of contracts)

EXCHANGE OF CONTRACTS
The swapping of signed contracts by the solicitors (together with the buyer’s deposit). This is the legal commitment to purchase and only happens once your solicitor has confirmed that your interest in the property is protected.

After this, the contract is legally binding, from which neither party can withdraw without financial penalties.

You will be required to provide a portion of the purchase price (less the reservation fee paid). This is usually 5% or 10%. (See Stage Payments)

EXCHANGE TIMEFRAME
Usually either 21 or 28 days from the date draft contracts are received by your solicitor.
GDPR AND PRIVACY POLICY
Savills, in their role as selling agent, need to collect and use your data solely for the purpose of buying the property concerned.
Savills Privacy Policy can be found at www.savills.com/footer/privacy-policy.aspx

GROUND RENT
The annual fee which a leaseholder pays to the freeholder.

IDENTIFICATION
Certified Identification is required for Anti Money Laundering and you will be required to provide certified proof of identification and address (dated within the last three months).

LAND REGISTRY
The Government department which records who owns what land, and under what conditions.

LEASEHOLD
To be given ownership of a property but not the land it is built on. This normally requires payment of ground rent to the landlord. A leasehold is normally offered for 125 or 999 years, or shorter terms.

SERVICE CHARGE
A charge made towards the upkeep of a freehold or leasehold property. Prior to completion the service charge for a home will usually be estimated on a GBP per square foot basis. Buyers should discuss potential increases and/or reasons why with their solicitor prior to exchange of contracts.
Following completion Service Charge is collected from leaseholders by an appointed managing agent.

LONGSTOP DATE
There are usually two dates, a ‘short stop’ and a ‘long stop’. The former is the date by which the developer expects to have finished the building works, the latter is the date by which they must have done so.

MORTGAGE OFFER
A formal written offer made by a bank or building society to lend an approved amount to purchase a property.

MORTGAGE REDEMPTION FIGURE
The amount required to repay the outstanding capital/ interest of a mortgage.

PREDICTED ENERGY ASSESSMENT (PEA)
Predicted energy assessments are for new build homes. Normally, when a home is designed, a “target energy rating” based on the design is produced to show a building inspector that the property will meet requirements under Part L of the Building Regulations. The final energy performance of the property must achieve at least this target energy rating to receive its final sign-off from the building inspector. Given the importance of providing energy efficiency information to the prospective buyer, this existing process will be used to produce a predicted energy assessment.
Please note that when a property is build complete a full energy performance certificate will be provided by the developer.

SEARCHES
Checks of local council records for planning applications and restrictions. Please consult your solicitor for further information.
STAGE PAYMENTS
Although exchange of contracts will occur with typically 10% deposit being paid, you may find stage payments required prior to completion.

STAMP DUTY LAND TAX
SDLT is usually paid on increasing portions of the property price. There are different rules when property purchasing for owner occupation and investment. To calculate the potential SDLT visit: www.gov.uk/stamp-duty-land-tax/residential-property-rates

SURVEY
An inspection made by a qualified surveyor. There are three main types of survey. Valuation report (for mortgage purposes), Homebuyers report (also comments on general condition) and Full Structural survey (examines structural detail).

THE CONSUMER CODE FOR HOME BUILDERS
The Consumer Code for Homebuilders was developed by the home-building industry to make the home buying process fairer and more transparent for purchasers. The Code aims to ensure that all buyers are treated fairly, know what levels of service to expect, are fully informed about their purchase and their consumer rights before and after they move in, and are provided with a speedy, low cost dispute resolution scheme to deal with complaints. For more info: www.consumercode.co.uk

TITLE DEEDS
Legal documents that prove ownership of land/buildings and the terms on which they are owned.

TRANSFER OF TITLE
The document that passes the ownership from the seller to the buyer.

SUBJECT TO CONTRACT
Words used to indicate that an agreement is not yet legally binding.
WE’RE JUST AROUND THE CORNER

With 137 offices across the UK, Ireland and Channel Islands, we can provide a combination of specialist and local knowledge.
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