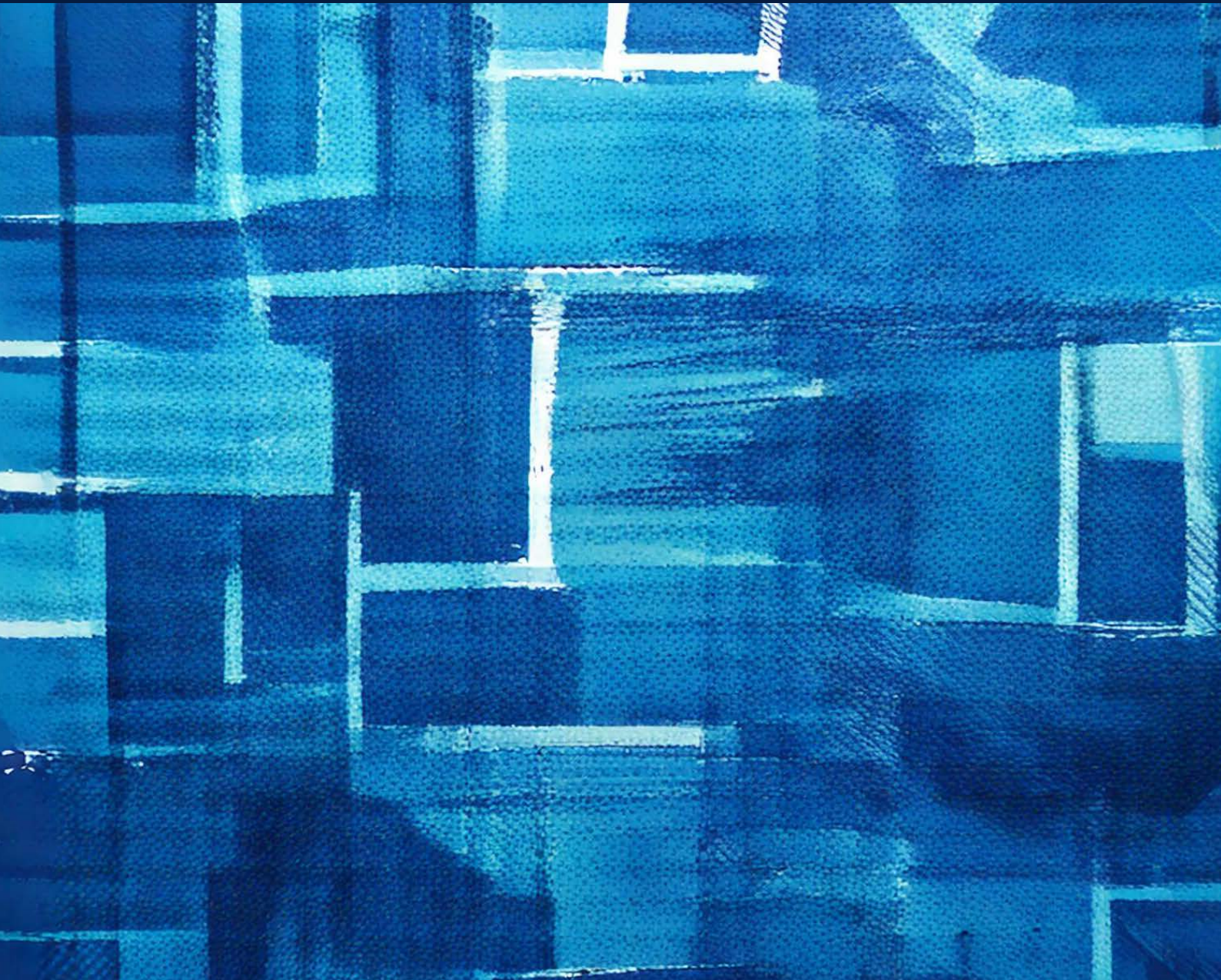


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Buying a new build residential property in England and Wales: the basics



Buying a new build residential property

Buying a new build in pristine condition is an attractive proposition to many. There are some key differences and considerations, for example whether there is a reservation agreement (and reservation fee); how snagging defects are dealt with; completion mechanics; longstop provisions; and the requirement for a new build warranty policy. The purchase might be 'off plan' ie the development is under construction at the point the sale is agreed (or possibly construction has not commenced), or 'as built' ie ready to move in to. This guide covers the basics.

“ The Farrer & Co team has a personable nature. Each transaction is covered by several highly experienced lawyers and they work very hard and diligently to provide the best possible service.”

- Chambers High Net Worth 2025

1. Preparing to buy

You need to decide how you will fund and structure your purchase.

After your offer is accepted, you will usually pay a reservation fee to the developer up front. This typically ranges from £10,000 - £50,000 depending on the value of the property you are acquiring.

You must ensure that you have cash available to fund the deposit which will be payable when contracts are exchanged. A developer will usually require 10% of the purchase price as a deposit (less any reservation fee you have paid).

If practical completion (ie the date when the property is build complete and ready for occupation) is some time away, you may be required to pay further deposits, known as stage payments. These are usually paid in instalments, often in 6 month or 12 month periods, and of amounts equivalent to 5 or 10% of the purchase price. This can mean you pay up to 30% of the purchase price ahead of legal completion.

If you need or wish to borrow money in order to fund part of the purchase price at completion, you should start discussions with your preferred lender as soon as possible. Ideally, you should ask your lender to confirm that your loan is approved in principle as this can help secure a deal with a seller. Mortgage offers typically expire 3 to 6 months from the date of issue, so if practical completion is some time off you must be prepared to renew your offer in good time. If you are struggling to find good financial terms for a loan, you may wish to use a mortgage broker who will compare lenders to find you the best offer.

There are a number of different ownership options. Owning property through a company used to be a popular option for overseas investors. Tax changes in the UK have made ownership through companies less attractive, but there may still be tax benefits to these structures; it will depend on your particular circumstances. Alternatively, you might wish to buy a property in your own name or perhaps with your spouse or other family members or friends. In England and Wales, a maximum of four people can join together to own a property. Every legal owner must be over 18 years old (although property can be held on trust for children).

You will need to instruct a lawyer and a surveyor. Your lawyer will investigate the legal aspects of the property and will manage the buying process on your behalf. Your surveyor can review the

physical condition of the property, however as it is a new build property you may feel a full building survey is not necessary. At practical completion, your surveyor can carry out a snagging inspection which

involves identifying minor defects or issues which you can ask the developer to rectify as part of the contract negotiations.

2. Finding a property

Properties in England and Wales are usually sold through estate agencies, although increasingly developers will set up their own in-house sales teams.

The agencies (or in-house teams) market the properties and arrange appointments for buyers to come and view the properties. You should register with as many estate agencies and developers as possible and keep in regular contact with them to ensure that they send you details of any available properties that suit your requirements.

If you have very specific requirements or are not sure where to begin your property search, you may wish to appoint a buying agent who will conduct the property search and negotiate the terms of the purchase on your behalf. Buying agents charge fees for their work, but the cost might be worth it, particularly if you are not based in the UK. A buying agent's contacts may allow you to secure a better deal or a more desirable property. Buying agents also have knowledge of properties which are for sale but are not yet listed with an estate agency, and which you might not otherwise find.

3. Agreeing the terms of your purchase

Once you have found a new build property you wish you buy, you will need to agree terms with the developer and sign a reservation agreement. You will agree the purchase price and other key terms such as the timetable for exchange. You will also be informed of the current estimated practical completion date of the development. If practical completion is some time off, you may have the opportunity to choose how you want the property styled at completion, eg by choosing a certain specification or opting for a furniture pack to be included in the sale.

The reservation agreement is binding and (except in limited circumstances) you will lose your reservation fee if you decide to walk away before contracts are exchanged. As part of the reservation agreement, the developer usually agrees a period of exclusivity during which they will not market the property or deal with anyone else. You should aim to agree all key terms at the outset as part of the reservation agreement. Your lawyer can also review and negotiate the terms of the reservation agreement on your behalf to ensure your position is protected.

4. Investigating the property

The investigation of the property by your lawyer is often the longest stage of the process.

Once the reservation form is signed, the estate agency (or developer) will put your lawyer in contact with the developer's lawyer. The developer's lawyer will send your lawyer a pack of documents which will include the draft contract, title information, the developer's replies to standard enquiries and any supporting information. Your lawyer will review the documents provided by the developer's lawyer and will also submit searches (where they have not already been provided by the developer) to various public authorities to obtain further information about the property. Your lawyer will ask the developer's lawyer to resolve any issues which arise from the investigations.

Your lawyer will report to you on their investigations and all answers and information provided by the developer.

If you are buying the property as built, your surveyor will inspect it ahead of exchange and will report to you on any snagging issues in respect of the property.

5. The contract

Your lawyer will negotiate the terms of the contract and ensure that you are happy with these terms. Your lawyer will seek to protect your deposit, and provide for you to be adequately covered by a new build warranty policy and appropriate collateral warranties. The contract will also set out the developer's obligations to remedy snagging items, both before and after completion. Your lawyer will also ensure that the agreed form lease attached to the contract is for an acceptable term and contains sensible ground rent provisions.

If you are buying the property off plan, your lawyer will ensure the contract covers the developer's obligations in relation to the construction of the property and the variations which the developer is entitled to make to the finished size, design and specification. A copy of the agreed specification will be attached to the contract.

6. The completion date

If the property is not yet ready for occupation, an anticipated legal completion date is written into the contract. This is the developer's estimate of when they expect the property to be built and ready for occupation. This could be many months (or even years) in the future. The contract will have a longstop date by which you can choose to end the contract and have your deposit(s) returned if the property is not built by a certain date in the future.

If the property is ready for occupation, a fixed completion date that you agree with the developer will be written into the contract instead.

7. Exchanging contracts

Once you have taken the advice of your lawyer and your surveyor and are happy to proceed, you will need to sign the contract and transfer the deposit monies to your lawyer.

Your lawyer and the developer's lawyer will then exchange contracts, and the deposit will be paid to the developer's lawyer. Once contracts are exchanged, you are legally committed to the purchase and must pay any stage deposits on the required dates and the rest of the purchase price on the completion date.

If you are borrowing money, you and your lawyer will also need to ensure that your lender is satisfied with everything and all loan agreements and other documents have been signed in advance of completion.

8. Completion

If an anticipated legal completion date is written into the contract, your lawyer will receive a notice to complete from the developer's lawyers. This confirms the property is ready for occupation and will state the date on which completion must take place. This date is usually 10 working days after the notice is received.

Before the completion date, you need to ensure that the balance of the purchase price (the purchase price less any deposit and reservation fee paid) is transferred to your lawyer. Your lawyer will also request any other sums which will be payable on completion, for example, the stamp duty land tax which falls due on completion.

Before the completion date, you will often be invited to the property by the developer for a handover and walk through of the property and wider development. At this stage your surveyor can also identify any snagging issues for the developer to resolve.

Completion is, again, handled by the lawyers. Your lawyer will send the money to the developer's lawyer on the completion date. Once the money arrives with the developer's lawyer, they will contact your lawyer and confirm that you are the proud owner of your new build property!

Key contacts



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Laura is a specialist residential property solicitor, dealing with sale, purchase and mortgage transactions. Laura deals with all types of residential property, whether freehold or leasehold, town or country, but she has a great deal of experience in the prime central London market. Laura particularly enjoys a fast-paced deal and has an excellent track record for delivering quality advice and exchanging transactions under pressure.



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Annabel's focus is on providing pragmatic and commercial advice, enabling clients to navigate the property market intelligently. Her wide-ranging experience spans residential, commercial and rural property issues. Her particular specialism is high-value residential real estate and secured lending. She thrives on fast-paced transactions and finding solutions to the complicated problems that can arise as a result of the esoteric nature of the land law of England and Wales.



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Laurie acts for individuals, institutions, private banks and others on property transactions, with a particular focus on high-value residential properties. He has acted for many of his clients for many years as their property interests have become more valuable and complex.



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Hugh is a residential property specialist experienced in high-value conveyancing and acting for both banks and borrowers in secured lending transactions. In particular, Hugh has extensive experience in acting on new build acquisitions and sales, and frequently represents purchasers based outside of the UK.

Details for the whole of our highly qualified and knowledgeable [Residential Property team](#) can be found on our website.

If you will have a related sale then we refer you to our [briefing note – a basic guide to selling property in England and Wales](#).

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