

new build

purchase guide

This Guide is supplementary to our Home Buyers Guide. Please read both together and complete the accompanying Purchase Instruction Form.

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the reservation fee and deposit

The Reservation Fee

When you reserve a new-build property with the builder's sales representative you will normally be asked to pay a reservation fee. In return the builder will agree not to sell the property to anyone else provided that you then submit your offer for the property and pay the deposit asked for within the time limit laid down by the builder. If you do not adhere to these time limits you may lose the property and your reservation fee.



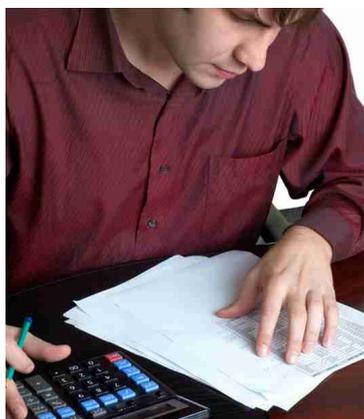
The Deposit

In addition to the reservation fee the builder will normally ask for a deposit to be paid on submission of the offer or on conclusion of the contract. This deposit may be non-refundable and you should not pay it without asking us for advice first.

You should have funds available to pay the deposit immediately as the builder may reserve the right to cancel the contract if it is not paid within whatever time limit the builder stipulates.

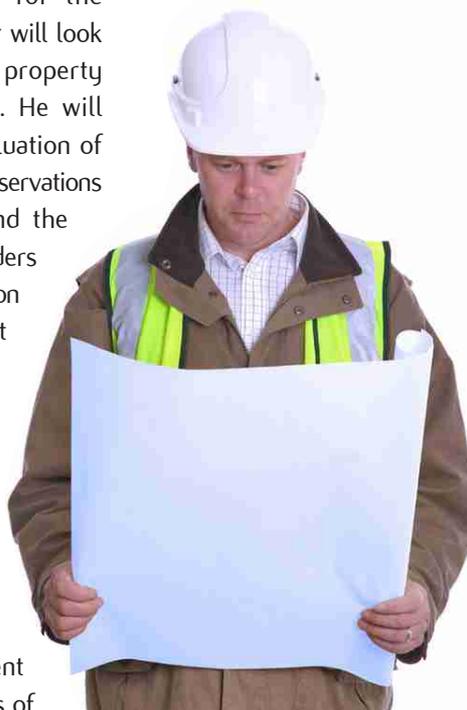
the purchase price

You should be careful when considering the actual purchase price to be paid to the builder especially when informing your lender of the price when applying for your mortgage. Many lenders will want to know the "net price", being the price less any discounts offered by the builder and the value of any extras to be included in the price.



We strongly recommend that you obtain a valuation report and an environmental report prior to submitting the offer for the property. The surveyor will look at the plans for your property and the development. He will provide you with a valuation of the property and any observations he may have on it and the development. Some lenders will require a re-inspection of the property when it has been completed and we can arrange for the same surveyor to do this on your behalf. The surveyor or provider of the environmental report may also be able to provide useful comment on surrounding features of

the land and any local concerns such as future marketability, flooding and contamination.



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the builder's offer to sell

When you buy a property on the open market you will submit an offer to the seller. When buying a new-build property the builder will provide an "offer to sell" which lays down the terms and conditions under which the builder will sell the property to you. You are free to make whatever amendments to this offer you wish but please note that most builders will resist any substantive amendments to their standard offer and some will not accept any.

The builder will normally ask you for your solicitor's details when you reserve the property. We will advise you when the offer to sell has been received by us and we will send you a copy of it.



specification of your new home and extras to be included in the price

Please ensure that you are fully satisfied with the design, plans and level of specification of your new property as discussed with the builder's sales representative. Please be aware that any show house or model may differ from the design and specification of the property that you are purchasing. If you have any concerns about this then you should

contact the builder's sales team immediately.

You should also note any time limits or dates by which you need to inform the builder of any extras to be included in your purchase. If you do not adhere to these time limits the builder may reserve the right to complete the property to its standard specification.

You should also note that Stamp Duty Land Tax will be payable on the full amount you are paying to the builder. This will include the basic contract price plus the cost of any "extras" that you may order. Before ordering "extras" take care that the additional cost will not take you into a higher rate Stamp Duty Land Tax band.



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NHBC Guarantee / Architect's Certificate

If your builder is registered with the National House-Building Council (NHBC) you will be provided with a 10-year warranty and insurance policy called 'Buildmark'.

Please note that the Buildmark policy is not a complete guarantee against all defects.

Buildmark is an insurance policy that covers you against specified risks which could be very expensive to put right. It does not provide cover for general wear and tear, condensation, normal shrinkage, damage arising from failure to maintain the property, or minor faults which first appear after the second year.

For full details you should read your copy of the Buildmark booklet which specifies the cover provided. This will be sent to you by the builder or us before or at settlement of your purchase.

When you move in, you should also receive NHBC's 'Guide to your new home' from your builder. It contains useful information about 'running in' your new home.

All these documents together with the Guarantee Certificates are important documents that you should keep in a safe place

in case you need to make a claim or sell your property in the future.

For more information we recommend that you visit the website www.nhbc.co.uk.

If the builder is not NHBC registered he may provide an Architect's Certificate certifying that the building work has been supervised by a suitably qualified person. Care must be taken to ensure that the form of certificate on offer will be acceptable to your mortgage provider.



property searches

It is normal practice for a builder not to provide searches against themselves or the property. In order to comply with your lender's requirements and to protect you we will therefore need to obtain the relevant searches at your expense. These searches include:

The Property Search (Form 10A/11A/12A/13A)

This search includes a search against the property to ensure that the builder has a proper title and against the builder or company to ensure that it can sell the property to you.

Company/Charges Search

If the builder is a limited company we need to search against that company to ensure that there are no issues with the company.

The Property Enquiry Certificate

This search involves checking the property with the relevant Local Authority to ensure that there are no adverse notices against the property or development and to check the position with the services (roads, water and drainage) serving the property.

The Environmental Report

This search checks that the development is satisfactory for residential purposes. It will check the previous use of the development. It will disclose if there are any issues with the development in relation to contamination, flooding and ground stability.

Coal Report

In some areas it may be necessary to obtain this report to ensure that the development has not been subject to previous mining works or that the developer has carried out the necessary remediation works.

local authority documentation for your new home

The builder should have obtained the necessary planning permission and building warrant for the development before starting the work. Builders may not provide us with copies of these documents but they will provide the Acceptance of Completion Certificate issued by the local authority.

Normally this document will not be available at settlement but the property should have been passed by the local authority for habitation purposes. When the Certificate of Completion has been issued by the local authority we will put this document with your title deeds.



documentation

the development

The property will most likely form part of a private development. Whilst the roads and footpaths together with the water and drainage pipes should be completed by the builder they may not be adopted by the Local Authority in the future. It would therefore become the responsibility of you and the other owners within the development to maintain, repair and if necessary renew these services.

The cost of any such works would be shared between the owners within the development in terms of the title deeds.

In a private development the builder will normally have created a Deed of Conditions. This is an important document because it will contain the conditions of title which will be binding on all the owners within the development. It is important

that you read this document because it will let you know what you can do with your property and also what your neighbours can do. We will send you a copy of the Deed of Conditions with the title report.

Please also note that the builder will normally reserve the right to alter the design of the development and even make alterations to the specification of your house.



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factoring

As your property forms part of a development the builder may appoint a Factor to manage the maintenance and upkeep of the common parts of the development. The common parts will normally be identified in the title deeds. There may be a factoring charge levied for the upkeep and maintenance of the common parts of the development. You may also have to pay a fee to the Factor. The factoring charge is normally levied by way of a monthly or annual payment to the Factor. You should ask the builder for an estimate of these costs to ensure that you can afford to meet these payments on top of other expenses.

In flatted properties the Factor may arrange a separate common buildings insurance policy the premium for which will be included in the factoring payment. If the Factor does not arrange such a policy you must ensure that your property has adequate buildings insurance in place.

settlement

The date of entry will normally be a date to be notified to us by the builder. The contract may include a notice period and will normally be a certain amount of days after the property has been inspected and passed as habitable and fit for occupation.

Please remember this when making arrangements for your loan and your funding of the purchase. Although the builder's sales staff may have indicated a likely date for completion there will be no obligation on the builder's part to meet that date. If completion of the property is brought forward there may be severe penalties imposed if you are late in paying the price. If completion is delayed for whatever reason the builder will not accept any liability.

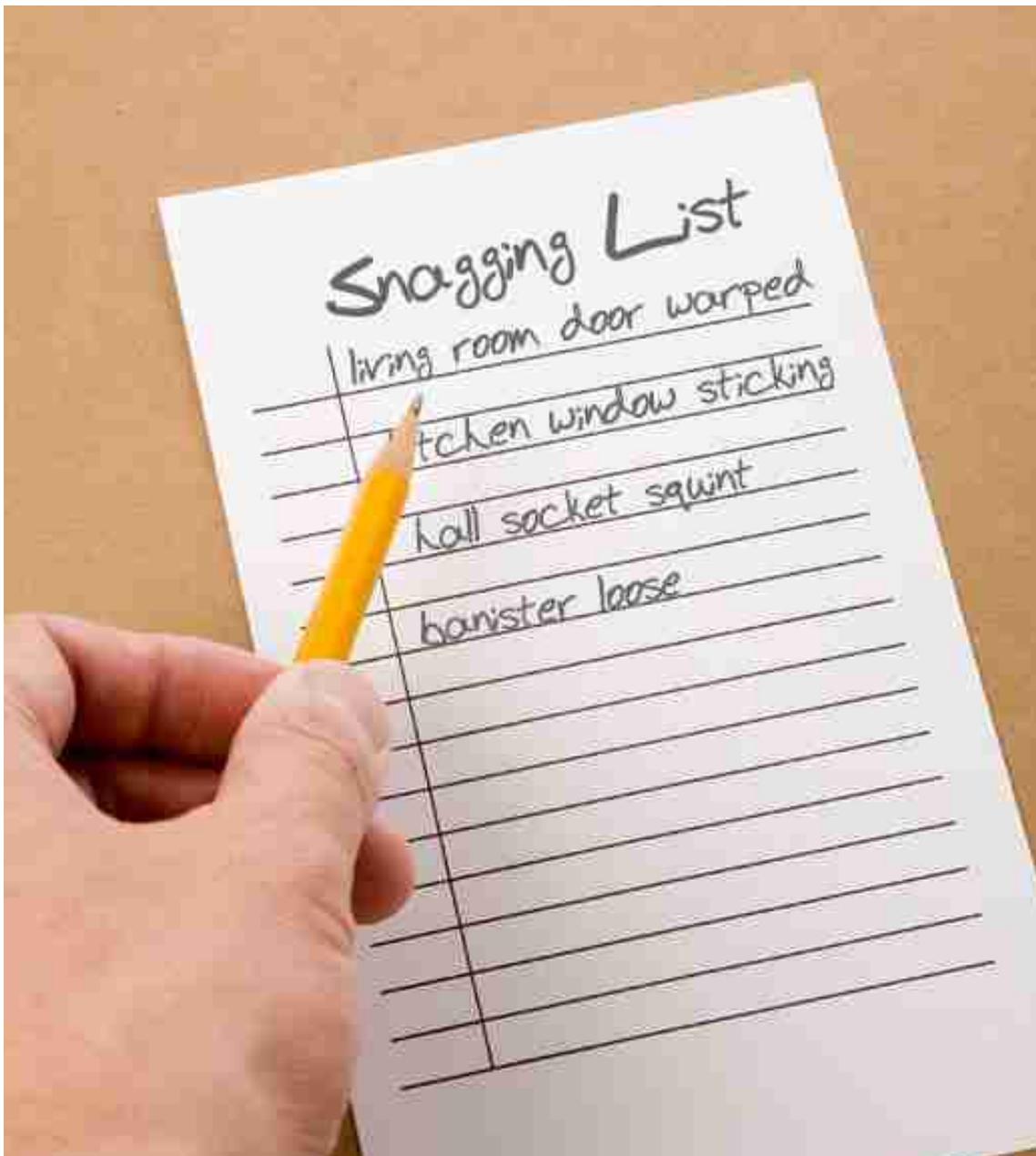


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“snagging”

Before the date of entry you may be given a viewing of your new home by the builder. At this time you may notice faults, defects and items with which you are not satisfied. The builders may agree to remedy these defects after you move in (so called “snagging”) but you should note that you may not be able to postpone settlement because of these defects. You should make yourself aware of the builder’s snagging procedure and ensure that any snagging lists are given to the builder or its agents within the time limits notified to you. Some builders will not accept any contractual liability to remedy these defects.

During the course of the construction of your property the builders may encounter difficulties or decide to alter the construction of the property. It is our experience that they may not notify you of this. If you have any concerns about this please discuss them with us now as we may not be able to do anything about them at a later date.



snagging

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buying?



selling?

cross the t's and dot the i's

peterkins solicitors

100 union street
aberdeen
ab10 1qr

01224 428101

60 market place
inverurie
ab51 3xn

01467 672800

3 the square
huntly
ab54 8ae

01466 799352

39 main street
alford
ab33 8px

019755 62939

145 mid street
keith
ab55 5bj

01542 882537

email us at:

propcen@peterkins.com

find us on the web at:

www.peterkins.com

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