
Resale Investment Property Guide

When you are looking to purchase a property, buying resale is the only way to ensure that at the point of exchange, you have instant access to that property. Essentially, this is because when you exchange, you will be exchanging your funds for title to the property, which, as it is complete, you can then use as you wish immediately. This differs from buying off plan, when the exchange of contracts will give you rights to the property itself and also the right to take title to the property, when title has been created. At this stage in an off plan purchase however, you do not have legal ownership, nor is the property complete, therefore there is nothing to access.

This point highlights one of the major advantages of purchasing property that is already complete. A complete, pre-owned property should have established title, which removes the waiting associated with buying off plan, because the existing title deed can often be simply transferred to reflect your ownership.

How does buying resale property work?

When purchasing a resale property, it will normally correspond to one of two main types of property; newly completed property, or established property, both of which simply refer to the age of the property. This again can make a difference to the exact purchase process, because a newly completed property may still be owned by a developer, who did not sell the property off plan, therefore work establishing individual title from the developer may still be required.

The final common situation, which you may encounter when buying a resale property, is known as 'flipping'. This process of buying a property off plan and then selling before completion is well known and in most cases is done in an attempt to secure high short term growth on an initial investment. It is however also the case, that some purchasers situations will change throughout the off plan phase of a development, meaning they are unable or unwilling to complete on the property they are contracted to buy.

In either case, it may be that a property which has been newly completed, but the current purchaser has not yet taken ownership of, will become available. Although purchasing a property in this situation would yield you a complete property, the current 'owner' may not have title to the property. This means that by purchasing, you will be buying their contract, effectively allowing you the right to the property and also the right to title of the property when ready.

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When done properly, it is possible to secure bargains in this way, which attract a price more akin to an off plan property, than a complete property.

What are the benefits?

Buying a resale property, whether that be newly completed, or established is the most straightforward way to buy property in most situations. Benefits can include the fact an existing property will be easy to assess for quality, by having a survey conducted. It is also much easier for many people to decide they like a property by viewing it in the flesh, rather than it's design on paper. It is also likely that a property will be connected to utilities, services and will have mature landscaping.

What are the risks?

When buying a resale property, depending on age, it is possible that the property and it's contents may no longer be protected by the original structural and manufacturers guarantees. This is why it is always extremely important to enquire about any guarantees associated with a property and to seek professional confirmation on the property's condition, by way of a survey.

If a property is established, it may be that there is work needing to be done in order to make the property liveable or rentable. Again, a full survey of the property will reduce any nasty surprises. Purchasing a property which requires work, can however yield a bargain.

Conclusions

As detailed above there are several major types of resale property, all of which will require slightly different purchase processes and consideration. As long as the proper investigation is done and care employed, you can purchase some very special property at very attractive prices.

When purchasing resale property abroad, you will often find that properties will be in excellent locations. For example, in the case of Turkey, resale properties can be bought in coastal zones, where no further development will be permitted. Buying resale also gives you the chance to purchase a private property, not within a development, which can increase the privacy and exclusivity of your property.

The above information and estimates are prepared to the best of our knowledge. Edison Ford accepts no liability for errors or omissions.