

# Your guide to buying a new build property

## Help to Buy schemes

These government-backed schemes can be broken down into pathways to assist people in buying their home. If you've never owned a property before and are looking to buy a new build, you're eligible to take advantage of any or all of these forms of support on offer; either the Help to Buy ISA or Lifetime ISA, also known as a LISA.

### The Help to Buy ISA

A Help to Buy Individual Savings Account (ISA) is a high-interest savings account for people buying their first property. You can open one with most major banks and make an initial deposit of £1,000. After that, you can deposit a maximum of £200 a month.

The real benefit of this account is that, when you come to buy your property, the government will give you 25% of your amount saved. Your solicitor must apply for this bonus on your behalf when you buy.

Currently, the minimum amount that can be claimed is £400, so you need to have saved at least £1,600 first. The maximum that can be claimed is £3,200 – but you can still deposit additional money in the account to take advantage of the interest rate. If you're buying as a couple, you can have one ISA each. Please note that the maximum property price you can use your ISA towards is £250,000.

### The Lifetime ISA (LISA)

If you're aged between 18-39, you'll be able to open a LISA, which can be used to save for property or retirement. The LISA has no monthly limit on the amount you can deposit; an annual limit of £4,000 will apply instead. The maximum government bonus will be larger too: £32,000.

If you're buying as a couple, as with the ISA, you can both have an account. However, you must be buying a property in the UK that's £450,000 or less, and you must have it open for one year before you can withdraw the funds.

You can have *both* an ISA and a LISA, however, you can only use one of them towards buying a home.

## Meet the team



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## 1 First things first

So you're thinking of buying a new build?

- + Contact the development's site office and calculate how much you can afford, taking into account your deposit, Stamp Duty\* and legal fees.
- + Find the property you wish to buy and pay the reservation fee; this is around £1,000 or £500 if you're using Help to Buy.
- + Instruct us as your solicitors and we will speak with the developer's solicitor to obtain your property's contract paperwork.
- + Be aware that exchange could be as soon as 28 days after receipt of the contract papers.

\* You may be exempt from Stamp Duty if you're a first-time buyer. Please contact us for details.



## 2 Finalise your offer

Now you've paid your reservation fee and we've received your contract paperwork, we will begin the legal process of ordering your searches and raising enquiries on the title documents with the developer's solicitor.

Finalise your mortgage and Help to Buy (if applicable) with your mortgage broker to avoid the risk of delaying the conveyancing process and potentially missing your exchange deadline.



## 4 Exchanging contracts

Once we're satisfied with your search results and replies to enquiries, and we've received your mortgage offer, we will be in a position to exchange.

You will sign the contract and this is the point that both you and the developer are legally bound to complete.

Once exchange takes place, a completion date will most likely be given upon notice. This could mean there may be a significant length of time between exchange and completion.



## 3 The legal 'bits'

We will provide you with updates and report to you on the documents.

Be 100% sure you still want to go ahead; you *can* still pull out at this stage but you will forfeit your reservation fee.

Transfer your deposit to your solicitor, ready for exchange of contracts. This is usually 10% of the purchase price, or 5%, if you're using Help to Buy.



## 5 Completion day

Congratulations! Your solicitor or conveyancer will register the transfer of ownership, meaning you're now a homeowner!

Funds are transferred and you can collect the keys to your new home.



### What's the difference between a new build and an existing property?

- + Existing properties are bought from the current owners. New build homes are generally bought from the developer.
- + The sale chain is much shorter with new builds; as it's new, you don't have to wait for the previous owners to move out.
- + The amount of time you have to exchange contracts is shorter; usually 28 days or less.
- + Older properties are more likely to have structural problems. New builds are constructed to 21<sup>st</sup> century standards.
- + For the same reason, new builds are usually more energy efficient, saving money on bills.
- + New builds are often cheaper, especially thanks to government-backed schemes which encourage the purchase of new build properties.

As well as assisting with your new build purchase, Barcan+Kirby can help with selling or part-exchanging, or if you're using a shared ownership or government-backed scheme, too.

Please get in touch with a member of our team for a quote.

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