

The Complete New Homes Guide for **First-Time Buyers**

Buying a New Home in a Residential Development in Ireland



**Sherry
FitzGerald**
NEW HOMES

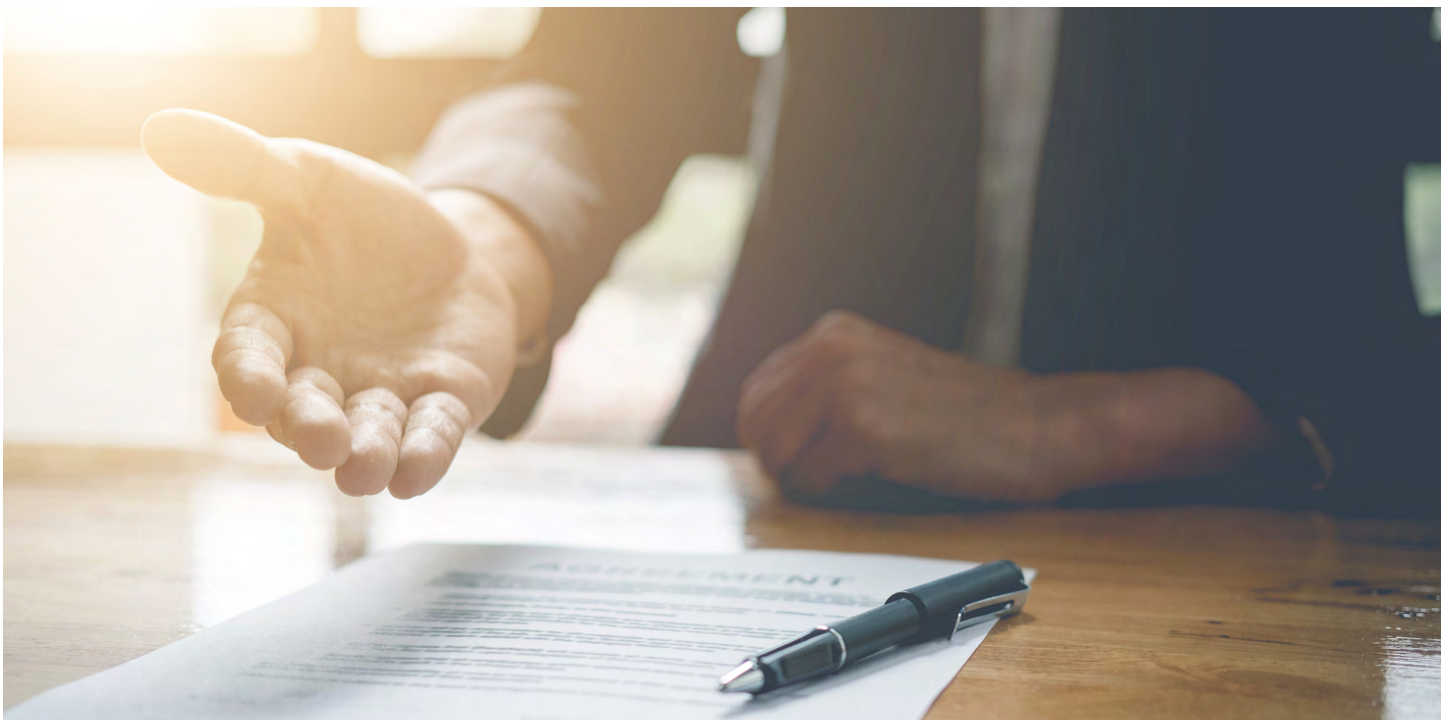


Sherry FitzGerald

Supporting you every step of the way

Buying your first home is an exciting time and understanding the huge amount of new information you need to know can feel overwhelming. To navigate your way through the new home buying process and find the right property, you need an expert in your corner, guiding you every step of the way. For more than 30 years, we have been helping first-time buyers all over Ireland and we have more experience than any other agent in the country.

With Sherry FitzGerald by your side, you'll benefit from this long-established experience and knowledge, giving you peace-of-mind that you're undertaking this journey with a genuine expert. Our step-by-step handbook to buying your new home, written with new residential developments in mind, brings you from mortgage preparation to moving in, and gives you everything you need to know in one handy guide.



1. Starting the process and understanding what lies ahead

Buying a home is an exhilarating process but it can also be a complex and challenging one.

Perhaps the most complicated element of this process is how you will finance the purchase. If you are raising a mortgage, you will be required to have finance in place before placing a deposit. You may need to demonstrate proof-of-funds (like a mortgage approval letter), and a fully completed Help-to-Buy incentive application where applicable. There are typically three ways to fund the buying of your home.

Three types of buyers – which one are you?

- **Cash Buyer** – you do not need a mortgage and you will be required to show proof of your ability to purchase in the form of a letter from your bank, accountant or solicitor
- **Subject to Finance** – like the majority of people, you need a mortgage to buy a property and you will need to demonstrate mortgage approval from your bank, broker or accountant within the past six months
- **Subject to Sale** – you have a property to sell and will be using the funds from the sale to buy another property. When appropriate, ensure you advise the estate agent of the status of your own sale. Keep in mind that when you buy a new home you need to sign an unconditional contract. The new purchase cannot be subject to you selling your existing house





What is the Help-to-Buy incentive?

The Help-to-Buy incentive is a government initiative designed to help you, as a first-time buyer, with raising the deposit needed to purchase a new house or apartment to live in as your home. Under the incentive, you may receive a refund of Income Tax and Deposit Interest Retention Tax (DIRT) paid over the previous four tax years. You might already know that DIRT is a form of tax on interest earned on bank accounts in Ireland and this is where your refund will come from.

Keep in mind that the price of the house or apartment cannot be more than €500,000 for properties bought after 1 January 2017. You must take out a mortgage on the property with a qualifying mortgage provider and this loan can only be for the purchase of this specific property. You should also remember that the developer/ builder of the property must also be eligible and your estate agent can advise you on this.

Visit sherryfitz.ie and read our informative guide on the Help-to-buy Incentive scheme for first-time buyers.

How we can help

You can begin your search by contacting any of our Sherry FitzGerald offices and registering with us as a buyer or visiting sherryfitz.ie. This free service ensures that you will be kept up-to-date on new developments coming to the market that match your search criteria. And you'll be the first to hear about upcoming releases too.

Also on sherryfitz.ie, you can use our **online mortgage calculator** to help you gauge how much of a deposit is required for each new home. If the **Help-to-Buy** incentive is of interest, we can discuss it with you and even go through the application process and confirm if your preferred development is eligible. We understand it's your first time through this process, and we are here to help.

2. Getting mortgage ready

If you are like most people, you will need to apply for, and secure a mortgage in order to buy your new home. Before you fall in love with any potential new home, you'll have to be sure your finances are in place first. An experienced mortgage broker can offer you so much at this stage. Getting that all-important mortgage can be a tricky process so you need an informed advisor in your corner that is aware of all the pitfalls and obstacles you can run into.

You will be faced with many choices during this stage. Should I choose fixed or variable? How much can I borrow? How long will it take me to pay off the loan? Your independent broker will advise you on each of these issues. In the meantime, it's a good idea to start getting mortgage ready and putting yourself in a prime position to secure that loan.

Questions to consider early in the mortgage process

- Are you in permanent/regular employment with a steady income? To obtain a mortgage you must have completed any probationary period and you should have at least six months (but preferably twelve months) in continuous employment
- Can you demonstrate your ability to repay? You can do this by showing a strong savings history and strong payment history on a monthly basis
- Do you have enough money set aside for the deposit, valuation and legal fees, and for furnishing the property? You will be required to have between 10% and 20% of the purchase price of the property you intend on buying
- Can you show lenders evidence of savings which demonstrates solid financial planning on your part and an ability to manage money?
- Have you started gathering the required documentation? This includes 3 months' payslips, 6 months' current account statements, 6 months' savings bank account/Credit Union statements, 12 months' loan account statements for all existing loans including existing mortgages and a recent P60





How we can help

At Sherry FitzGerald Mortgages, we understand that securing your first mortgage is one of the biggest financial decisions you will make and is a challenging, complex process. And to get the best deal possible, you need an expert in your corner that you can count on at every step. We'll guide you through the entire process, shop around on your behalf and could save you thousands over the full term of your mortgage.

Get in touch with us today on **+353 (0)1 643 1402** or email **financialservices@sherryfitz.ie** and give yourself the best possible chance of getting the right mortgage for you. You can also visit **sherryfitz.ie** and read our guide to **'Getting mortgage ready'**.

3. Starting your search, identifying location and requirements

Once you've started your search, it's likely you already have set criteria in your mind. By now, you probably know how many bedrooms you are looking for and the approximate area you'd like to live in. In the property world, it's often said that your new home is the right combination of what you want, what you can afford and what is on the market.

Whether you are looking for a detached house with a garden or a city apartment, try and imagine you and your family living there. Are there mobility issues to be considered for you or your extended family? Is there a possibility your family will grow in the coming years? Location is also a major issue and will be your chief consideration. There are a number of criteria you need to consider in this context.

Key location issues to consider

- 1. Distance to and from work and family** – decide how much time you want to spend travelling to work every day or to visit loved ones
- 2. Transport and infrastructure** – find out if the area is well serviced by public transport and keep notes of frequency and quality of services
- 3. How safe is the neighbourhood** – try and visit areas at different times of the day or night to get a better idea
- 4. Schools, hospitals, sports clubs and public amenities** – make a note of how well-serviced your new area is and stay updated on local school enrolment policies and similar important issues
- 5. Other local amenities** – what are the shops, supermarkets, restaurants, parks and pubs in the area like?





How we can help

At **sherryfitz.ie**, we have all sorts of valuable resources which are available to you free-of-charge. For each of our new residential developments, you will find our handy **online mortgage calculator** to work out how much deposit you need, as well as detailed information about the **Help-to-Buy** incentive and how you can avail of it.

Our friendly staff are also on hand to answer any queries you might have at any of our offices nationwide. Feel free to call in and discuss your requirements.

4. Viewing show houses and working 'off-the-plans'

By now, you are constantly on the lookout for new home developments, typically launched throughout the year on a phased basis. There are usually a variety of property types available within each phase. The specifics of the launches are available in the weeks coming up to release, with pricing available at the time of launch.

As many new homes are sold directly from the plans, it's now time to view the show house. And as you will not get to view the actual property you may end up living in, there are a number of key aspects you need to consider when buying 'off-the-plans'.

What to consider when buying 'off-the-plans'

- 1. Floor plans** – keep in mind that the measurements of individual rooms may not be provided, only the entire approximate size of the home in square feet/metres. This is done to avoid discrepancies between measurements as each home is hand-built
- 2. The development** – as the developments are mid-build or may not yet be completed, you need to make sure you are aware of your immediate surroundings. Speak with your agent and check how many homes will be in your development, how long the build will last or the proposed completion dates, and what amenities will be built to serve the community
- 3. Orientation** – this is the direction the rear of your home will face. South and west-facing gardens tend to be most popular, as they get the sun for longer in the garden, in the afternoon and evening
- 4. Parking** – remember that each development and the homes within them can have different parking arrangements, so if you are a motorist, make sure they suit your needs
- 5. Management fees** – some developments have management fees which cover maintenance, refuse collection, insurance of common areas and in some cases, additional amenities like leisure services
- 6. Social housing** – bear in mind that up to 10% of all new residential developments will be allocated to social housing. Each development will be different and you should confirm the most current details with the agent

How we can help

If there is anything that you are unsure of or a question you didn't get the chance to ask at a viewing, you can email newhomescustomerservice@sherryfitz.ie and a member of our customer service or sales team will be in touch with you very shortly. If you need to, we can also arrange a viewing by appointment for you if you miss the launch.

At Sherry FitzGerald, it's our role to keep you fully informed as best we can. Open viewings are usually held on Saturdays and Sundays throughout the year (development depending), and you will find the times for these on sherryfitz.ie. When you attend an open viewing, we'll be there to answer any questions you may have about the homes and the area.



5. Choosing a property solicitor

You will need to appoint a solicitor to look after the conveyancing (legal formalities surrounding the purchase of a property). Your solicitor communicates on your behalf with the builder's solicitor and is your point of contact for any queries you may have. Most importantly, you need to choose a property solicitor with knowledge and experience who understands your needs. By and large, the process is standard throughout the country, but the help and expertise of a proactive, engaged and experienced solicitor can make all the difference.

It's important to appoint your solicitor at this stage as your agent will soon be asking for their details. A starting point may be to seek recommendations from friends and family and search online for property specialists in your area. Try and narrow down a shortlist to three and then get in touch with each one individually. When choosing your solicitor, there are three key questions you need to ask.

What to ask your prospective solicitor

1. Has your firm got a dedicated conveyancing department and if not, what level of experience do you have? While a firm with a dedicated unit may ensure a smoother process, a good personal connection with a solicitor is paramount
2. How do you calculate your fee? Some solicitors charge a flat fee and others require a percentage of the sale price, so make sure you confirm this with them in advance
3. What information do I need to provide you with? An experienced solicitor will make you aware of what pieces of information and documents you need to gather to get the process started





How we can help

Throughout the contracts and queries stage Sherry FitzGerald will keep in touch with you by phone and email to answer any questions you may have, or answer questions your solicitor cannot. And if you are struggling to find a solicitor to use, we would be happy to provide you with a panel of recommended solicitors from which you can choose one.

Simply email newhomescustomerservice@sherryfitz.ie and a member of our team will be in touch with you very shortly.

6. Reserving your home

You are mortgage ready, have chosen your solicitor and most importantly have settled on the right development and style of house you want to buy. You are ready to reserve the property. As soon as you have agreed with your estate agent which home you wish to reserve, you will pay a booking deposit, which can be done through bank transfer, bank draft, cheque, or on-site credit card payment.

Booking deposits are typically between €5,000 and €20,000 and are fully refundable up until a contract is signed.

When your reservation is accepted, it will be subject to 'contract/contract denied', which means it is not legally binding until contracts are signed by both purchaser and seller. You should now notify your bank, and solicitor of your potential purchase. Once the deposit is paid, the property is officially 'sale agreed'.

After you give the agent your solicitor's details, contracts will then be issued on receipt of your deposit, and it is important to let your solicitor know to expect them. Bear in mind that contracts need to be signed within 21 days of issue.

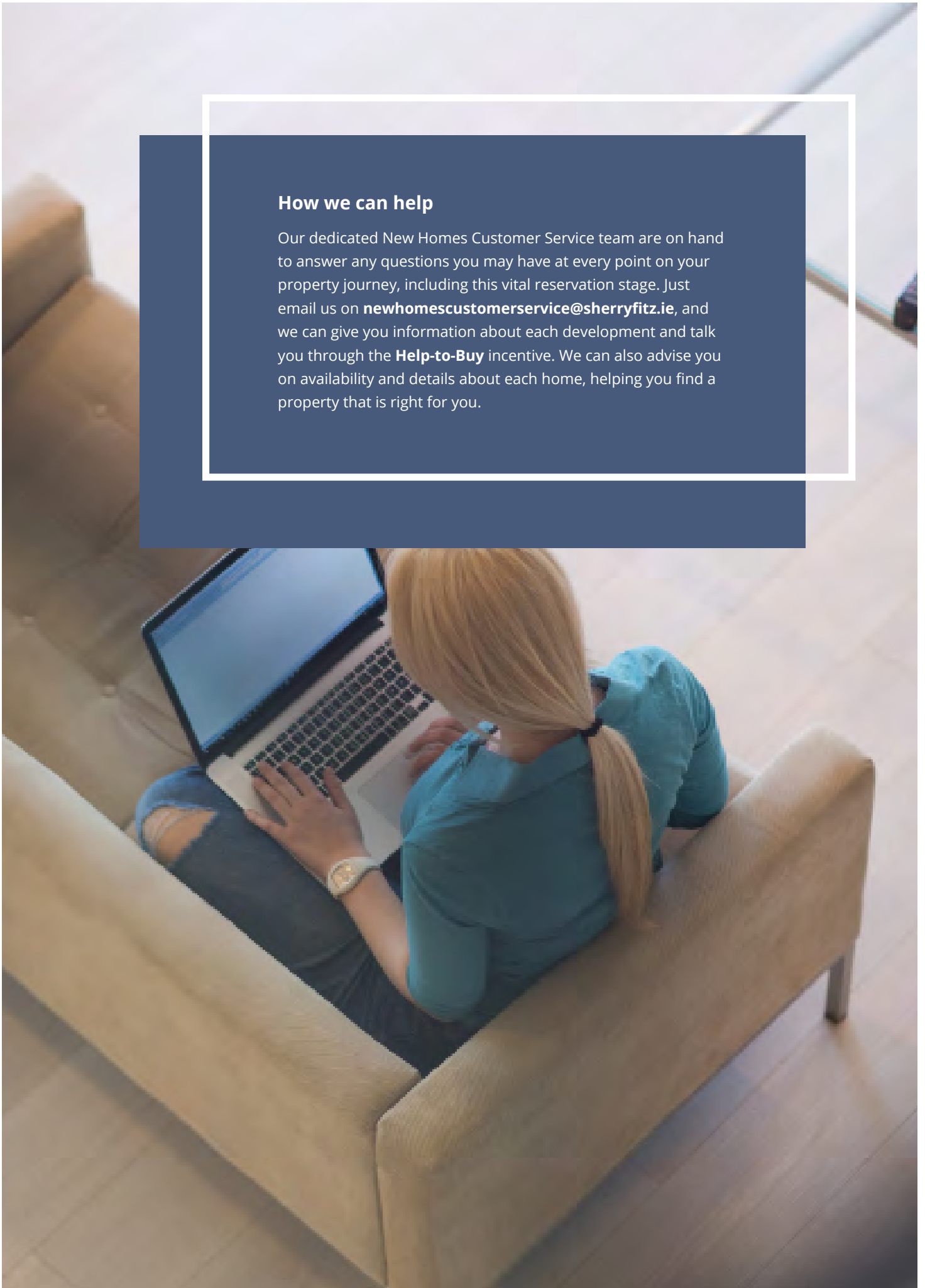
If you will be drawing down a mortgage, the valuation and loan-offer process needs to be understood and acted upon.

Five steps to valuation-and-loan-offer for new mortgage holders

1. Inform your bank or lender of the address of the home you have 'sale agreed', and remember that you will be required to show your full mortgage approval from your chosen bank before signing contracts
2. Your bank will then arrange a bank valuation, choosing from a panel of independent valuers, on your behalf to assess the site. This is done to ensure the property is of sufficient value to be used as security for the mortgage
3. Once this has been completed, the valuer will usually contact you directly to secure payment for the valuation, which will cost you approximately €150 plus VAT. This figure can vary from lender to lender and should be clarified with the valuer in advance
4. When payment is received by the valuer, they will email or post to you, your solicitor, and loan provider a copy of the valuation
5. This will result in your full loan offer being approved by the bank, and you will receive a 'Letter of Loan'

How we can help

Our dedicated New Homes Customer Service team are on hand to answer any questions you may have at every point on your property journey, including this vital reservation stage. Just email us on newhomescustomerservice@sherryfitz.ie, and we can give you information about each development and talk you through the **Help-to-Buy** incentive. We can also advise you on availability and details about each home, helping you find a property that is right for you.



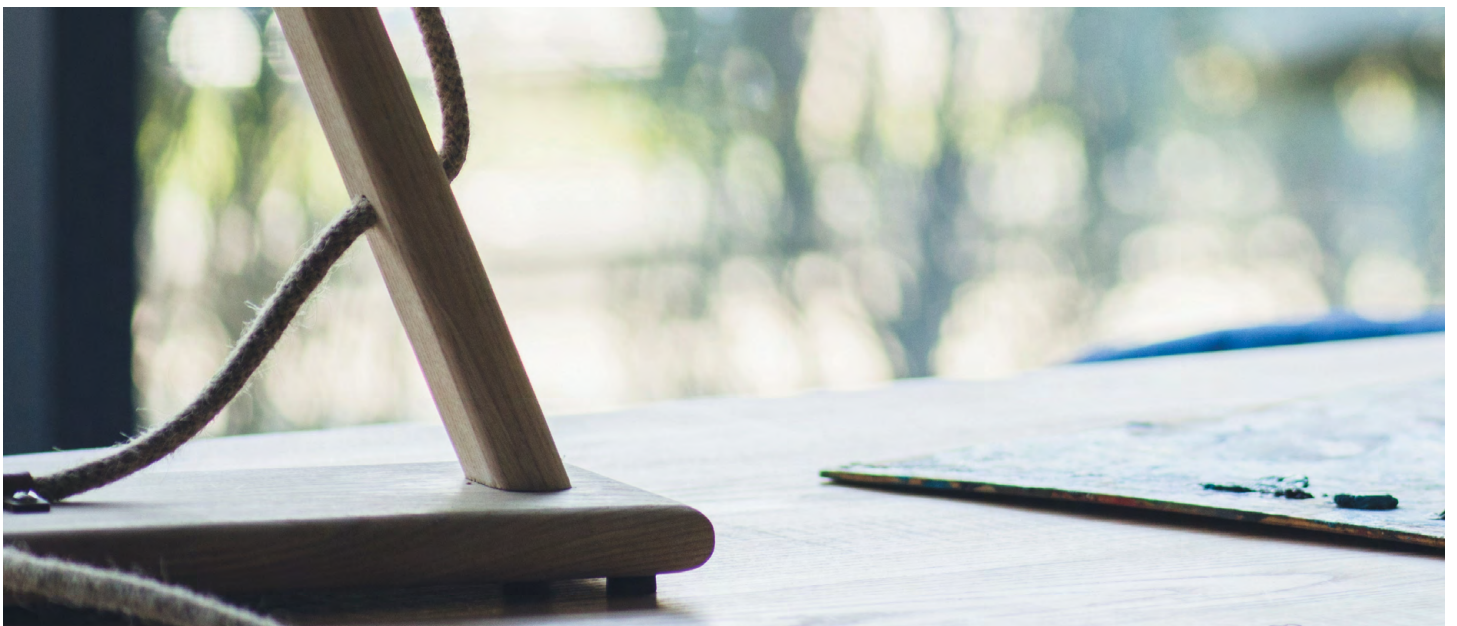
7. Signing contracts and payment of contract deposit

In our experience, this is often the part that people find confusing. After you reserve your home, the builder's solicitor will forward the contracts to your solicitor. Your solicitor will review the contracts and respond to the builder's solicitor with pre-contract queries on your behalf, should you have any.

You can also take this opportunity to query any legal issues with your solicitor. It is important to keep in touch with your solicitor on a regular basis to seek updates on contracts and queries. You are also required to have life assurance in place before signing.

Signing the contract and paying the contract deposit

1. When all queries have been answered and paperwork is in order, your solicitor will make an appointment for you to sign your contracts. If you are unable to sign contracts, you need to arrange a power-of-attorney with your solicitor or third party
2. At signing stage, you will be required to pay your contract deposit, and this amount can vary between developments. Some require a percentage of the home value, less the amount of your reservation deposit, and others have a set fee. The builder usually sets these deposit amounts
3. You will pay whatever the remaining balance is on close-of-sale (see Stage 9)
4. Now that you and the developer have signed contracts, your status is now officially 'exchanged'. Questions you may have about the build of your new home should go through your solicitor





How we can help

During the contracts stage, an agent from Sherry FitzGerald or from the development will be in regular contact with you. This is to help you to complete the process within the 21 day signing period, as well as answering any further questions you may have.

For more than 20 years, Sherry FitzGerald Mortgages have been providing independent mortgage and financial advice to property buyers and sellers and are recognised as one of Ireland's leading brokers. Send us an email on financialservices@sherryfitz.ie and a member of our team will be in touch very shortly to discuss the best deals on house insurance and life assurance to ensure this step goes smoothly.

8. Completing the final stages of the build

You are getting very close to completion and construction is already well underway. Before you sign your contract, you will be given an indication of an estimated completion date. You should keep in touch with your solicitor and estate agent after signing the contracts, and throughout the build, to ensure you are kept informed on any updates on completion timelines.

Once your contracts are signed by both parties, you are in a legally binding contract with the builder. If there is a delay, you may need to secure an extension on your mortgage approval. In this situation, make sure you give your mortgage broker or lender notice in advance and they can tell you the next steps in extending your loan approval. There are tasks that need completion at this stage and it's important you take note of and understand what needs to happen and why.

Three key tasks that must be completed at this stage

1. BCAR – once your home is completed, it must go through various tests to achieve BCAR Certification (Building Control Amendment Regulation). Your builder will organise this and pay for it, and it will act as an instruction to the local council or authority to check that the site is habitable, that all roads and facilities are installed, and electricity and water are connected
2. BER – now compulsory for all new homes, a Building Energy Rating (BER) Certificate is an indication of the energy performance of a home. A BER report will be compiled by an independent energy specialist on behalf of the builder who will also cover the cost. This assessment will confirm the official BER rating
3. Snag List – after your new home is complete and all certificates issued, the builder's solicitor will issue a completion letter to you and your solicitor. Your new home is now ready for inspection, also known as 'snagging'. You can then engage a surveyor to make sure all work has been carried out to an acceptable standard, and to highlight any issues to the builder, for example the standard to which the property has been completed. If you engage a professional, you will need to pay them directly but it is also something that you can do yourself



How we can help

At this stage it is time to get organised in advance of your closing. We will be in touch the moment we receive updates from the developer. And if you haven't already finalised who you wish to draw down your mortgage with, now is the time to shop around, especially if you are required to renew your approval. Sherry FitzGerald Mortgages have been providing independent mortgage and financial advice to property buyers and sellers since 2000 and are recognised as one of Ireland's leading brokers. Call us on **+353 (0)1 643 1402** or email **financialservices@sherryfitz.ie** and we can work with you to find the best deals on house insurance and life assurance to ensure this step goes smoothly.

If you are struggling to find an independent surveyor to carry out your snag list, we would be happy to provide you with a panel of recommended professionals from which you can choose one.



9. Closing the deal and final inspection

You're almost there, and once the snag list has been completed to your satisfaction, you must notify your lender or broker. If you are taking out a mortgage, they will arrange for the funds of your mortgage to be issued to your solicitor's account in preparation for closing the sale. When your initial inspection or snagging has been completed, the builder will contact you to carry out a 'pre-closing inspection' to make sure the home is left in 'move-in condition' and to confirm the closing date.

Final steps to home ownership and moving in

1. Some lending institutions will require a second bank valuation to let you drawdown the mortgage. You should notify your lender once you have snagged, for them to arrange a final valuation
2. Your mortgage and life insurance must also be in place
3. Keep in mind that you should arrange transfer 3-5 days in advance of your closing date as it can take a full working day for closing funds to transfer from your account to the vendor's solicitor account. In some cases, a direct debit mandate must also be completed before the loan is released and your solicitor can advise you on this
4. The remaining balance of the purchase price is paid upon close of sale. If you are a cash buyer, this is the entire value. For mortgage holders, it is the balance of your funds, as agreed with your lender
5. Service transfer and key collection - once the sale has closed, you will be given all relevant meter readings and details of the utility providers. You should open your new utilities accounts within 10 days of taking ownership. Last but not least, it's now time to pick up your keys from the site office

That's it! You have successfully bought a brand new home and can look forward to many happy years ahead.







How we can help

Even though the process is very near completion, we are still available to answer any queries you may have. Your bank will need to see home insurance in place before you move in. For the best home insurance options, simply email financialservices@sherryfitz.ie and one of our mortgages team will be in touch very shortly.

If you need us in the future, whether you are thinking of selling or shopping around for a new mortgage, home insurance or life assurance, our new homes and mortgages teams will be on hand to offer advice and give you guidance.

Warning: If you do not keep up your repayments you may lose your home.

Warning: Your home is at risk if you do not keep up payments on a mortgage or any other loan secured on.

Mortgage Insight DAC t/a Sherry FitzGerald Financial Services, Sherry FitzGerald Mortgages is regulated by the Central Bank of Ireland.

PSRA No. 002183

