

BUYING A PROPERTY OFF-PLAN



GREENWICH
PENINSULA



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GET
GROUND



WELCOME TO GREENWICH PENINSULA

Topics of discussion for this evening:

- The pros and cons of buying off-plan - *Finn Nixon, Head of Sales, Knight Dragon*
- How it works in practical terms - *Josh Price, New Homes Sales Manager, Knight Dragon*
- An overview of the London new build market - *Sophie Tonge, Residential Research Analyst, Savills*

-10 minute break-

- An update on the mortgage market - *Matt Coulson, Director, Heron Financial*
- The Pros & Cons of buying as an individual vs company - *Chris Frame, Senior Director, GetGround*

*Questions throughout and at the end of each section.



WHY BUY OFF-PLAN

First pick of new build properties

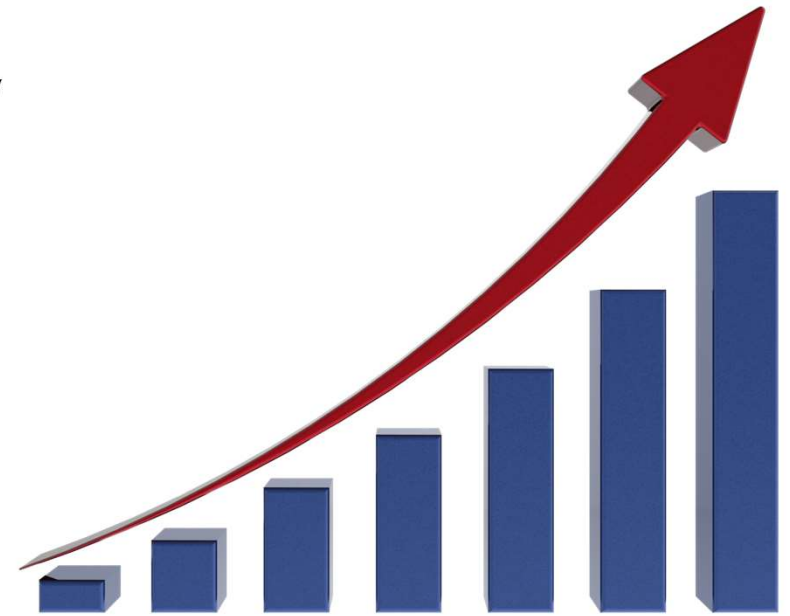
- Ensure you secure the best property for you
- Good quality residential developments are usually 50% sold out by completion

Lock in the price today

- Today's price is the price you pay upon completion
- If the value of the property has increased by completion, you will benefit from the uplift

Avoid today's high interest rates

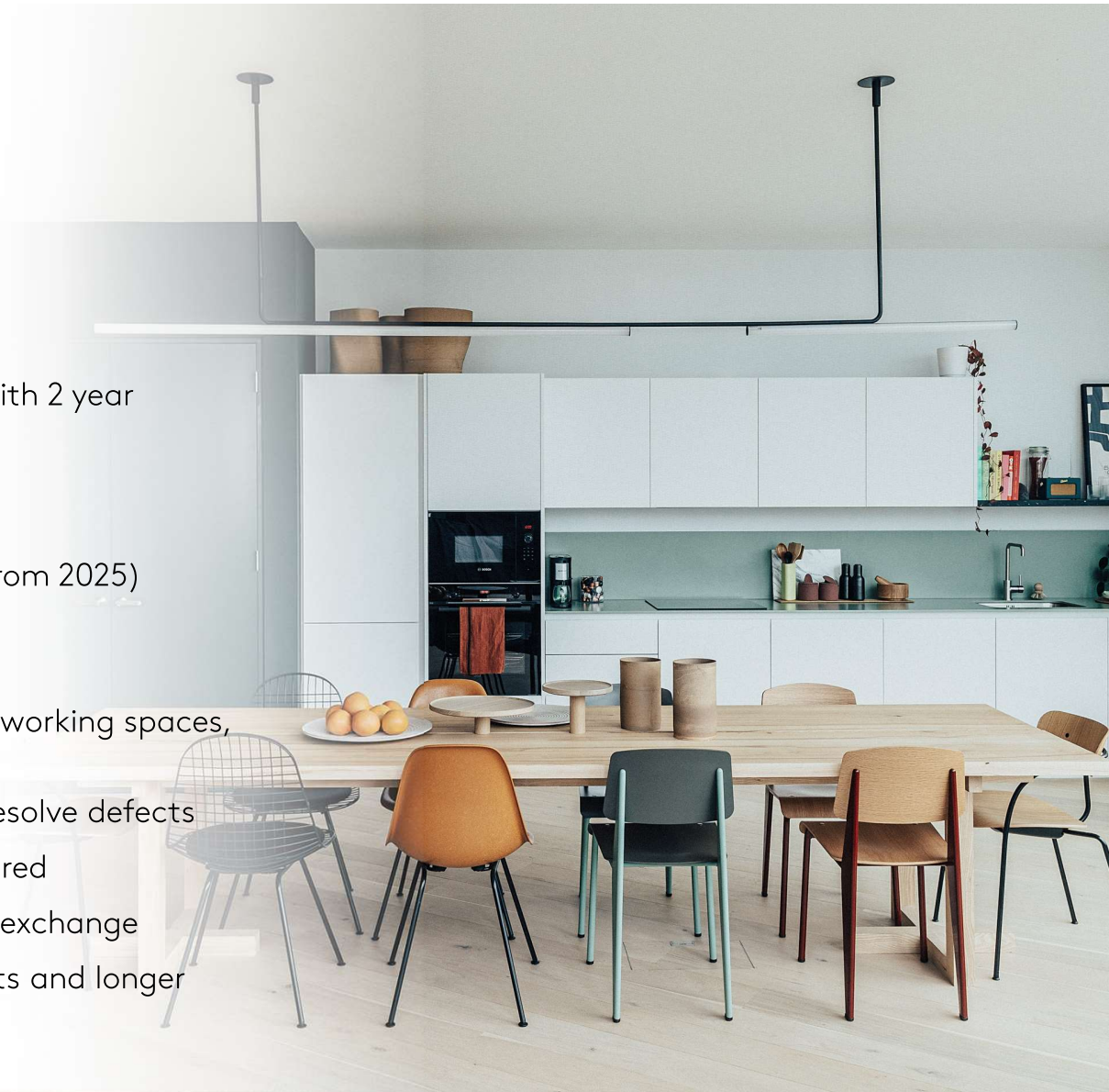
- We have no crystal ball to confirm rates will be lower in 2025 but
- Buying ahead of completion gives you time to prepare
- If circumstances change ahead of completion, there is the possibility of re-selling your property before it completes





Benefits of new build properties

- Specification:
 - High specification fixtures and fittings
 - Brand new appliances throughout, typically with 2 year warranties
- Energy Efficient Homes:
 - Average EPC rating B
 - Minimum rating of C required for landlords (from 2025)
 - Very well insulated – lower heating bills
- Resident's Amenities:
 - 24-hour concierge, gym, residents lounge, co-working spaces, private dining rooms, private gardens
- 2-year Defect Warranty - developer obligation to resolve defects
- 10-year New Build Warranty – structural issues covered
- Ease of transaction – no chain, typical 7-21 days to exchange
- For Investors - higher rents, better quality of tenants and longer tenancies



What to watch out for

- Deposits being used to fund construction
- Defined specification
- What's included in the price
- Layouts, design and size - variations
- Views, future development
- Developer track records

QUESTIONS?





GREENWICH
PENINSULA

How Buying Off-Plan Works



Reservation – The Process

Step 1:

Identify the property you wish to buy or 'reserve'.

Often the terminology used to describe the property can vary. Some developers call them units or plots, others use more traditional names such as homes, flats or apartments.

rightmove Buy Rent House Prices Find Agent Commercial Inspire Overseas Sign in

← Back to search results

PENINSULA GARDENS NEW SCHEME LAUNCHED APARTMENTS FROM £397,500 ENQUIRE TODAY GREENWICH PENINSULA

Pilot Walk, London, SE10 See map

£440,000 Monthly mortgage payments Reduced on 13/01/2023

PROPERTY TYPE: Flat BATHROOMS: x1 SIZE: 458 sq. ft. (43 sq. m.) TENURE: Leasehold

Key features

- 24/hour concierge
- Private Balcony
- Co-Working Spaces
- Pets Welcome
- Over 40 Restaurants
- 48 Acres of Greenery
- North Greenwich Underground Jubilee Line (Zone 2)
- A Nursery
- Residents Gyms
- NEW HOME

Property description
Description:

MARKETED BY Greenwich Peninsula Sales, London - Sales Gateway Pavilion, Greenwich Peninsula, London, SE10 0SQ More properties from this agent

Call agent: 020 3907 2812 Request details

Get your free Experian Credit Score A crucial first step when looking to buy 999 Advertisement



Step 2:

- Make the offer to purchase the property in question. Some developers may be more willing to negotiate on the sale of their properties than others.
- As part of your offer, you may wish to request/confirm any additional incentives you may wish to include in addition to your offer. These can include but are not limited to;
 - Stamp Duty Land Tax Contribution
 - Legal Fee Contribution
 - Service Charge Credit
 - Furniture Pack

If your offer is agreed, a reservation fee will be taken to confirm commitment - usually between £2000 - £5000



Step 3:

Verify your identity:

To do this, a certified photographic ID (such as a valid passport or driving license) and certified proof of address (such as bank statement or utility bill)





Step 4:

- A reservation form will be completed and returned to the developer or agent you are purchasing the property from.
- The reservation form will clearly stipulate the agreed terms of the transaction, including the parties involved, price agreed, any incentives and details of the appointed solicitors on both sides.
- Steps 1-4 usually will occur over a 24-48-hour time frame, although again some developers may be more/less flexible than this.



NEW HOMES RESERVATION AGREEMENT

Part 1 of 3

THE SELLER
 Knight Dragon 19.05 Limited
 ("the Seller")
 Level 7, 6 Mitre Passage
 Greenwich Peninsula, SE10 0ER

Property Being Reserved subject to
 Leasehold Contract

For any questions or general enquiries:
 +44 (0)20 3713 6155
 newhomes@greenwichpeninsula.co.uk

PROPERTY DETAILS	
Building	Property Reserved (Unique ID)
Purchase Price	Number of Car Parking Space(s)
£	
Tenure	Ground Rent
LEASEHOLD 999 YEARS FROM 2004	PEPPERCORN
Estimated Initial Service Charge	Reservation Fee
£ per sq ft, per annum	£ 2,000
Method of Payment	Reason for Purchase
<input type="checkbox"/> TT <input type="checkbox"/> CREDIT <input type="checkbox"/> DEBIT	
BUYER NOTES	
Note 1	
Note 2	
Note 3	
Interior Scheme	
BUYER DETAILS	
BUYER 1	
Title & Surname	Current Address
First Name	
Telephone	
Email Address	Postcode
BUYER 2	
Title & Surname	Current Address
First Name	
Telephone	
Email Address	Postcode

Exchange of Contracts

- Once your appointed solicitor has finished their review of the information provided for the property, they will send a contract and associated documents to you to review and sign.
- These are then required to be returned to your solicitor, along with a down payment known as a deposit. This is usually 10% of the agreed purchase price, less the reservation fee payment.
- At Greenwich Peninsula, we offer our purchasers a 10% deposit on exchange of contracts, with 5% of this amount deferred for 1 year
- Further deposit payments may be required between exchange of contracts and the completion of the property known as "stage payments". These can often be 5% or 10% of the agreed purchase price.



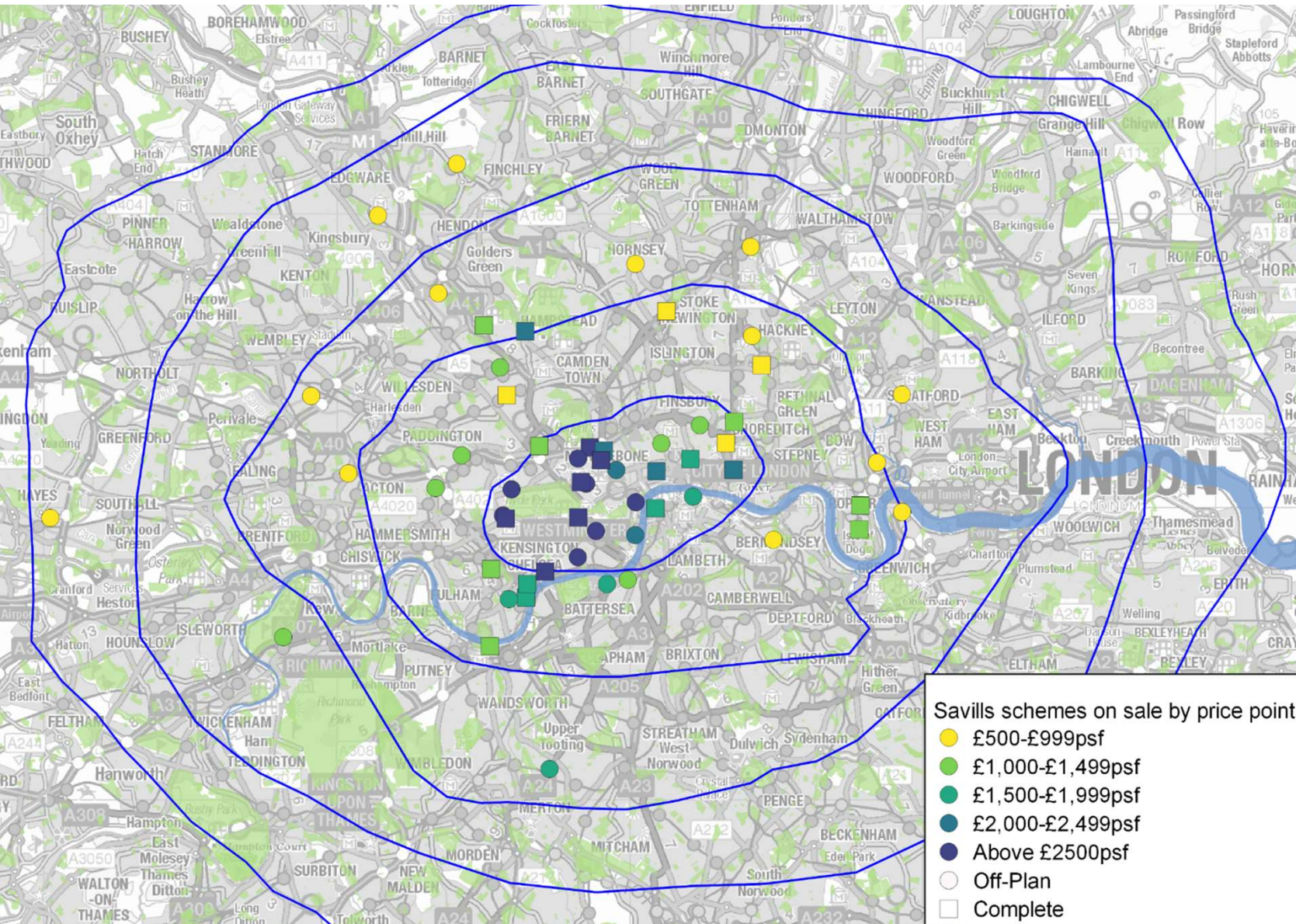
Completion

Completion can mean several things during the purchase process:

- Practical completion (often abbreviated to PC), means the building project is finished and all required certificates and conditions have been signed off. Minor defects or snags do not affect PC.
- Completion of the transaction will usually occur shortly after PC, once the building has been deemed ready for occupancy.
- Once this occurs, notice will be served, and a completion date is then set.
- Transfer of funds will be organised by the purchaser and their solicitor to be paid in time to meet the deadline.
- Once the transaction has completed, the purchaser will be able to collect the keys to their new property.

The background of the slide is a dark, atmospheric architectural rendering of a modern building. The building's facade is composed of large, angular panels in various colors, including shades of purple, blue, green, and red, creating a vibrant, multi-colored effect. A person in a light-colored jacket is walking on a balcony or walkway in the middle ground, looking towards the right. In the foreground, a wide set of stairs with light-colored steps and a dark railing leads up towards the building. The sky is dark, and a single bird is visible in flight in the upper center. A yellow rectangular box is overlaid on the left side of the image, containing the title text.

London Residential Development Market Savills Research



58
schemes

57%
Off-plan

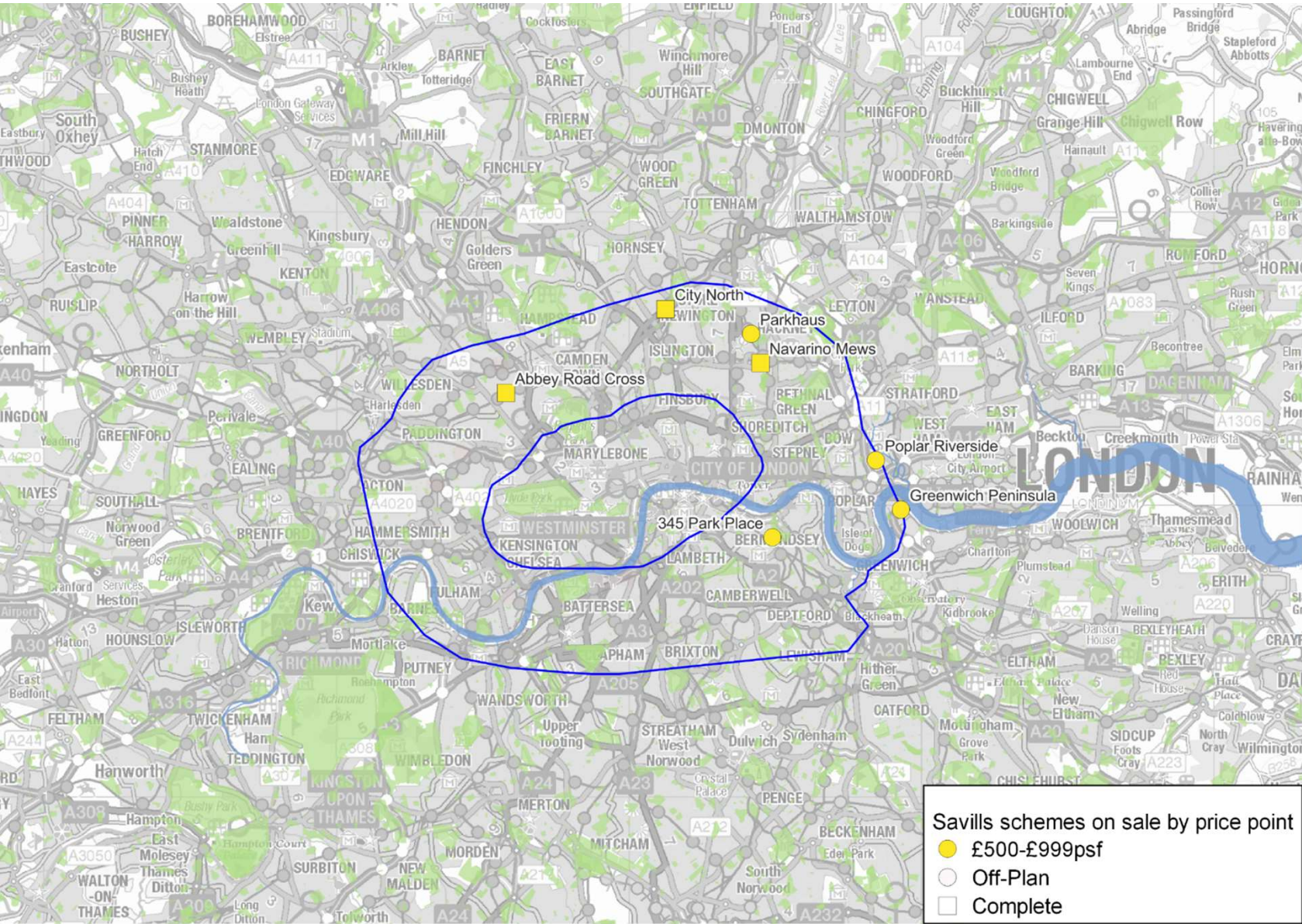
71%
+ £1000psf



17 schemes

76% Off-plan

Majority Zone 3-5

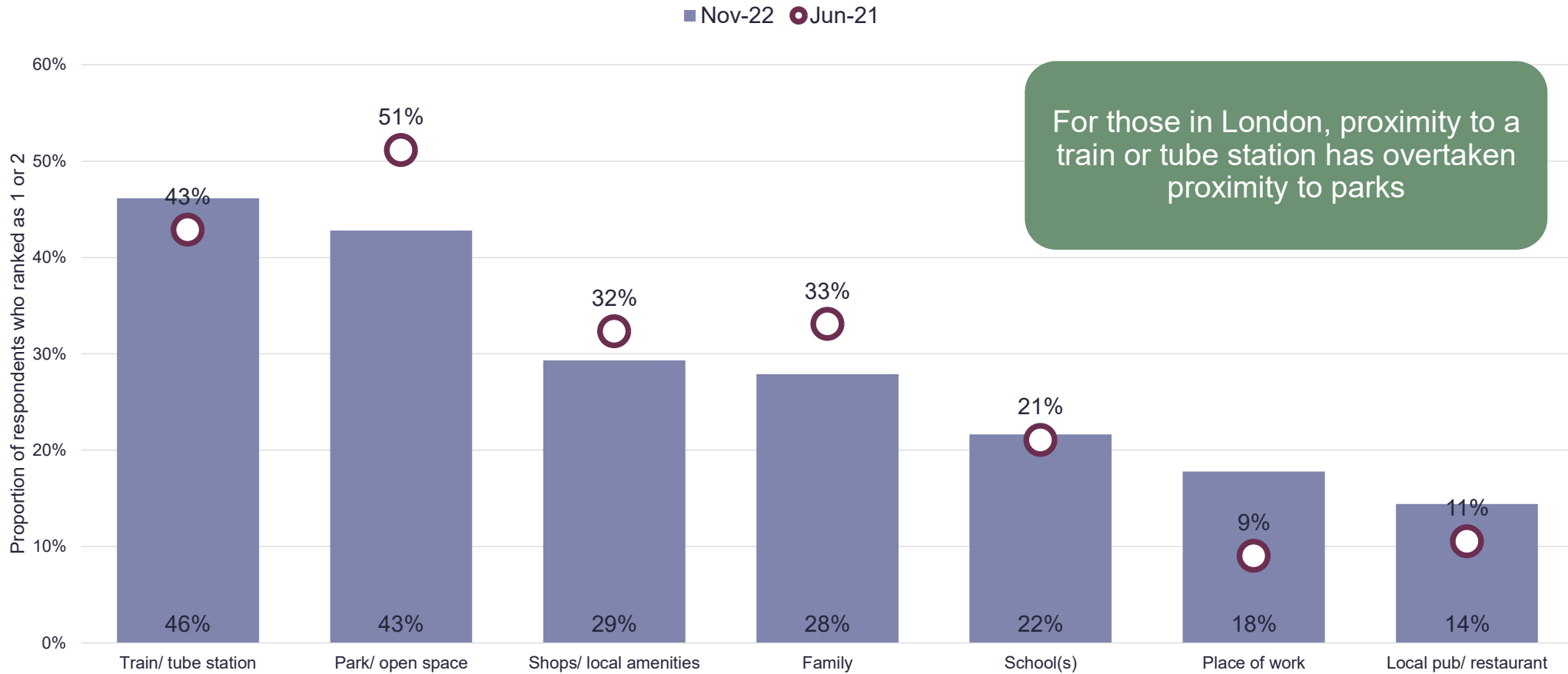


7 schemes

Under £1000psf

Zone 2

What do London buyers want?



New homes provide significant savings in energy bills

Only
17% of
second hand
flats in London
were
B rated
*(vs 91% of new build
flats sold between
2018-20)*

79% said
energy
consumption
important

With 1/3
placing
more
importance
on EPCs

New build
could save
hundreds
of pounds
per year

40% saving
vs second-
hand flats

Energy
efficient new
builds mean
no
expensive
retrofitting

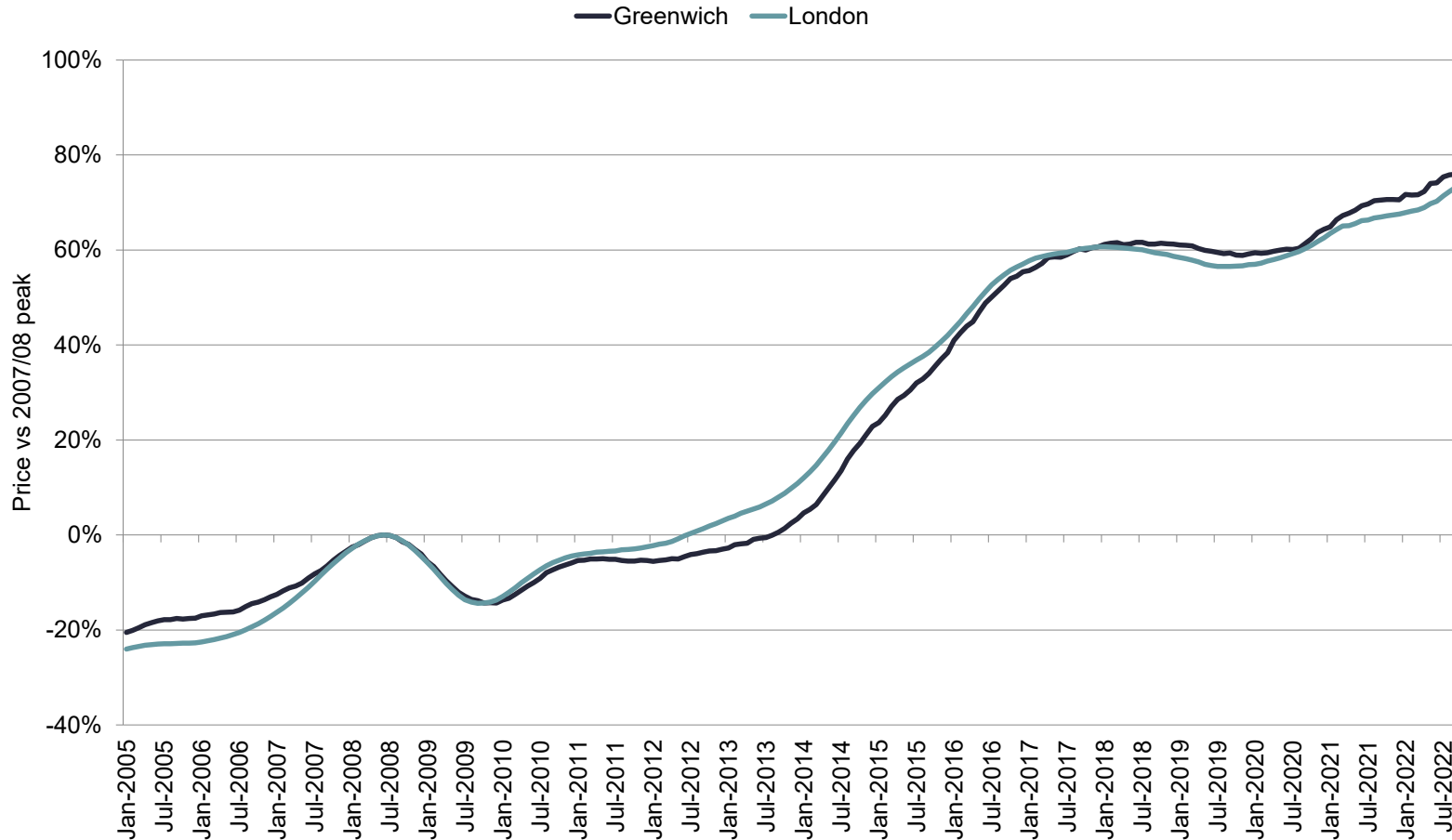
It would cost
over £12,000
to upgrade a
property from
EPC D to EPC
C

Mortgage
providers are
starting to offer
'green
mortgages' on
energy efficient
homes at better
rates



Local Market

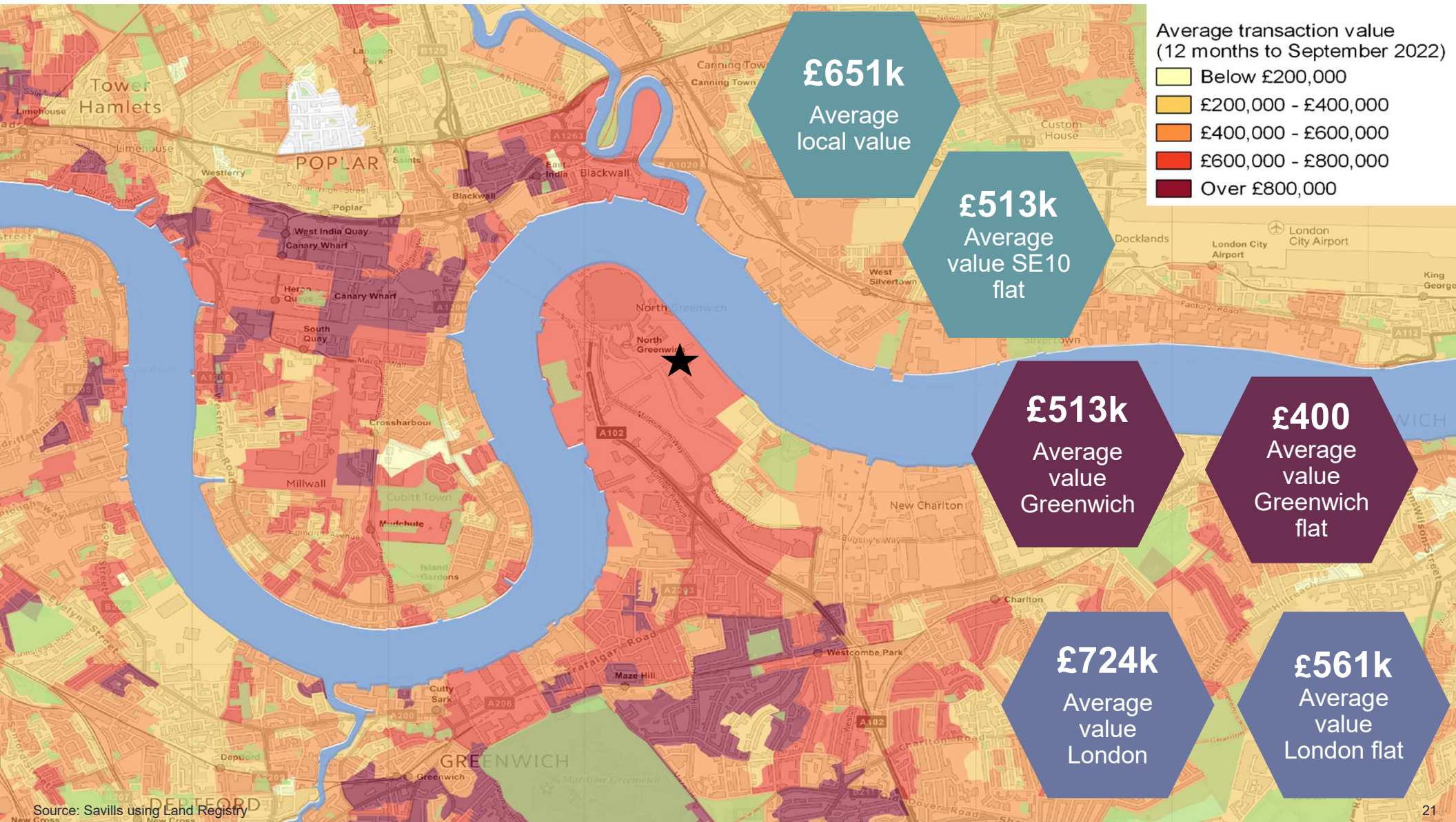
Greenwich has seen stronger house price growth than London in recent years



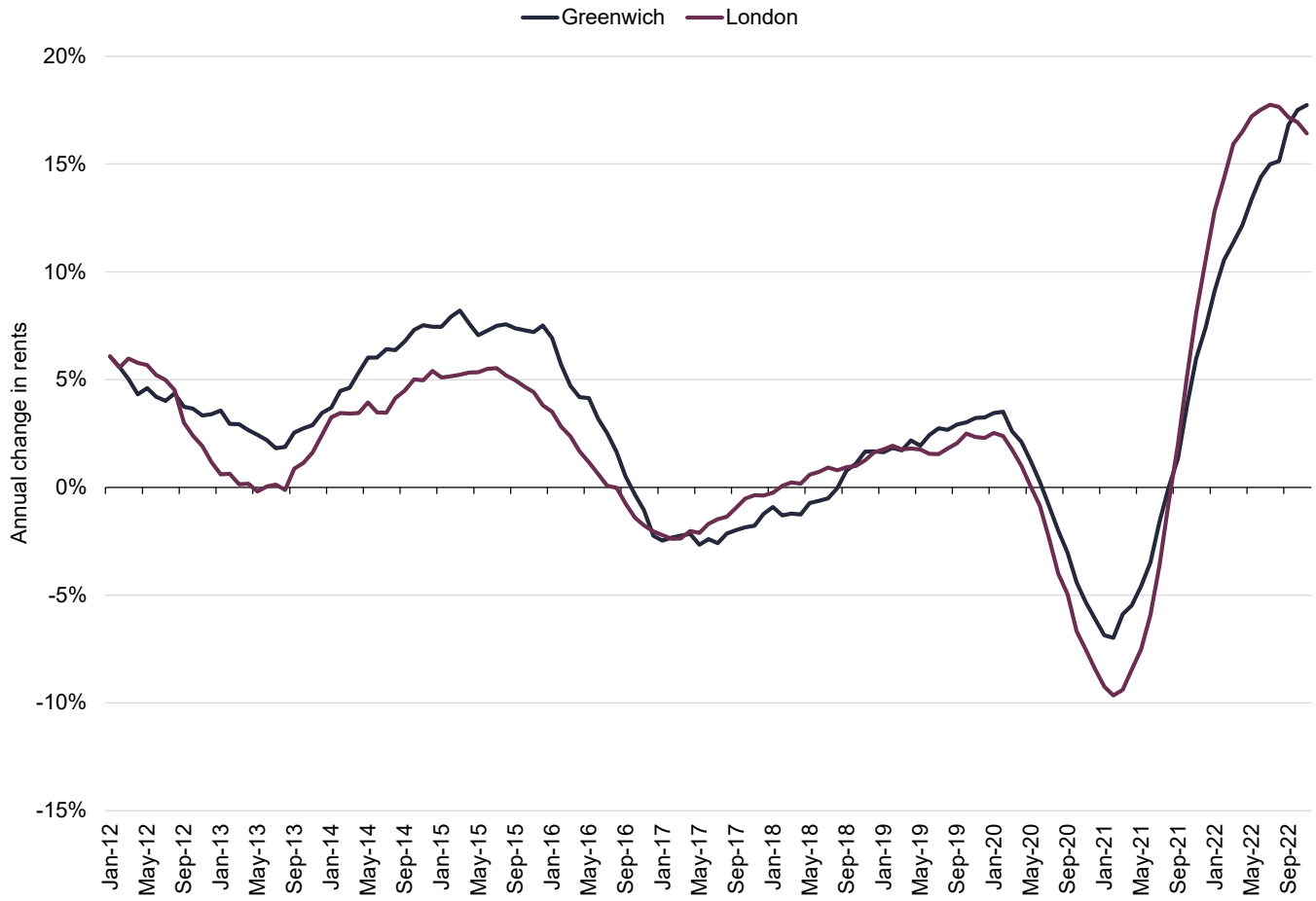
5 year growth

Greenwich
9.8%

London
8.1%



Rents are on the rise too...



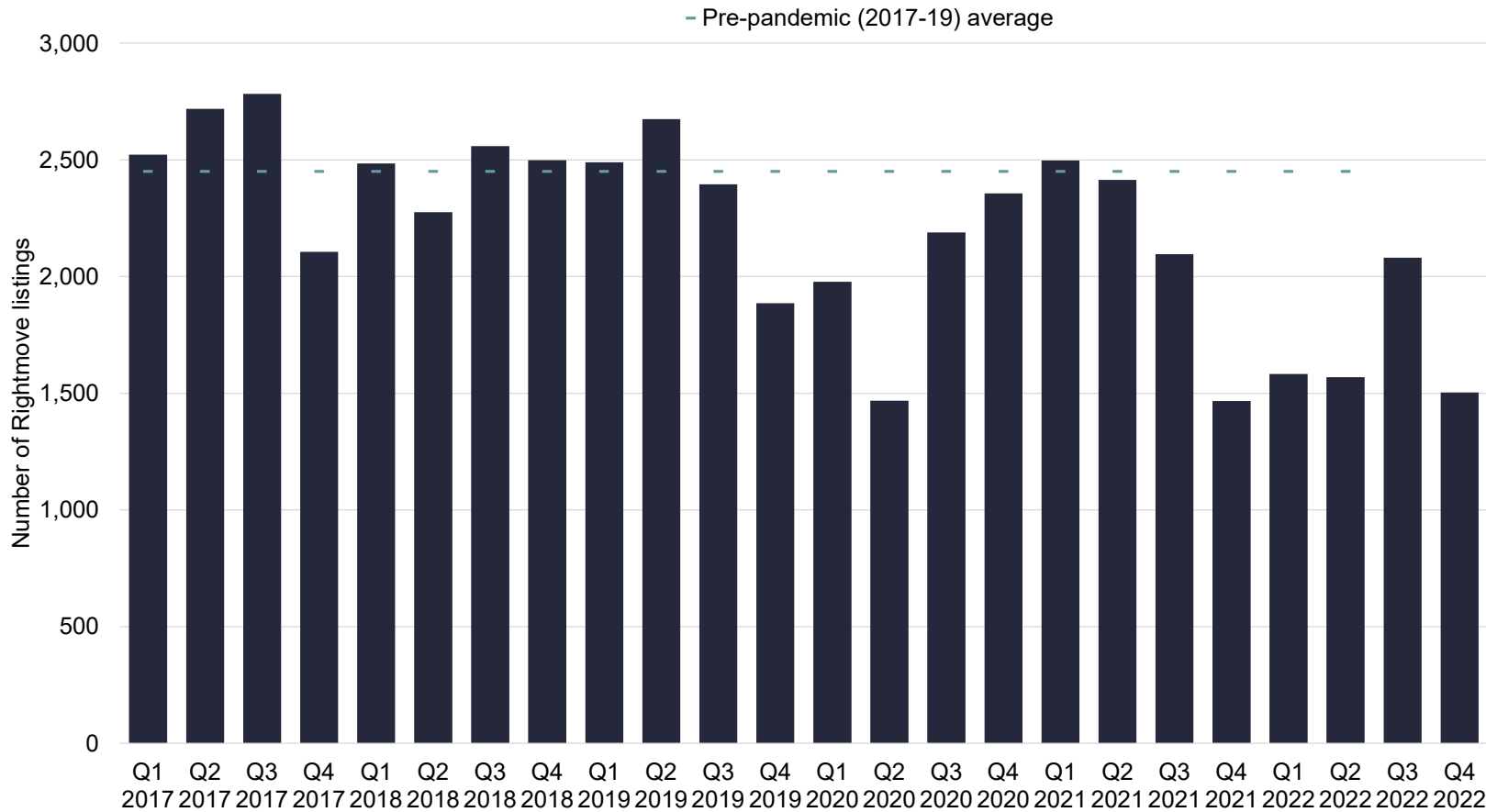
£2,055 pcm
Median rent 2-bed flat in SE10

£2,444 pcm
UQ rent 2-bed flat in SE10

£1,633 pcm
Median rent 2-bed in Greenwich

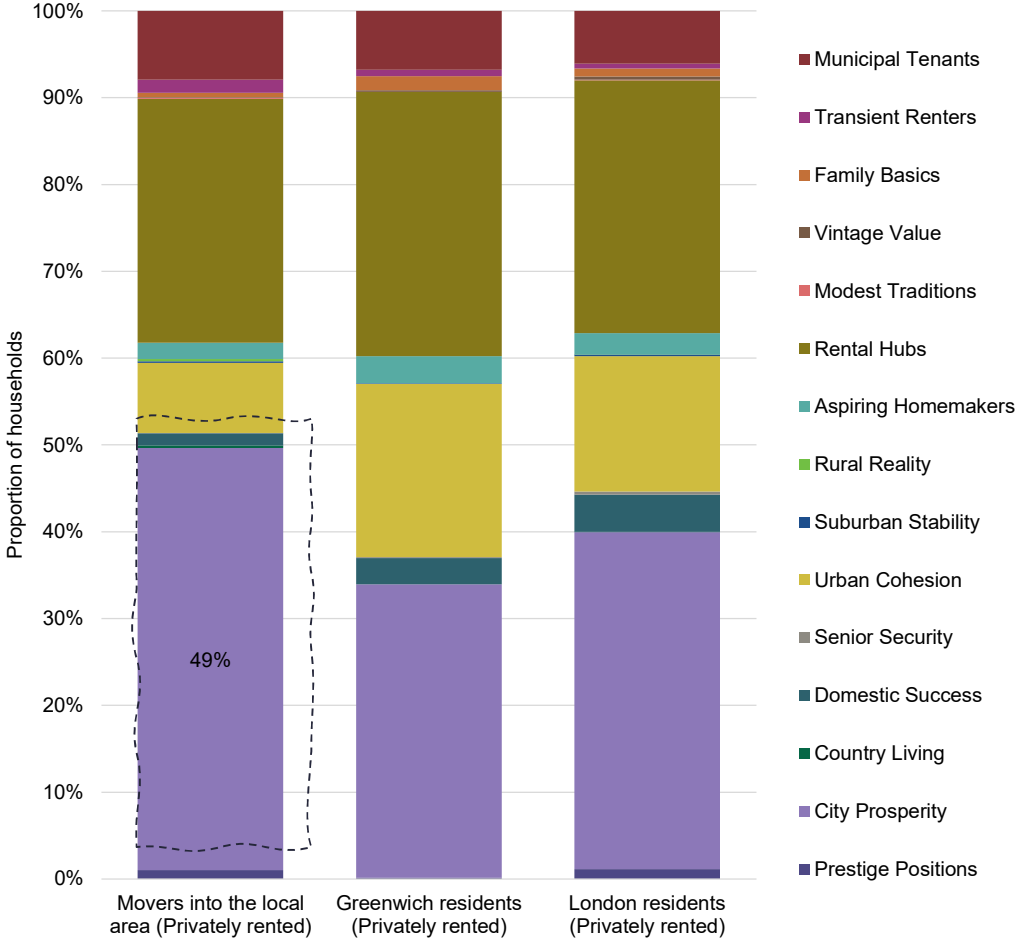
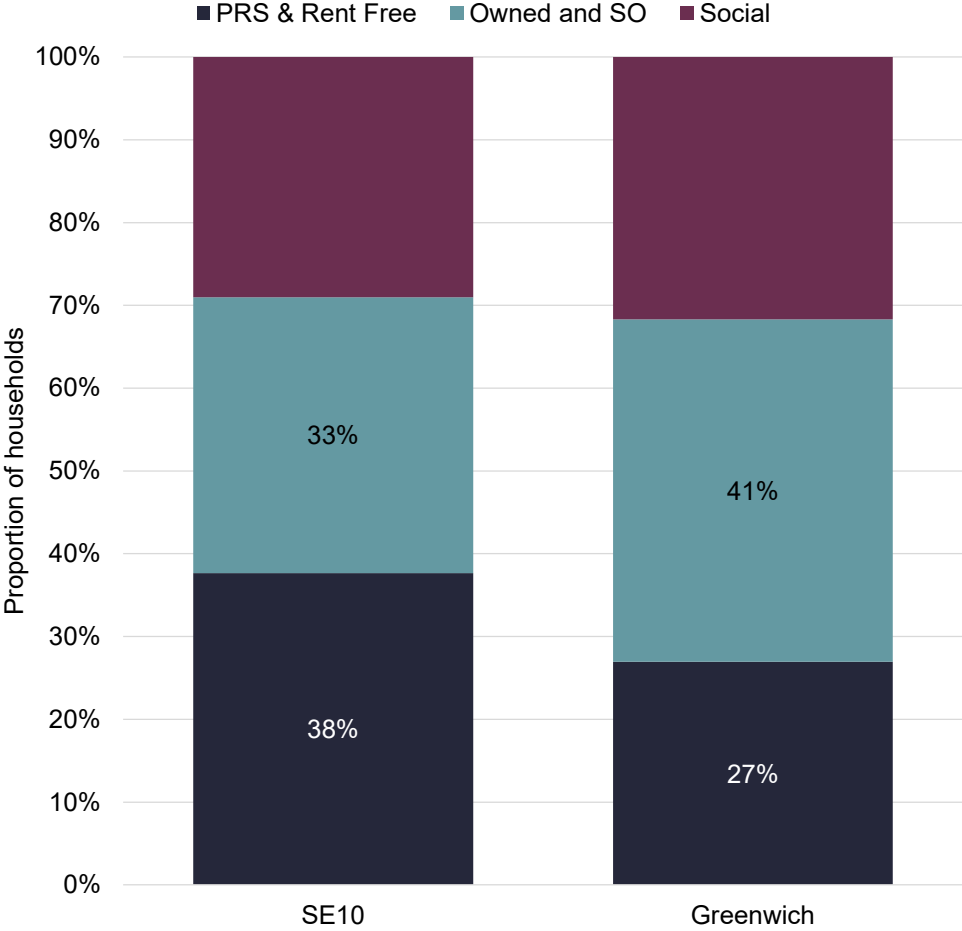
£1,918 pcm UQ rent 2-bed flat in Greenwich

..which is being boosted by falling rental supply in Greenwich



39%
less stock
than the
2017-19
average

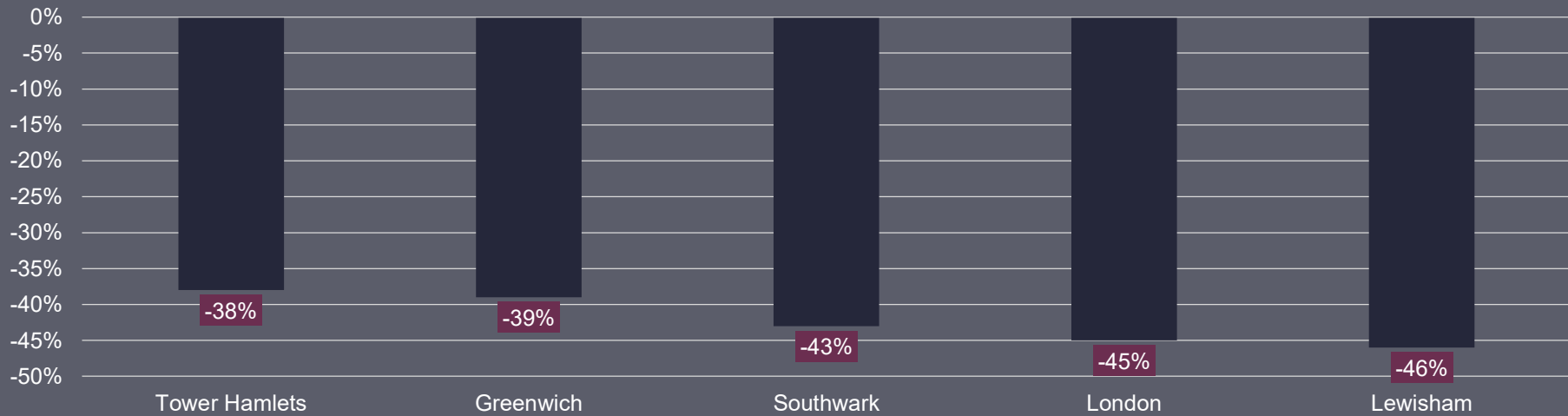
..and demand is being driven by a large, affluent rental demographic



Source: Experian Census Estimates (2019), Experian Mosaic

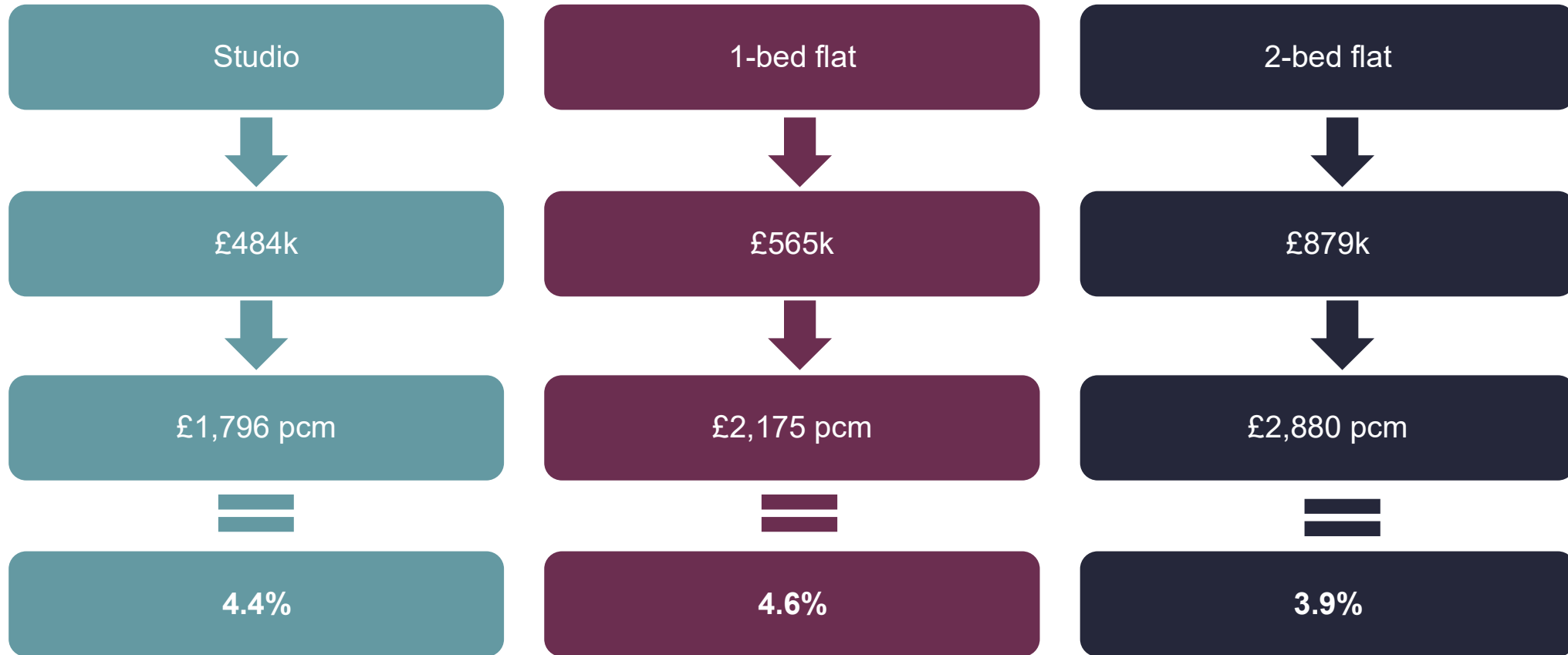
..while frustrated first-time buyers will intensify rental demand

Number of listings in Q4 2022 vs pre-pandemic average

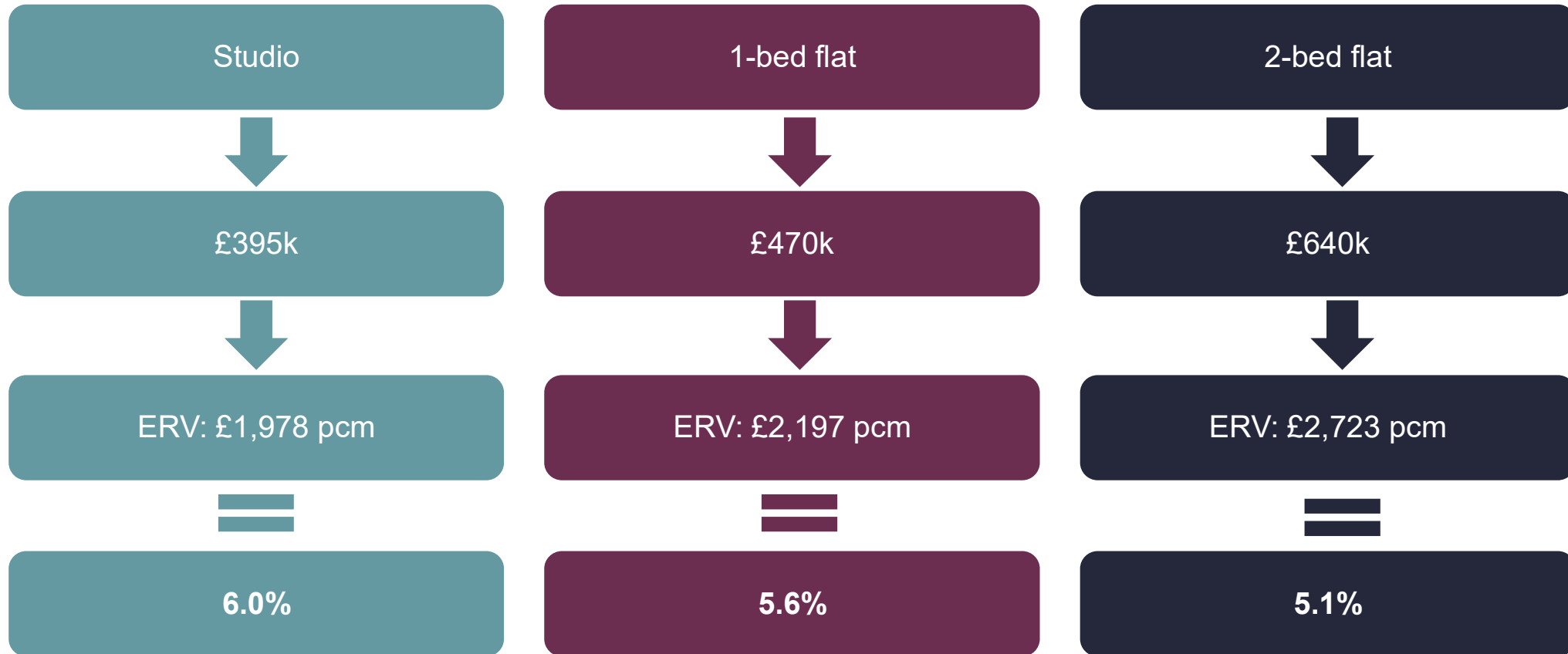


Mainstream Rents	2022	2023	2024	2025	2026	2027	2023-27 compounded
UK	10.0%	6.5%	4.0%	2.0%	2.4%	2.3%	18.3%
London	14.0%	5.5%	5.0%	2.0%	2.4%	2.3%	18.4%
UK ex London	9.0%	6.5%	4.0%	2.0%	2.4%	2.3%	18.3%

...resulting in high achieved yields this year (Upper Riverside, 2022)



With bigger yields anticipated for Peninsula Gardens (2025)



An aerial night view of a city, likely New York City, showing a large river (the Hudson River) and a dense urban landscape with many lit-up buildings. A yellow square is overlaid in the center, containing the word "savills" in red lowercase letters.

savills

Thank you

© Savills 2023

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An update on the Mortgage Market



The Mortgage Market 2022 – What Happened?!

- Mini Budget Mayhem
- Rate Fluctuation
- Affordability Changes
- Lender Service



The Mortgage Market 2023 – Where are we going?

- Stability is the key
- Rates falling
- Focus on energy efficiency
- Product innovation

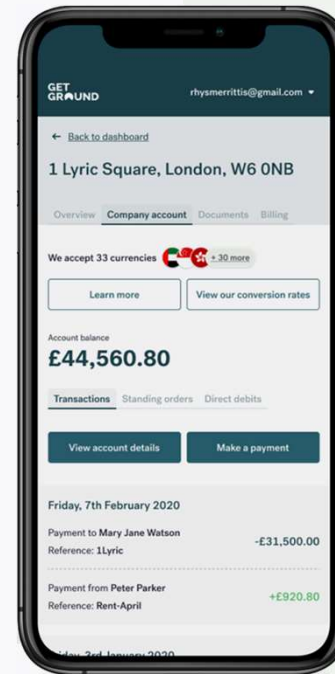
**GET
GROUND**

A perfect buy-to-let limited company.
Buy-to-let, done better.

FASTER | FAIRER | MORE EFFICIENT

What do we do

- ✓ Set up a UK limited company for you
- ✓ Provide a business account for all your property expenses
- ✓ Do everything required to manage your company on an ongoing basis



💡 Purchase property through a company without the hassle and high fees.

ADDRESSING A GROWING TREND

Why use a limited company?

Almost half of UK buy-to-let property purchases are now made through a limited company.

Replacing the old, costly approach to buy-to-let management with a brand new one.

- ✓ Gain tax efficiencies
- ✓ Limit personal liability
- ✓ Buy and sell property easily
- ✓ Improve estate and inheritance planning
- ✓ Access well developed mortgage markets

THE BENEFITS

Details of UK tax advantages.

Gain tax advantages throughout the investment; on purchase, ownership, and sale.

Purchase

Same taxes on property purchase

Personal ownership

–

Company ownership

Same taxes (e.g., SDLT) as personal ownership if you rent out your property to 3rd parties

Ownership

Deduct mortgage interest from your UK tax bill

✘ Replaced with a basic rate credit

✔ This is a significant saving on its own

Efficiently take income from your property

✘ Income Tax as profits arise

✔ Choose between repaying an owner loan or dividends

If you sell, Stamp duty Land Tax (SDLT) for the buyer

✘ Buyer still pays SDLT

✔ No SDLT when buying shares = price advantage

Sale

Lower Capital Gains Tax (CGT)

✘ 18% or 28% CGT tax

✔ 10% or 20% CGT tax for sale of shares

Tax treatment depends on the individual circumstances of each client and may be subject to change in the future. You should seek professional advice in considering the tax position appropriate to your circumstances.

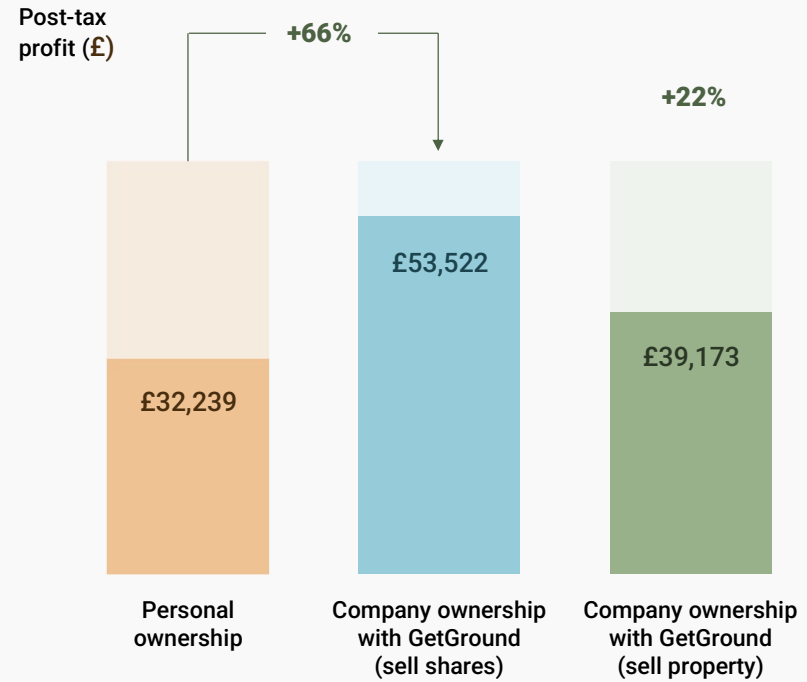
WORKED EXAMPLE

Why use a company?

Open the potential to improved post-tax investment returns.

1

Example investment scenario¹



(1) Reviewed by our chartered accountants. Please ask for the full workings and assumptions. Some key assumptions are an investor is a UK resident and taxed at Higher Rates in England, purchases a property for £500k producing a gross rent of £20k p.a.. Investor uses a 70% LTV interest only mortgage at 3% interest. The property's value increases 3% p.a. and is sold after 5 years. All tax rates are based on 19/20 tax year except Corporation Tax which reflects the rate applying from 1 April 2020. As with any illustration, this is a simplified position and does not take into account individual circumstances which could affect the tax outcomes. Tax legislation is complex and legislation is subject to changes in drafting as well as changes in interpretation by courts and tax authorities. The illustrations are not designed to be an exhaustive example of all the tax implications that may affect you and you should seek professional advice in considering the tax position appropriate to your circumstances.

Slide 36

- 1 @joe.carbonaro@getground.co.uk can you address @dilys.hui@getground.co.uk comment in the thread?

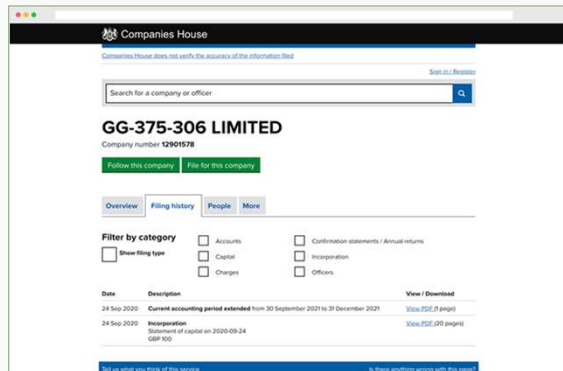
Assigned to Joseph Carbonaro

Alexandra Lampion, 01/07/2022

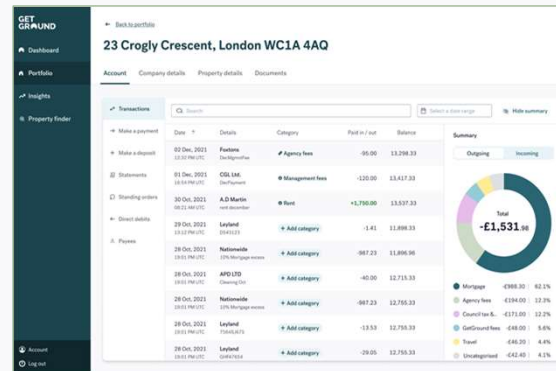
BUY-TO-LET, DONE BETTER

Get ahead, with GetGround.

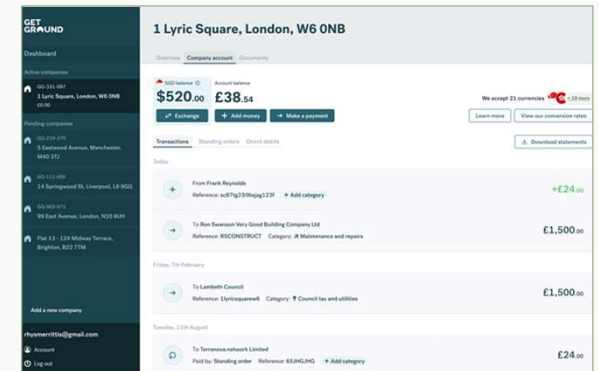
An innovative product with wide-range functionalities.



Programmatic webfiling on UK Companies House



A fully operational buy-to-let business, in minutes.

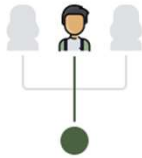


Track of all your property expenses, sign legal documents and more.

Correctly structured, to suit your investment needs.

Select between a standalone or holding company structure for your buy-to-let purchase.

Standalone limited company



Own shares in a limited company that owns the buy-to-let property.

- ✓ Company formation
- ✓ Company structuring
- ✓ Business account
- ✓ Legal documents
- ✓ Accounting & tax returns

Holding company & subsidiary



Own shares in a holding company which owns multiple subsidiary companies.

- ✓ All your properties inside one group
- ✓ Typically for those building a portfolio
- ✓ All the same services as the stand-alone package

GET STARTED TODAY

Simple pricing.

We are 10x more cost effective than alternatives.

- ✓ Select between a standalone or holding company structure.
- ✓ Holding company setup cost is always FREE and also has a subscription fee.
- ✓ Your third company onwards is FREE to set up.

GBUK residents

One time setup

£149

+ VAT
Per company
(standalone or subsidiary)

- ✓ Company formation
- ✓ Legal documents

 Non-UK residents

One time setup

£499

+ VAT
Per company
(standalone or subsidiary)

- ✓ Company structuring
- ✓ Business account

Ongoing subscription fee

£19/mo

+ VAT
Per company
(standalone, subsidiary or holding company)

- ✓ Accounting
- ✓ Secretarial services
- ✓ Tax returns
- ✓ Post management
- ✓ Dividen admin
- ✓ Registered office address

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